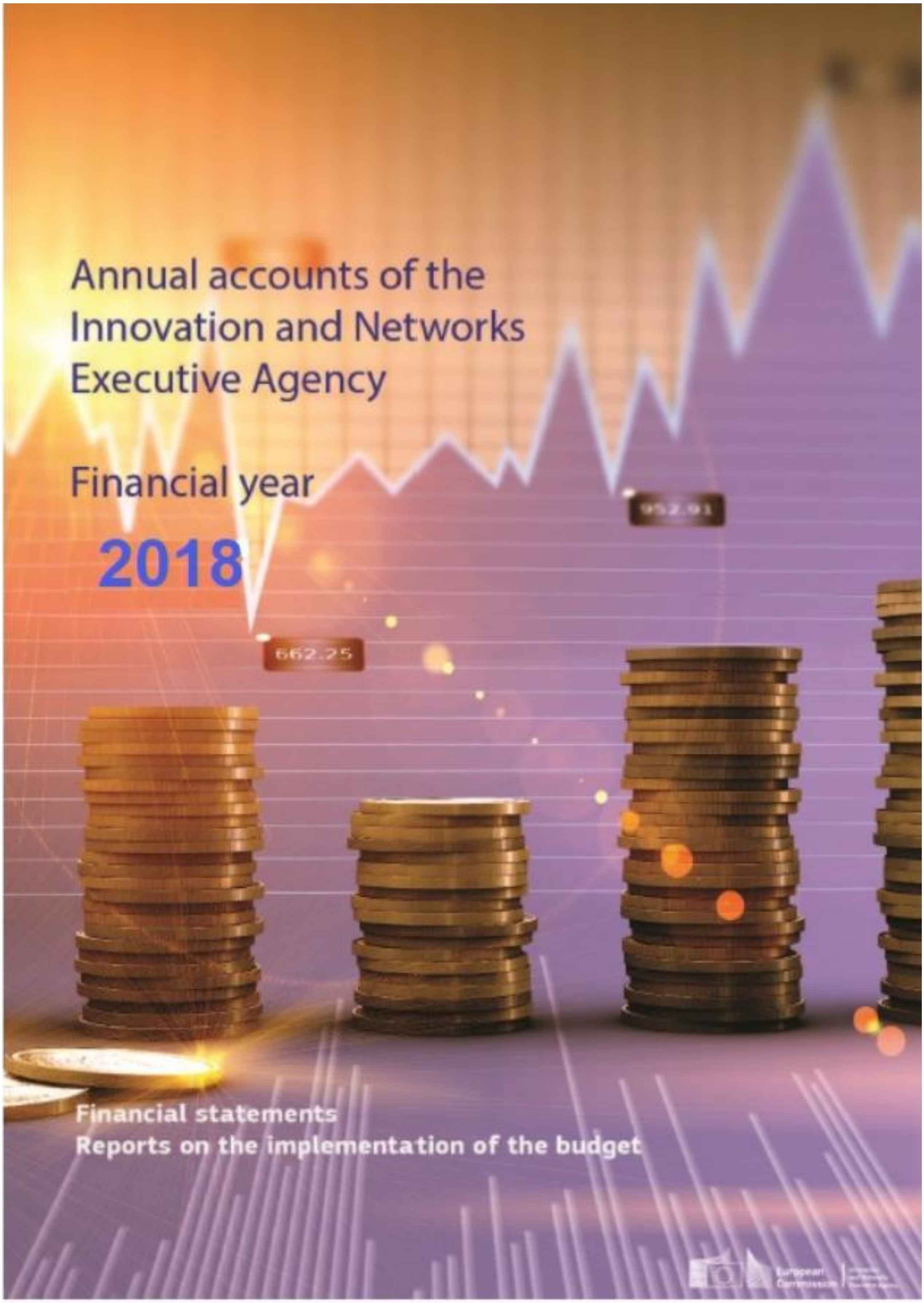

Annual accounts of the Innovation and Networks Executive Agency

Financial year

2018

Financial statements
Reports on the implementation of the budget

European Commission

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Certification

The annual accounts of the Innovation and Networks Executive Agency (INEA) for the year 2018 have been prepared in accordance with the Title IX of the Financial Regulation applicable to the general budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Innovation and Networks Executive Agency in accordance with Article 68 of the Financial Regulation.

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

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

/ signed/

Brussels, 11 June 2019

Milena Chakarova

Accounting Officer

Introduction

LEGAL BASIS

The 2018 financial statements of the Innovation and Networks Executive Agency (INEA) and its reports on budget implementation for 2018 were prepared in conformity with:

- Commission Regulation 1653/2004, of 21 September 2004, on a standard financial regulation for the executive agencies pursuant to Council Regulation 58/2003 laying down the Statute for executive agencies to be entrusted with certain tasks in the management of Community programmes amended by Commission Regulation 1821/2005 and by Commission Regulation 651/2008;

- Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002;

- Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;

- The Accounting Rules adopted by the Accounting Officer of the Commission. These rules were initially adopted on 28 December 2004 and modified and developed subsequently;

- The European Commission's consolidation manuals for the 2018 closure exercise.

BACKGROUND INFORMATION

Executive Agencies are established by the Commission in accordance with Council Regulation (EC) No 58/2003[1] with the purpose of delegating certain tasks relating to the management of EU programmes, including budget implementation. This enables the Commission to focus on its core activities and to dispose of sufficient technical expertise for the management of such programmes with the goal to achieve a more efficient implementation.

Based in Brussels, INEA is the successor of the former Trans-European Transport Network Executive Agency. It was established in December 2013 by the Commission Decision C(2013)9235, of 23 December 2013 and repealing Decision 2007/60/EC as amended by Decision 2008/593/EC, delegating powers to INEA with a view to the performance of tasks linked to implementation of the Community Programmes for grants in the field of trans-European transport network, comprising in particular implementation of appropriations entered in the Community budget

As an executive agency, its core activities lie in EU programme execution and project management, thus contributing to the annual execution of the EU budget. INEA was delegated responsibilities by the Commission that cover the management of new EU funding schemes under the 2014-2020 Multi-Annual Financial Framework (MFF):

- Parts of the Connecting Europe Facility (CEF);

- Parts of the Part III Societal Challenges Specific Programme under the H2020 research and innovation funding programme.

[1] Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes (OJ L 11 of 16.01.2003).

The Agency is also entrusted with the following legacy programmes:

- The Trans-European Transport Network Programme (TEN-T) under the 2007-2013 MFF
- The Marco Polo Programme under the 2007-2013 MFF

The transport part of the CEF is the successor of the TEN-T Programme. Under the new MFF 2014-2020, the CEF combines transport, energy and telecom. The aim of the CEF is:

- To bridge the missing links in European infrastructure providing for seamless cross-border connections, enhancing inter-modality and interoperability of the transport infrastructure whilst enabling de-carbonisation of the system and optimising safety
- To upgrade Europe's energy transmission infrastructure, ensuring security of supply and supporting large-scale deployment of energy from renewable sources
- To stimulate the deployment and modernisation of broadband networks and promoting the interconnection and interoperability of national, regional and local networks

The CEF's ultimate goal is to contribute to a more competitive, greener and efficient European economy in line with the Europe 2020 Strategy, whilst completing the internal market.

The Horizon 2020 Programme's objective is to create an enabling environment that promotes excellent science, industrial leadership and tackles societal challenges. As part of the Societal Challenges Specific Programme, the Agency has been entrusted with part of the programme 'Smart, Green and Integrated Transport' that aims to achieve a competitive, safe and seamless European transport system that is also resource efficient and climate and environmentally friendly. A second Challenge transferred to the Agency is 'Secure, Clean and Efficient Energy' designed to support the transition to a reliable, sustainable and competitive energy system.

The indicative budget to be managed by INEA for 2014-2020 MFF in € billion is:

- CEF Transport 23.2
- CEF Energy 4.6
- CEF Digital 0.5
- H2020 Transport 2.2
- H2020 Energy 3.0

The ongoing Marco Polo Programme managed by the former Executive Agency for Competitiveness and Innovation (EACI) was transferred to INEA in January 2014. It aims to ease road congestion and the pollution it causes by promoting a switch to greener transport modes for European freight traffic. It is addressed to private transportation companies willing to shift freight from roads to greener modes.

Finally, in 2018 INEA closed the TEN-T legacy Programme, which supported the development of European transport infrastructure with high added value for improving European mobility as a whole.

The Agency's mission is to support the Commission, project managers and stakeholders by providing expertise and high quality of programme management to infrastructure, research and innovation projects in the fields of transport, energy and telecommunications, and to promote synergies between these activities, to benefit economic growth and EU citizens.

The Commission, and in particular INEA's four parent Directorates General (DG), DG Mobility and Transport (DG MOVE), DG Research and Innovation (DG RTD), DG Communications Network, Content and Technology (DG

CNECT) and DG Energy (DG ENER), define the policy, strategy, objectives and priorities of the funding programmes. Together with a Steering Committee, they are also responsible for supervising and monitoring the Agency's activities in accordance with the rules in force[2]. The Steering Committee is comprised of five members (one from each parent DGs as well as DG HR), and four observers. The delegation of powers and definition of INEA's tasks, as well as the regulations and procedures with which it has to comply, are set out in its Delegation Act[3].

At the end of 2018, INEA's multi-national team consisted of 282 staff representing 26 EU nationalities. They include specialists in finance, project management, transport, energy, ICT, engineering, and legal affairs.

INEA's status as an executive agency means it has two fundamental features: *autonomy* because it has its own legal personality and can adopt legal acts, as well as its own administrative budget for operating costs and *dependence* because it can only perform tasks delegated by the Commission, and all financial operations must comply with the Financial Regulation (FR) and Rules of Application.

The Agency's Director has a delegation from the Commission to act as Authorising Officer to directly implement the operational budget. INEA's administrative budget is governed by a specific regulation for executive agencies, which closely follows the FR while allowing specific requirements. The Director acts as Authorising Officer for the administrative budget, and the accounting for administrative expenses is the responsibility of the Agency's Accounting Officer.

The Agency's annual accounts are audited by the European Court of Auditors (ECA), its external auditor. The ECA's task is to conduct an external, independent audit of INEA's annual accounts. It produces a report on the activities financed from the general budget, detailing any observations on the annual accounts and underlying transactions. The ECA issues an opinion based on the audit and presented in the form of a statement of assurance on the reliability of the accounts and the legality and regularity of the underlying transactions.

The final step of the budget lifecycle is the discharge of the budget for the given financial year. The European Parliament is the discharge authority within the EU. Following the audit and finalisation of the annual accounts, it falls to the Council to recommend and then to the European Parliament to give a discharge to the Agency as part of the Commission's budget.

[2] Council Regulation (EC) No 58/2003 laying down the statute for Executive Agencies to be entrusted with certain tasks in the management of Community programmes; Commission Regulation (EC) No 1653/2004 of 21 September 2004, on the Financial Regulation for the Executive Agencies pursuant to Council Regulation (EC) No 58/2003, as amended by (EC) No 651/2008 of 9 July 2008.

[3] Decision C(2013) 9235 of 23 December 2013 delegating powers to the Innovation and Networks Executive Agency with a view to the performance of tasks linked to the implementation of Union programmes in the field of transport, energy and telecommunications infrastructure and in the field of transport and energy research and innovation comprising, in particular, implementation of appropriations entered in the general budget of the Union

Financial statements

BALANCE SHEET

EUR

	Note	31/12/2018	31/12/2017
NON-CURRENT ASSETS		**724,826**	**862,809**
Intangible assets	2.1	**59,340**	**35,710**
Tangible assets	2.2	**168,950**	**134,043**
Plant and equipment		4,175	8,327
Computer hardware		69,407	70,133
Furniture and vehicles		14,793	21,391
Other fixtures and fittings		80,575	28,733
Assets under financial lease		0	5,459
Long-term receivables and recoverables	2.3	**496,536**	**693,056**
Long-term receivables and recoverables		496,536	693,056
CURRENT ASSETS		**1,930,579**	**1,800,180**
Receivables and recoverables	2.4	**130,985**	**114,254**
Current receivables		0	0
Current receivables with consolidated entities		0	0
Sundry receivables		26,884	12,798
Deferred charges		104,101	101,456
Cash and cash equivalents	2.5	**1,799,594**	**1,685,926**
TOTAL ASSETS		**2,655,405**	**2,662,989**
NON-CURRENT LIABILITIES		**0**	**0**
Liabilities arising from financial lease	2.6	**0**	**0**
CURRENT LIABILITIES		**(1,373,587)**	**(1,363,080)**
Payables	2.7	**(368,647)**	**(315,015)**
Long-term liabilities falling due within the year		0	(3,144)
Current payables		0	(36,995)
Sundry payables		(20,240)	(14,017)
Accounts payable to consolidated EU entities		(348,407)	(260,859)
Accrued charges and deferred income		**(1,004,940)**	**(1,048,065)**
Accrued charges with non-consolidated entities	2.8	(769,195)	(680,649)
Accrued charges with consolidated entities	2.9	(235,745)	(367,416)
TOTAL LIABILITIES		**(1,373,587)**	**(1,363,080)**
NET ASSETS		**1,281,818**	**1,299,909**
Accumulated surplus/deficit		**1,299,909**	**886,599**
Economic result of the year		**(18,091)**	**413,310**

STATEMENT OF FINANCIAL PERFORMANCE

EUR

	Note	2018	2017
OPERATING REVENUE		**26,323,769**	**24,146,902**
Non-exchange revenue	3.1	**26,321,593**	**24,085,741**
European Union contributions		26,321,593	24,085,741
Exchange revenue	3.2	**2,176**	**61,161**
Income from non-consolidated entities		1,993	47,071
Income from consolidated entities		0	11,838
Gains from exchange rate differences		183	2,252
OPERATING EXPENSES	3.3	**(26,341,818)**	**(23,732,104)**
Staff expenses		(19,838,904)	(17,525,636)
Fixed assets related expenses		(102,066)	(90,967)
Building expenses with non-consolidated entities		(2,461,020)	(2,343,037)
Building expenses with consolidated entities		(682,782)	(539,969)
Other administrative expenses with non-consolidated entities		(1,652,182)	(1,795,070)
Other administrative expenses with consolidated entities		(1,603,627)	(1,434,958)
Losses from exchange rate differences		(1,237)	(2,467)
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		**(18,049)**	**414,798**
FINANCIAL REVENUE	3.4	**1**	**1,713**
Interest income on cash		1	1,713
FINANCIAL EXPENSES	3.5	**(43)**	**(3,201)**
Bank charges		0	0
Interest expenses with non-consolidated entities		(43)	(3,201)
SURPLUS/(DEFICIT) FROM NON-OPERATING ACTIVITIES		**(42)**	**(1,488)**
ECONOMIC RESULT OF THE YEAR		**(18,091)**	**413,310**

CASH FLOW STATEMENT

EUR

	Note	2018	2017
Economic result of the year		**(18,091)**	**413,310**
Operating activities	4.1		
Amortisation		21,330	11,286
Depreciation		79,954	79,566
(Increase)/Decrease in receivables and recoverables		179,791	(312,542)
(Increase)/Decrease in receivables from consolidated EU entities		0	0
Increase/(Decrease) in financial liabilities		(3,144)	(4,010)
Increase/(Decrease) in other liabilities		(43,124)	259,433
Increase/(Decrease) in payables		(30,773)	50,670
Increase/(Decrease) in liabilities to consolidated EU entities		87,547	(68,217)
(Gains)/losses on sale of property, plant and equipment		783	115
Net cash-flow from operating activities		**292,364**	**16,301**
Investing activities	4.2		
Purchase of intangible assets and property, plant and equipment		(160,603)	(78,592)
Net cash flow from investing activities		**(160,603)**	**(78,592)**
Net increase/(decrease) in cash and cash equivalents		113,669	351,019
Cash and cash equivalents at the beginning of the year		1,685,926	1,334,907
Cash and cash equivalents at year-end		**1,799,594**	**1,685,926**

STATEMENT OF CHANGES IN NET ASSETS

EUR

	Accumulated Surplus/Deficit	Economic result of the year	Net Assets (Total)
Balance at 31 December 2017	**886,599**	**413,310**	**1,299,909**
Changes in accounting policies			
Balance at 1 January 2018	**886,599**	**413,310**	**1,299,909**
Allocation of the economic result of previous year	413,310	(413,310)	0
Economic result of the year		(18,091)	(18,091)
Balance at 31 December 2018	**1,299,909**	**(18,091)**	**1,281,818**

Notes to the financial statements

A complete set of financial statements is used to give readers an overview of the financial results and the financial situation of the entity. The financial statements of INEA are comprised of four reports, which are as follows:

- *Balance sheet*. Presents the assets, liabilities, and equity of the Agency as of the reporting date. It also provides information about the liquidity and the capitalisation of the organisation.
- *Statement of financial performance*. Presents the revenue, expenses, and profits/loss generated during the reporting period. The report gives information about the operating results of the Agency.
- *Cash flow statement*. Presents the cash inflows and outflows that occurred during the reporting period. It can provide a useful comparison to the statement of financial performance, especially when the amount of profit or loss reported does not reflect the cash flows generated during the year.
- *Statement of changes in net assets*. Presents changes in equity during the reporting period.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. LEGAL BASIS AND ACCOUNTING RULES

The accounts are kept in accordance with Commission Regulation (EC) N° 1653/2004 of 21 September 2004[4] on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) N° 58/2003. Art 2 of the standard financial regulation defines in which cases executive agencies shall also apply the Financial Regulation applicable to the general budget of the European Communities (Regulation (EU, Euratom) N° 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union[5] together with its rules of application (Commission Delegated Regulation (EU), Euratom) N° 1268/2012 of 29 October 2012).

The financial statements are prepared on the basis of the EU Accounting Rules, as adopted by the Commission's Accounting Officer, which adapts the International Public Sector Accounting Standards (and in some cases the International Financial Reporting Standards) to the specific environment of the EU. The reports on implementation of the budget continue to be primarily based on movements of cash.

The accounting system of the Agency is comprised of general accounts and budget accounts. These accounts are kept in euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget, and are based on the modified cash accounting principle.[6] The general accounts allow for the preparation of the financial statements as they show all expenditure and income for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

1.2. ACCOUNTING PRINCIPLES

The objectives of the financial statements are to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. For a public sector entity such as the Agency, the objectives are more specifically to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

[4] Amended by Commission Regulation (EC) No 651/2008 of 9th July 2008
[5] Repealing Council Regulation (EC, Euratom) No 1605/2002
[6] This differs from cash-based accounting because of elements such as carryovers.

Article 53 of the standard Financial Regulation for executive agencies (Commission Regulation (EC) N° 1653/2004 amended by Commission Regulation (EC) N° 651/2008) sets out the accounting principles to be applied in drawing up the financial statements:

Going concern principle

When preparing financial statements, an assessment of an entity's ability to continue as a going concern should be made. Financial statements should be prepared on a going concern basis unless there is an intention to liquidate the entity or to cease operating, or if there is no realistic alternative but to do so. These financial statements have been prepared in accordance with the going concern principle, which means that the Agency is deemed to have been established for an indefinite duration.

Principle of prudence

The principle of prudence means that assets and income should not be overstated and liabilities and charges should not be understated. However, the principle of prudence does not allow the creation of hidden reserves or undue provisions.

Principle of consistent accounting methods

The principle of consistent accounting methods means that the structure of the components of the financial statements and the accounting methods and valuation rules may not be changed from one year to the next.

The Agency's Accounting Officer may not depart from the principle of consistent accounting methods other than in exceptional circumstances, in particular:

- In the event of a significant change in the nature of the entity's operations
- Where the change made is for the sake of a more appropriate presentation of the accounting operations

Principle of comparability of information

The principle of comparability of information means that for each item the financial statements should also show the amount of the corresponding item the previous year. Where the presentation or the classification of one of the components of the financial statements is changed, the corresponding amounts for the previous year should be made comparable and reclassified. Where it is impossible to reclassify items, this should be explained in the annex to the financial statements.

Principle of materiality

The materiality principle means that all operations which are of significance for the information sought should be taken into account in the financial statements. Materiality should be assessed in particular by reference to the nature of the transaction or the amount.
Transactions may be aggregated where:

- The transactions are identical in nature, even if the amounts are large
- The amounts are negligible
- Aggregation makes for clarity in the financial statements

Principle of no-netting

The no-netting principle means that receivables and debts may not be offset against each other, nor may charges and income, save where charges and income derive from the same transaction, from similar transactions or from hedging operations and provided that they are not individually material.

Principle of reality over appearance

The principle of reality over appearance means that accounting events recorded in the financial statements should be presented by reference to their economic nature.

Accrual-based accounting principle

In order to meet their objectives, financial statements are prepared on the accrual basis of accounting. Under this basis, the effects of transactions and other events are recognised when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

Where, in a specific case, the Accounting Officer considers that an exception should be made to the content of one of the accounting principles defined above, this exception must be duly substantiated and reported in the annex to the financial statements.

1.3. BASIS OF PREPARATION

Functional and reporting currency

The financial statements are presented in Euro (€), which is the functional and reporting currency of the EU and of the Agency.

Transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary items in foreign currency into euro at year-end are recognised in the statement of financial performance.

Chart of Accounts

The chart of accounts used by the Agency follows the structure of the chart of accounts of the European Commission.

Use of estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts presented and disclosed in the financial statements of the Agency. Significant estimates and assumptions in these financial statements require judgment 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.

1.4. BALANCE SHEET

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

1.4.1. Fixed assets

Intangible fixed assets are valued at their acquisition price, with the exception of assets acquired free of charge that are valued at their market value. Tangible and intangible fixed assets are valued at their historic cost converted into Euro at the rate applying when they were purchased. The book value of a fixed asset is equal to its acquisition price or production cost, adjusted with revaluations, depreciation and other amounts written off.

Subsequent costs are recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

1.4.2. Depreciation rates

Type of asset	Straight line depreciation rate
Intangible assets	25%
Plant, machinery and equipment	12.5-25%
Furniture	10-25%
Fixtures and fittings	12.5-25%
Computer hardware	25%

1.4.3. Financial assets

The Agency has as financial assets its receivables and current bank accounts. Receivables arise when the Agency provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities more than 12 months of the balance sheet date. See note 7 below for more information.

1.4.4. Receivables

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the Agency will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

See note 1.4.9 below concerning the treatment of accrued income at year-end.

1.4.5. Cash and cash equivalents

Cash and cash equivalents are financial instruments and classified as available for sale financial assets. They include cash at hand and deposits held at call with banks.

1.4.6. Provisions

Provisions are recognised when the Agency has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

1.4.7. Financial liabilities

The Agency has as financial liabilities its payables. They are classified as current liabilities, except for maturities more than 12 months after the balance sheet date. See point 1.4.8 below.

1.4.8. Payables

A significant amount of payables are related to the purchase of goods or services. Those are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the Agency.

1.4.9. Accrued and deferred income and charges

According to the EU Accounting rules, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Commission and by the Agency which aim at ensuring that the financial statements reflect a true and fair view.

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

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

1.5. STATEMENT OF FINANCIAL PERFORMANCE

1.5.1. Revenue

Non-exchange revenue makes up the vast majority of the Agency revenue and includes mainly the EU subsidy.

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

Interest income consists of bank interest received.

1.5.2. Expenses

According to the principle of accrual-based accounting, the financial statements take account of expenses relating to the reporting period, without taking into consideration the payment date - meaning when the goods or services are used or consumed.

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

Non-exchange expenses relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations.

Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation (Financial Regulation, Staff Regulations, or other regulation) or a contract has been signed authorising the transfer, any eligibility criteria have been met by the beneficiary, and a reasonable estimate of the amount can be made.

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

1.6. CONTINGENT ASSETS AND LIABILITIES

1.6.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency. It is not recognised because the amount of the obligation cannot be measured with sufficient reliability. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.6.2. Contingent liabilities

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

1.6.3. Consolidation

According to Article 57 of Commission Regulation 1653/2004, the INEA's accounts are consolidated with the Commission's annual accounts.

2. NOTES TO THE BALANCE SHEET

NON-CURRENT ASSETS

The Agency uses ABAC Assets as inventory application which is an integrated part of the ABAC platform. The non-current intangible and tangible (property, plant and equipment) assets are also called fixed assets.

2.1. INTANGIBLE ASSETS

Intangible fixed assets are identifiable non-monetary assets without physical substance. To be entered in the financial inventory on the assets side of the balance sheet, they must be controlled by the Agency and generate future economic benefits for the Agency. Additionally, they should have a purchase price above €700.

In 2017 the Agency increased the threshold for purchased assets to €700. The threshold was revised following the extension of the Agency's activities and the increase of the threshold applied by the European Commission. For internally-developed intangible assets the Agency applied the threshold of €500,000. For more information about IT internal developments see point 3.3.4.

In 2018, INEA acquired and classified as an intangible asset a short movie about the 10th anniversary of the Agency for the amount of €44,960.01. There were no disposals or impairments of intangible assets. The assets were depreciated monthly with an annual depreciation rate of 25%.

The variation of the intangible fixed assets in 2018 is composed of:

2018	Computer Software	Other Intangible Assets	Total EUR
Gross carrying amounts 01/01/2018	**114,200.36**	**34,890.06**	**149,090.42**
Additions/disposals	0	44,960.01	44,960.01

Gross carrying amounts 31/12/2018	**114,200.36**	**79,850.07**	**194,050.43**
Accumulated amortisation and impairment 01/01/2018	**(108,292.36)**	**(5,088.06)**	**(113,380.42)**
Amortisation	(4,177.00)	(17,153.01)	(21,330.01)
Accumulated amortisation and impairment 31/12/2018	**(112,469.36)**	**(22,241.07)**	**(134,710.43)**
Net carrying amounts 31/12/208	**1,731.00**	**57,609.00**	**59,340.00**

2.2. TANGIBLE ASSETS

Tangible fixed assets are identifiable non-monetary assets with physical substance. To be entered in the financial inventory on the assets side of the balance sheet, they must be controlled by the Agency and generate future economic benefits or increase the service potential of the Agency. Additionally, they should have a purchase price above €700. Items with lower value, such as desktop computers, digital cameras and monitors are treated as expenses of the year, but they are registered in the physical inventory. Repairs and maintenance are charged to the economic period in which they have occurred.

The tangible assets on 31 December 2018 amount to €168,950.00. The acquisitions of tangible assets in 2018 are comprised of:

- IT and electronic equipment: notebooks, desktops, copy and printing equipment and mobile phones
- Office equipment
- Video conference equipment.

The tangible IT assets are depreciated monthly with the annual rates set in the assets catalogue of DG DIGIT and listed in point 1.4.2.

During the year the Agency retired assets which were either damaged or obsolete.

The variation of the tangible fixed assets in 2018 is composed of:

2018	Plant and equipment	Computer hardware	Furniture and vehicles	Other fixtures and fittings	Assets under financial lease	Total EUR
Gross carrying amounts 01/01/2018	**24,374.46**	**336,559.71**	**74,896.11**	**74,306.89**	**16,201.14**	**526,338.31**
Additions	0	36,584.42	2,545.00	76,596.51	0	**115,725.93**
Disposals	(459.53)	(24,479.45)	(1,720.32)	(5,682.10)	0	**(32,341.40)**
Transfer		16,201.14			(16,201.14)	**0.00**
Other changes				(82.62)		**(82.62)**
Gross carrying amounts 31/12/2018	**23,914.93**	**364,865.82**	**75,720.79**	**145,138.68**	**0.00**	**609,640.22**
Accumulated amortisation and impairment 01/01/2018	**(16,047.46)**	**(266,426.71)**	**(53,505.11)**	**(45,573.89)**	**(10,741.85)**	**(392,295.02)**
Depreciation	(4,152.00)	(43,278.42)	(8,360.00)	(24,671.89)	0.00	**(80,462.31)**
Write-back of depreciation					508.71	**508.71**

Disposals	459.53	24,479.45	937.32	5,682.10		**31,558.40**
Transfer		(10,233.14)			10,233.14	**0.00**
Accumulated amortisation and impairment 31/12/2018	**(19,739.93)**	**(295,458.82)**	**(60,927.79)**	**(64,563.68)**	**0.00**	**(440,690.22)**
Net carrying amounts 31/12/2018	**4,175.00**	**69,407.00**	**14,793.00**	**80,575.00**	**0.00**	**168,950.00**

2.3. LONG-TERM RECEIVABLES AND RECOVERABLES

In 2016 the Agency signed an amendment to its rental contract for the office premises until 31 December 2020. INEA paid a rental guarantee to the building owner for the amount of €125,000.00. The figures under this heading represent the amount of the guarantee obligation according to the office rental contract and the works done by the owner of the Agency's office premises in order to bring the rented space to the standard set up by the European Commission. The works are amortised using the straight-line amortisation method over the period 2016-2020.

The Agency carried out works in 2015 – 2017 for €809,235.72 which are being amortised over the duration of the rental contract. Additionally, the amount of the works carried out in 2018 was €3,122.59.
The accumulated amortisation on 31 December 2018 is €437,700.12 and includes charges for works carried out in the period 2015 - 2017. The net amount of the works as of 31 December 2018 is €371,535.60 and will be spread over the period 2019-2020.

Item	Amount
2015 Renovation works carried out in the newly-rented office premises and deferred to 2016-2018	58,000.00
2016 Renovation works carried out in the newly-rented office premises and deferred to 2017-2020	310,081.43
2017 Renovation works carried out in the newly-rented office premises and deferred to 2018-2020	441,154.29
2018 Renovation works carried out in the newly-rented office premises and deferred to 2019-2020	3,122.59
Amortisation of the works until 31 December 2018	(440,822.71)
Net amount of the works as of 31 December 2018	**371,535.60**
Guarantee, part of the rental contract of the W910 office premises	125,000.00
Total	**496,535.60**

CURRENT ASSETS

2.4. RECEIVABLES AND RECOVERABLES

Item	2018	2017
Sundry receivables	26,883.77	12,798.17
Deferred charges *(see below)*	104,100.78	101,456.41

Total	**130,984.55**	**114,254.58**

The sundry receivables for €26,883.77 represent miscellaneous items overpaid to staff members by INEA (on its own account or on behalf of the Commission or other Institutions) and which will be regularised in the short term.

The deferred charges are comprised of expenses for the years 2019-2023, recorded in the accounts in 2018 or previous years and deferred to the appropriate financial periods. Their split is as follows:

Item	2018	2017
Subscriptions for media services and to professional organisations	3,650.98	13,848.08
School busses and staff transport contribution	11,558.20	0
Licences and maintenance of IT and office equipment	70,662.79	72,332.64
Trainees	14,121.96	11,130.62
Staff, building, IT and fire insurance	4,106.85	4,145.07
Total	**104,100.78**	**101,456.41**

2.5. CASH AND CASH EQUIVALENTS

The amount of €1,799,594.12 corresponds to the cash balance held on 31 December 2018 in its bank account at ING Belgium. The Agency does not hold petty cash.

NON-CURRENT LIABILITIES

2.6. LIABILITIES ARISING FROM FINANCIAL LEASE

There are no non-current liabilities on 31 December 2018.

CURRENT LIABILITIES

2.7. PAYABLES

Item	2018	2017
Long-term liabilities falling due within the year	0	3,143.60
Current payables	0	36,995.46
Sundry payables	20,239.66	14,017.27
Accounts payable to consolidated entities	348,406.72	260,859.48
Total	**368,646.38**	**315,015.81**

Long-term liabilities falling due within the year: in 2016, the Agency concluded a contract for the financial lease of two copy machines for the total amount of €8,139.28. The lease is treated according to EC Accounting Rule Nr. 8 Leases. The copy machines were registered in the inventory as fixed IT assets and have been depreciated. Their net carrying value on 1 January 2018 was €3,143.60 and classified as short-term. In 2018 the Agency used the buy-out option and purchased the equipment.

Minimum lease payments	2016	2017	2018	Purchase option 2018	Total
Capital	985.83	4,009.86	3,078.48	65.11	8,139.28
Interest	54.55	151.67	42.66		248.88
Total	**1,040.38**	**4,161.53**	**3,121.14**	**65.11**	**8,388.16**

Sundry payables for the amount of €20,239.66 are the amounts deducted from staff salaries for the attendance of childcare facilities and payable to the service providers.
Accounts payable to consolidated entities for €348,406.72 represent the balance of the budgetary outturn account at the end of 2018. This amount should be reimbursed to the European Commission.
For more details please refer to the reports on budget implementation.

2.8. ACCRUED CHARGES WITH NON-CONSOLIDATED ENTITIES

Accruals for goods and services

This amount represents goods and services received in 2018 but not yet recorded as supplier payables on 31 December 2018. The expenses are of two types:

- Invoices to be received which correspond exactly to the amounts accrued.
- Provisions set aside to pay for services or goods received in 2018. As the exact amount was not known when finalising the accounts, estimation was made based on the contractual or other information.

Accruals	Amount	Estimation method
Charges for office premises	112,111.06	Contract with the supplier, budget follow-up tool
Office supplies, IT maintenance and subscriptions	3,934.40	Contracts with the suppliers, budget follow-up tool
Communication expenses	1,180.19	Contract with the supplier, budget follow-up tool
IT services	118,358.65	Contracts with the suppliers, budget follow-up tool
Missions	24,986.12	Mission statements, invoices from the supplier, budget follow-up tool
Trainings	8,797.20	Budget follow-up tool
Events-related expenses	1,201.90	Budget follow-up tool
Audits by external companies	52,896.20	Contract with the supplier, budget follow-up tool
Interim staff	41,117.37	Invoices from January 2019, budget follow-up tool
Staff activities	15,420.00	Budget follow-up tool
Other services	1,347.46	Contracts with the suppliers, budget follow-up tool
Total accruals with non-consolidated entities:	**€381,350.55**	

Accruals for staff expenses

Accruals	Amount	Estimation method
Untaken leave	379,565.46	1,842 days of untaken annual leave of the staff for 2018, which will be used in 2019
2018 salary expenses	8,279.34	5 newcomers in December 2018
Total staff accruals	**€387,844.80**	

2.9. ACCRUED CHARGES WITH CONSOLIDATED ENTITIES

This amount represents goods and services received in 2018 but not yet booked as suppliers payables on 31 December 2018. The accruals are based on the Service Level Agreements signed with Commission Directorates or other EU bodies.

Accruals	Amount	Estimation method
DG HR	62,836.77	Budget follow-up tool
PMO (Pay Master Office)	39,957.00	Budget follow-up tool
DG OIB	118,959.44	Budget follow-up tool
DIGIT	10,000.00	Budget follow-up tool
DG OP	1,387.96	Budget follow-up tool
Translation Centre	2,603.50	Budget follow-up tool
Total accrued expenses	**€235,744.67**	

NET ASSETS

The net assets amount to €1,281,817.87 and comprise the total of the economic result of previous years for the amount of €1,299,909.55 and the economic result of the current year – a loss for the amount of €18,091.68.

The economic result of the year is different from the budgetary result due to the differences between the general and budgetary accounts. Additional information concerning the reconciliation between both accounts is provided in the reports on the budget implementation.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

3.1. NON-EXCHANGE REVENUE

The non-exchange revenue for the amount of €26,321,593.28 represents the European Union contribution (subsidy) received from the Commission. For the exact calculation of the budgetary outturn, please refer to point Budget result on page 29.

3.2. EXCHANGE REVENUE

Item	2018	2017
Income from non-consolidated entities:		

Reimbursed legal expenses on successful court cases	0	45,719.50
Recovery of expenses from previous years	1,992.70	1,351.78
Income from consolidated entities:		
Recovery of expenses from previous years	0	11,838.00
Gains from exchange rate differences	182.35	2,252.29
Total	**2,175.05**	**61,161.57**

The gains from exchange rate differences arose from payments to staff salaries in GBP and RON.

3.3. OPERATING EXPENSES

3.3.1. Staff expenditure

Staff expenditure includes total gross salaries and allowances, social and pension contributions and the accrual for untaken holidays. The total expenditure for 2018 is for the amount of €19,838,904.46.

3.3.2. Fixed assets related expenses

The item is for the amount of €102,066.61 and comprises the depreciation and the amortisation of the long-term assets in possession of the Agency.

3.3.3. Building expenses

The two items for building expenses with consolidated and non-consolidated entities are for the total of €3,143,802.07. They comprise the expenses for the rent, maintenance, taxes, utilities, security, wall re-partitioning and various other services for the upkeep of the building during the year.

3.3.4. Other administrative expenses

Item	2018	2017
Office supplies and maintenance	218,500.70	266,292.08
Communication and publication expenses	109,559.45	156,654.49
Building maintenance related costs	0	(24,514.80)
Recruitment costs	23,473.91	28,998.09
Training costs	79,431.43	58,976.63
Missions of staff	361,537.82	265,193.39
Experts and related expenditure	3,840.02	4,276.02
Medical, administrative and childcare services to staff	0	102,795.82
Legal and insurance expenses	10,794.77	14,734.18
IT external developers *(see paragraph below)*	402,141.18	386,187.71
IT internal developers *(see paragraph below)*	0	0
Other external service providers *(see table below)*	442,902.54	535,476.66
Total	**1,652,181.82**	**1,795,070.27**

IT developments

INEA applies a threshold of €500,000 for IT developments by the Agency to consider them as intangible assets. IT developments with value above the threshold are recorded in the inventory as an intangible asset. Developments for lower value are booked as expenses for the period.

In 2018 INEA did not develop any new IT product.
In the period 2014-2017 the Agency developed the application TENtec - the project management software of the TEN-T and CEF programmes. The software is owned by DG MOVE and all development expenses were charged to the financial result for the period. In 2017 the software went into its operational phase with an ongoing maintenance, keeping it up-to-date and adding new features. No new modules have been planned for development.

Two Agency staff members and thirteen external consultants worked on the application during 2018.

Other external service providers

Item	2018	2017
Audits by external contractors	135,371.28	122,665.59
Interim staff	238,026.41	292,334.84
Catering for INEA events	43,320.10	107,731.64
Organisation of INEA events	16,366.55	773.59
Translation costs	0	(230.00)
Internal removal services	9,818.20	9,862.82
Trainees	0	2,338.18
Total	**442,902.54**	**535,476.66**

3.3.5. Other administrative expenses with consolidated entities

The total of €1,603,626.87 comprises of:

Item	2018	2017
Staff-related services provided by PMO	330,593.53	217,337.18
Staff trainings	109,910.88	95,368.79
Trainees	53,496.50	55,653.12
Furniture and other non-building services	81,557.66	70,832.63
Translations	23,527.00	38,389.75
Medical services for staff	117,253.97	87,233.01
IT related services	465,942.81	509,654.83
Childcare facilities	392,628.00	358,987.00
Publications and interpretation expenses	28,716.52	1,501.64
Total	**1,603,626.87**	**1,434,957.95**

3.4. FINANCIAL REVENUE

Financial revenue for the amount of €1,11 is the interest generated on the bank account of the Agency.

3.5. FINANCIAL EXPENSES

Financial expenses for the amount of €42,68 represent interest expenses for the lease contracts.

4. NOTES TO THE CASH FLOW STATEMENT

Cash flow information is used to provide a basis for assessing the ability of the Agency to generate cash and cash equivalents, and its needs to utilise those cash flows.

The cash flow statement is prepared using the indirect method. This means that the economic result of the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cash flows.

Cash flows arising from transactions in a foreign currency are recorded in the EU's reporting currency (Euro), by applying to the foreign currency amount the exchange rate between the Euro and the foreign currency at the date of the cash flow.

The cash flow statement presented reports cash flows during the period classified by operating and investing activities - the Agency does not have financing activities.

4.1. OPERATING ACTIVITIES

Operating activities are the activities arising from the usual business of the Agency. These are the majority of the activities performed and their associated cash flows.

4.2. INVESTING ACTIVITIES

Investing activities are the acquisitions of intangible assets and property, plant and equipment and of other investments which are not included in cash equivalents. The objective is to show the real investments made by the Agency.

5. CONTINGENT ASSETS / LIABILITIES

There are no contingent assets or liabilities to disclose for the year ended 31 December 2018.

6. COMMITMENTS FOR FUTURE FUNDING

Commitments for future funding	31/12/2018	31/12/2017
RAL - Commitments against appropriations not yet consumed	742,693.85	625,979.35
Operating lease	3,746,684.92	5,500,840.38
Contractual commitments (for which budget commitments have not yet been made)	28,010.54	13,950.16
TOTAL	**4,517,389.31**	**6,140,769.89**

Commitments for future funding are off balance sheet obligations arising from obligations contracted by the Agency in 2018 or earlier and concerning goods and services to be rendered after the closure date.

The RAL, commitments against appropriations not yet consumed, is estimated as the difference between the commitments carried over to 2019 (€1,463,889.85) and 1) the accrued charges (staff expenses excluded), booked in 2018 (€617,095.22) and 2) the deferred charges at year-end (€104,100.78).

The operating lease represents the rent due for the office premises until the end of the contract on 31 December 2020.

Contractual commitments (for which budget commitments have not yet been made) represent the amount resulting from long-term contracts for IT maintenance and insurance.

7. FINANCIAL INSTRUMENTS

Financial instruments comprise cash, current and long-term receivables and recoverables, current and long-term payables, and amounts due to and from consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks. Information about them and how they are managed is set out below.

The carrying amounts of financial instruments are as follows:

Item	2018	2017
Financial assets		
Long-term recoverables	496,535.60	693,056.31
Other receivables	130,984.55	114,254.58
Cash and deposits	1,799,594.12	1,685,925.68
Total financial assets	**2,427,114.27**	**2,493,236.57**
Financial liabilities		
Long-term liabilities	0	0
Current and sundry payables	(20,239.66)	(54,156.33)
Current payables with consolidated entities	(348,406.72)	(260,859.48)
Total financial liabilities	**(368,646.38)**	**(315,015.81)**
Total net financial instruments	**2,058,467.89**	**2,178,220.76**

Liquidity risk

Liquidity risk is the risk that arises from the difficulty of selling an asset, such as the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation. Liquidity risk arises from the ongoing financial obligations, including settlement of payables.

The Agency manages liquidity risk by continually monitoring forecast and actual cash flows with the help of the budgetary execution tables. Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk.

As at 31 Dec 2018	On demand	< 3 months	3 – 12 months	1 – 2 years	> 2 years	Total
Assets	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Long-term recoverables			185,768	310,768		496,536
Other receivables			119,514	10,232	1,239	130,985
Cash and deposits	1,799,594					1,799,594
Liabilities						
Current and sundry payables			(20,240)			(20,240)
Current payables cons. entities			(348,407)			(348,407)
Cumulative liquidity gap	**1,799,594**	**0**	**(63,365)**	**321,000**	**1,239**	**2,058,468**

Bank accounts opened in the name of the Agency may not be overdrawn.
Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the internal control standards, and audit principles.
EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

Credit risk

Credit risk is the risk of loss due to a debtor's/borrower's to meet its contractual obligation in due time. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy. Mitigation measures put in place on receivables are regular monitoring, reminders, etc.

Treasury resources are kept with commercial banks. The EU contribution was requested twice a year based on cash forecasts.
Specific guidelines are applied for the selection of commercial banks in order to further minimise counterparty risk to which the Agency is exposed:

- All commercial banks are selected by call for tenders. The minimum short term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1). A lower level may be accepted in specific and duly justified circumstances.
- The credit ratings of the commercial banks in which the Agency has accounts are reviewed on regular basis.

None of the INEA's financial assets are past due or impaired. The maximum exposure to credit risk is:

	2018			2017		
31 December	Receivables non-cons. entities	Receivables cons. entities	Bank accounts	Receivables non-cons. entities	Receivables cons. entities	Bank accounts
Counterparties with external credit rating:						
Prime and high grade						
Upper medium grade	496,536		1,799,594	693 056		1,685,926
Lower medium grade						
Non-investment grade						
Counterparties without external credit rating:						
Debtors who never defaulted	130,985			114,254		
Debtors who defaulted in the past						
	627,521	**0**	**1,799,594**	**807,310**	**0**	**1,685,926**

The Agency has a current account in ING Belgium. Its long-term credit rating was as follows:

Year	Moody's	Standard&Poors	Fitch	Overall
2017	A1	A+	A+	Upper medium grade
2018	A1	A+	A+	Upper medium grade

Interest rate risk

Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa.

Interest rate risk at the Agency arises from cash as the balance on the bank account earns interest. It is recognised that interest rates fluctuate and the Agency accepts the risk and does not consider it to be material.

The Agency's treasury does not borrow any money; as a consequence it is not exposed to interest rate risk.

Foreign currency risk

Currency risk is the risk that the EU's operations or its investment values will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.

All financial assets and liabilities are in Euro, so in these cases the Agency has no foreign currency risk.

Fair value

The estimated fair values of all financial instruments of the Agency are equal to their book values at 31 December 2018 and 31 December 2017. All financial assets and liabilities are receivable or repayable according to the contractual obligations within four years.

8. CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies for the financial year 2018.

9. RELATED PARTY DISCLOSURES

The related parties of the Agency are the key management personnel. Transactions between the Agency and the key management personnel take place as part of the normal operations and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU Accounting rules.

The remuneration equivalent to the grades of the key management personnel in the Agency's establishment plan can be found in Official Journal L 345/10 of 23 December 2008.

10. EVENTS AFTER THE BALANCE SHEET DATE

At the date of issue of the accounts, no material issue came to the attention of the Accounting Officer of the Agency or was reported to her that would require separate disclosure under that section.

Reports on the implementation of the budget

Budgetary structure and principles

The budgetary accounts are kept in accordance with the Financial Regulation and its rules of application. The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the implementation of the Agency's activities.

Every year, the Agency estimates its annual revenue and expenditure and draws up a draft budget which it proposes to the Commission. The Commission then sends it to the budgetary authority. On the basis of this draft budget, the Council draws its position which is then the subject of negotiations. The President of the Parliament declares that the joint draft has been finally adopted, thus making the budget enforceable. The task of executing the budget is the responsibility of the Agency.

The budget structure for the Agency consists of administrative appropriations and has only non-differentiated appropriations, meaning that the commitment and the payment appropriations are of the same amount. Non-differentiated appropriations are used to finance operations of an annual nature (i.e. complying with the principle of annuality).

Origin and composition of appropriations

The main source of appropriations is the Agency's budget for the current year. However, there are other types of appropriations resulting from the provisions of the Financial Regulation. They come from previous financial years or outside sources:

- Initial budget = appropriations voted in Year N-1.
- Final budget appropriations = initial budget appropriations + amending budget appropriations + transfers within chapters + additional appropriations.
- Additional (payment) appropriations = carried over from previous year.

Budgetary principles

The budget of the Agency has been established in compliance with the budgetary principles as set out in the Financial Regulation of the Agency:

- **Unity and budget accuracy**: all expenditure and revenue must be incorporated in a single budget document, must be booked on a budget line and the expenditure must not exceed the authorised appropriation
- **Annuality**: the appropriation entered are authorised for a single year and must therefore be used during that year
- **Equilibrium**: the revenue and expenditure shown in the budget must be in balance (estimated revenue must equal payment appropriation)
- **Unit of account**: the budget is drawn up and implemented in euro (EUR) and the accounts are presented in euro
- **Universality**: this principle comprises two rules: the rule of non-assignment, meaning that budget revenue must not be earmarked for specific items of expenditure (total revenue must cover total expenditure); and the gross budget rule, meaning that revenue and expenditure are entered in full in the budget without any adjustment against each other

- **Specification**: each appropriation is assigned to a specific purpose and a specific objective
- **Sound financial management**: budget appropriation are used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness
- **Transparency**: the budget is established and implemented and the accounts presented in compliance with the principle of transparency - the budget and amending budgets are published in the website of INEA

Calculation of the budget result

The revenue entered in the accounts is the amount actually received during the course of the year. For the purposes of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus any of the appropriations for that year that are carried over to the following year. Payments made against the year's appropriations means payments that are made by the accounting officer by 31 December of the financial year.

The following are added to or deducted from the resulting figure:

• The net balance of cancellations of payment appropriations carried over from previous years and any payments which, because of fluctuations in the Euro rate, exceed non-differentiated appropriations carried over from the previous year; and

• The balance of exchange-rate gains and losses recorded during the year.

Payment appropriations carried over include automatic carryovers only. The cancellation of unused payment appropriations carried over from the previous year shows the cancellations on appropriations also carried over automatically.

Main facts on the implementation of the budget

	Amount	% implementation
Revenue	26,670,000.00	100% collected
Commitments	26,543,368.81	99.53% committed
Payments on 2018 commitments	25,079,478.96	94.48% paid
Payments on 2017 commitments	1,212,872.52	84.56% paid

The 2018 operating budget of the Agency (hereafter referred to as administrative budget) was adopted by the INEA Steering Committee on 6 December 2017 and it amounted to € 27,203,000. During the year two amending budgets were adopted by the Steering Committee. They reduced the initial amount to a final budget of € 26,670,000.

Budget result

BUDGET OUTTURN ACCOUNT	2018	2017
REVENUE		
Commission subsidy (for the operating budget -Titles 1,2 and 3 - of the Agency)	26,670,000.00	24,346,600.00
Other revenue	1,402.21	60,622.36
TOTAL REVENUE (a)	26,671,402.21	**24,407,222.36**
EXPENDITURE		
Title I: Staff		
Payments in 2018	20,880,385.93	18,559,785.17
Appropriations carried over to 2019	274,015.73	421,413.86
Title II: Administrative Expenses		
Payments in 2018	3,489,880.08	3,748,412.41
Appropriations carried over to 2019	740,473.92	434,604.40
Title III: Operating Expenditure		
Payments in 2018	709,212.95	558,730.13
Appropriations carried over to 2019	449,400.20	578,281.84
TOTAL EXPENDITURE (b)	**26,543,368.81**	**24,301,227.81**
OUTTURN FOR THE FINANCIAL YEAR (a-b)	**128,033.40**	**105,994.55**
Cancellation of unused payment appropriations carried over from previous year	221,427.58	155,080.00
Exchange differences for the year (gain +/loss -)	(1,054.26)	(215.07)
Result used for determining amounts in general accounting	**348,406.72**	**260,859.48**
Commission subsidy – the Agency registers accrued revenue and the Commission accrued expense	**26,321,593.28**	**24,085,740.52**
Pre-financing remaining open to be reimbursed by the Agency to the Commission in year 2019	**348,406.72**	**260,859.48**

Reconciliation of economic result with budget result

The financial result for the year presented on page 7 is calculated on the basis of accrual accounting principles. The budget outturn, however, is based on modified cash accounting rules, in accordance with the Financial Regulation. As both are the result of the same underlying transactions, it is a useful control to ensure that they are reconcilable. The table below shows this reconciliation, highlighting the key reconciling amounts, split between revenue and expenditure items.

	EUR
ECONOMIC RESULT	**(18,092)**
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	
Adjustments for accrual cut off (reversal 31 December 2017)	(1,050,565)
Adjustments for accrual cut off (cut off 31 December 2018)	1,012,090
Unpaid invoices at year end booked as charges	0
Depreciation of intangible and tangible fixed assets	101,284
Pre-financing given in previous year and cleared in the year	283,518
Payments made from carry-over of payment appropriations	1,212,873
Others	191
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	
Asset acquisitions (less unpaid amounts)	(166,977)
Charges paid in 2018 and deferred to the following years	(126,637)
New pre-financing received in the year 2018 and remaining open at 31 December 2018	348,407
Capital payments on financial leasing	(3,144)
Payment appropriations carried over to 2019	(1,463,890)
Cancellation of unused carried over payment appropriations from previous year	221,428
Other	(2,079)
Total	**348,407**
BUDGETARY RESULT	**348,407**
Unexplained discrepancy	0

The actual budgetary revenue for a financial year corresponds to the revenue collected from entitlements established in the course of the year and amounts collected from entitlements established in previous years. Therefore the entitlements established in the current year but not yet collected are to be deducted from the economic result for reconciliation purposes as they do not form part of budgetary revenue. On the contrary, the entitlements established in previous years and collected in current year must be added to the economic result for reconciliation purposes.

The net accrued expenses mainly consist of accruals made for year-end cut-off purposes, i.e. eligible expenses for goods delivered and services received but not yet invoiced to the Agency. While accrued expenses are not considered as budgetary expenditure, payments made in the current year relating to invoices registered in prior years are part of current year's budgetary expenditure.

The net effect of pre-financing is the combination of (1) the new amounts paid in the current year and recognised as budgetary expenditure of the year and (2) the clearing of the pre-financing paid in current year or previous years through the acceptance of invoices. The latter represent an expense in accrual terms but not in the budgetary accounts since the payment of the initial pre-financing had already been considered as a budgetary expenditure at the time of its payment.

Besides the payments made against the year's appropriations, the appropriations for that year that are carried to the following year also need to be taken into account in calculating the budget result for the year. The same applies for the budgetary payments made in the current year from carry-overs and the cancellation of unused payment appropriations.

Other reconciling amounts are comprised of different elements such as asset depreciation, asset acquisitions, capital lease payments and financial transactions for which the budgetary and accrual accounting treatments differ.

The following tables give a detailed picture of the budget implementation during 2018. Detailed information and qualitative description of the financial situation and the events which had a significant influence on the activities during the year can be found in the Report on budgetary and financial management, annexed to the accounts (*to be provided by 31 Mar 2019*).

Budget revenue

EUR '000

Item		Income appropriations		Entitlements established			Revenue				
		Initial budget	Final budget	Current year	Carried	Total	Current year	Carried	Total	%	Outstand.
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10
Title 2: INCOME BUDGET 2018											
Chapter 2 0: EU Budget Contribution to the Executive Agency											
2 0 0 0	EU Budget Contribution to the Executive Agency	27 203	26 670	26 670	0	26 670	26 670	0	26 670	100 %	0
Total chapter 2 0		**27,203**	**26,670**	**26,670**	**0**	**26,670**	**26,670**	**0**	**26,670**	**100%**	**0**
Total Title 2		**27,203**	**26,670**	**26,670**	**0**	**26,670**	**26,670**	**0**	**26,670**	**100%**	**0**
Title 9: INCOME BUDGET 2018											
Chapter 9 0: Miscellaneous revenue											
9 0 0 0	Miscellaneous revenue	0	0	1	0	1	1	0	1	0%	0
Total chapter 9 0		**0**	**0**	**1**	**0**	**1**	**1**	**0**	**1**	**0%**	**0**
Total Title 9		**0**	**0**	**1**	**0**	**1**	**1**	**0**	**1**	**0%**	**0**
TOTAL		**27,203**	**26,670**	**26,671**	**0**	**26,671**	**26,671**	**0**	**26,671**	**100%**	**0**

Budget expenditure

Breakdown & changes in commitment appropriations

Item			Budget appropriations				Additional appropriations			Total appropr. available
			Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
			1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1 1	1 1 1 1	Temporary agents	8 086	179	(29)	8 236	0	0	0	8 236
	1 1 2 1	Contract agents	11 846	(471)	13	11 388	0	0	0	11 388
	1 1 3 1	Interim and trainees	400	(130)	18	288	0	0	0	288
	Total chapter 1 1		20 332	(422)	2	19 912	0	0	0	19 912
1 2	1 2 1 1	Medical services	133	(33)	4	104	0	0	0	104
	1 2 2 1	Training	255	(55)	0	200	0	0	0	200
	1 2 3 1	Administration of staff	337	10	0	347	0	0	0	347
	1 2 4 1	Recruitment	39	(2)	1	38	0	0	0	38
	1 2 5 1	Representation & internal meetings	10	(5)	0	5	0	0	0	5
	1 2 6 1	Other social expenditure	576	16	(7)	586	0	0	0	586
	Total chapter 1 2		1 350	(69)	(2)	1 280	0	0	0	1 280
	Total title 1		**21 682**	**(491)**	**0**	**21 191**	**0**	**0**	**0**	**21 191**
2 1	2 1 1 1	Rental of building	1 934	(100)	0	1 834	0	0	0	1 834
	2 1 2 1	Charges of the building	1 176	80	(74)	1 182	0	0	0	1 182
	Total chapter 2 1		3 110	(20)	(74)	3 016	0	0	0	3 016
2 2	2 2 1 1	Hardware and software	382	154	60	596	0	0	0	596
	2 2 2 1	ICT Services	500	(18)	0	482	0	0	0	482
	Total chapter 2 2		882	136	60	1 078	0	0	0	1 078
2 3	2 3 1 1	Furniture & technical installations & handling	56	30	14	100	0	0	0	100
	2 3 2 1	Office supplies & archive & subscription & corresp	88	0	0	88	0	0	0	88
	2 3 3 1	Other expenditure related to work environment	20	0	0	20	0	0	0	20
	Total chapter 2 3		164	30	14	208	0	0	0	208
	Total title 2		**4 156**	**146**	**0**	**4 302**	**0**	**0**	**0**	**4 302**
3 1	3 1 1 1	Missions and related expenditure	370	0	0	370	0	0	0	370
	3 1 2 1	Audit	221	(46)	(1)	174	0	0	0	174
	3 1 3 1	Operational related IT expenditure	385	0	(3)	381	0	0	0	381
	3 1 4 1	Communication & events & other Programme support	389	(142)	4	251	0	0	0	251
	Total chapter 3 1		1 365	(188)	(0)	1 177	0	0	0	1 177
	Total title 3		**1 365**	**(188)**	**(0)**	**1 177**	**0**	**0**	**0**	**1 177**
	GRAND TOTAL		**27 203**	**(533)**	**0**	**26 670**	**0**	**0**	**0**	**26 670**

Breakdown & changes in payment appropriations

EUR '000

Item			Budget appropriations				Additional appropriations			Total appropr. available
			Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
			1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1 1	1 1 1 1	Temporary agents	8 086	179	(29)	8 236	0	0	0	8 236
	1 1 2 1	Contract agents	11 846	(471)	13	11 388	0	0	0	11 388
	1 1 3 1	Interim and trainees	400	(130)	18	288	107	0	107	394
	Total chapter 1 1		20 332	(422)	2	19 912	107	0	107	20 018
1 2	1 2 1 1	Medical services	133	(33)	4	104	45	0	45	149
	1 2 2 1	Training	255	(55)	0	200	74	0	74	274
	1 2 3 1	Administration of staff	337	10	0	347	6	0	6	353
	1 2 4 1	Recruitment	39	(2)	1	38	14	0	14	52
	1 2 5 1	Representation & internal meetings	10	(5)	0	5	2	0	2	7
	1 2 6 1	Other social expenditure	576	16	(7)	586	174	0	174	759
	Total chapter 1 2		1 350	(69)	(2)	1 280	315	0	315	1 594
	Total title 1		**21 682**	**(491)**	**0**	**21 191**	**421**	**0**	**421**	**21 612**
2 1	2 1 1 1	Rental of building	1 934	(100)	0	1 834	0	0	0	1 834
	2 1 2 1	Charges of the building	1 176	80	(74)	1 182	263	0	263	1 445
	Total chapter 2 1		3 110	(20)	(74)	3 016	263	0	263	3 279
2 2	2 2 1 1	Hardware and software	382	154	60	596	117	0	117	713
	2 2 2 1	ICT Services	500	(18)	0	482	0	0	0	482
	Total chapter 2 2		882	136	60	1 078	117	0	117	1 195
2 3	2 3 1 1	Furniture & technical installations & handling	56	30	14	100	41	0	41	141
	2 3 2 1	Office supplies & archive & subscription & corresp	88	0	0	88	14	0	14	102
	2 3 3 1	Other expenditure related to work environment	20	0	0	20	0	0	0	20
	Total chapter 2 3		164	30	14	208	55	0	55	263
	Total title 2		**4 156**	**146**	**0**	**4 302**	**435**	**0**	**435**	**4 737**
3 1	3 1 1 1	Missions and related expenditure	370	0	0	370	96	0	96	466
	3 1 2 1	Audit	221	(46)	(1)	174	126	0	126	301
	3 1 3 1	Operational related IT expenditure	385	0	(3)	381	209	0	209	590
	3 1 4 1	Communication & events & other Programme support	389	(142)	4	251	147	0	147	398
	Total chapter 3 1		1 365	(188)	(0)	1 177	578	0	578	1 755
	Total title 3		**1 365**	**(188)**	**(0)**	**1 177**	**578**	**0**	**578**	**1 755**
	GRAND TOTAL		**27 203**	**(533)**	**0**	**26 670**	**1 434**	**0**	**1 434**	**28 104**

EUR '000

Implementation of commitment appropriations

EUR '000

Item			Total appropriations available	Commitments made					Appropriations carried over to 2019			Appropriations lapsing			
				from final adopt. budget	from carry-overs	from assigned revenue	Total	%	Assign. revenue	By decision	Appropriations carried over 2017	from final adopt. budget	from carry-overs	from assigned revenue	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1 1	1 1 1 1	Temporary agents	8 236	8 229	0	0	8 229	100 %	0	0	0	7	0	0	7
	1 1 2 1	Contract agents	11 388	11 384	0	0	11 384	100 %	0	0	0	4	0	0	4
	1 1 3 1	Interim and trainees	288	288	0	0	288	100 %	0	0	0	0	0	0	0
	Total chapter 1 1		19 912	19 901	0	0	19 901	100 %	0	0	0	11	0	0	11
1 2	1 2 1 1	Medical services	104	104	0	0	104	100 %	0	0	0	0	0	0	0
	1 2 2 1	Training	200	200	0	0	200	100 %	0	0	0	0	0	0	0
	1 2 3 1	Administration of staff	347	337	0	0	337	97 %	0	0	0	10	0	0	10
	1 2 4 1	Recruitment	38	38	0	0	38	100 %	0	0	0	0	0	0	0
	1 2 5 1	Representation & internal meetings	5	5	0	0	5	100 %	0	0	0	0	0	0	0
	1 2 6 1	Other social expenditure	586	570	0	0	570	97 %	0	0	0	16	0	0	16
	Total chapter 1 2		1 280	1 254	0	0	1 254	98 %	0	0	0	26	0	0	26
	Total title 1		**21 191**	**21 154**	**0**	**0**	**21 154**	**100 %**	**0**	**0**	**0**	**37**	**0**	**0**	**37**
2 1	2 1 1 1	Rental of building	1 834	1 834	0	0	1 834	100 %	0	0	0	0	0	0	0
	2 1 2 1	Charges of the building	1 182	1 163	0	0	1 163	98 %	0	0	0	19	0	0	19
	Total chapter 2 1		3 016	2 997	0	0	2 997	99 %	0	0	0	19	0	0	19
2 2	2 2 1 1	Hardware and software	596	585	0	0	585	98 %	0	0	0	11	0	0	11
	2 2 2 1	ICT Services	482	466	0	0	466	97 %	0	0	0	16	0	0	16
	Total chapter 2 2		1 078	1 051	0	0	1 051	98 %	0	0	0	27	0	0	27
2 3	2 3 1 1	Furniture & technical installations & handling	100	96	0	0	96	96 %	0	0	0	4	0	0	4
	2 3 2 1	Office supplies & archive & subscription & corresp	88	77	0	0	77	87 %	0	0	0	11	0	0	11
	2 3 3 1	Other expenditure related to work environment	20	10	0	0	10	50 %	0	0	0	10	0	0	10
	Total chapter 2 3		208	182	0	0	182	88 %	0	0	0	26	0	0	26
	Total title 2		**4 302**	**4 230**	**0**	**0**	**4 230**	**98 %**	**0**	**0**	**0**	**72**	**0**	**0**	**72**
3 1	3 1 1 1	Missions and related expenditure	370	370	0	0	370	100 %	0	0	0	0	0	0	0
	3 1 2 1	Audit	174	174	0	0	174	100 %	0	0	0	0	0	0	0
	3 1 3 1	Operational related IT expenditure	381	373	0	0	373	98 %	0	0	0	8	0	0	8

3 1 4 1	Communication & events & other Programme support	251	241	0	0	241	96 %	0	0	0	10	0	0	10
Total chapter 3 1		1 177	1 159	0	0	1 159	98 %	0	0	0	18	0	0	18
Total title 3		**1 177**	**1 159**	**0**	**0**	**1 159**	**98 %**	**0**	**0**	**0**	**18**	**0**	**0**	**18**

TOTAL	**26,670**	**26,543**	**0**	**0**	**26,543**	**100 %**	**0**	**0**	**0**	**127**	**0**	**0**	**127**

Implementation of payment appropriations

EUR '000

Item		Total approp. availab.	Payments made					Appropriations carried over to 2019				Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. reven.	Total	%	Auto-matic carry-overs	By decis.	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. reven.	Total
		1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1 1 1 1	Temporary agents	8 236	8 229	0	0	8 229	100 %	0	0	0	0	7	0	0	7
1 1 2 1	Contract agents	11 388	11 384	0	0	11 384	100 %	0	0	0	0	4	0	0	4
1 1 3 1	Interim and trainees	394	182	93	0	275	70 %	105	0	0	105	0	14	0	14
Total chapter 1 1		20 018	19 795	93	0	19 888	99 %	105	0	0	105	11	14	0	24
1 2 1 1	Medical services	149	69	28	0	97	65 %	35	0	0	35	0	17	0	17
1 2 2 1	Training	274	167	62	0	229	84 %	33	0	0	33	0	12	0	12
1 2 3 1	Administration of staff	353	293	5	0	298	84 %	44	0	0	44	10	1	0	11
1 2 4 1	Recruitment	52	30	6	0	36	70 %	8	0	0	8	0	8	0	8
1 2 5 1	Representation & internal meetings	7	1	2	0	3	47 %	4	0	0	4	0	0	0	0
1 2 6 1	Other social expenditure	759	524	88	0	613	81 %	45	0	0	45	16	86	0	101
Total chapter 1 2		1 594	1 085	191	0	1 276	80 %	169	0	0	169	26	123	0	149
Total title 1		**21 612**	**20 880**	**285**	**0**	**21 165**	**98 %**	**274**	**0**	**0**	**274**	37	137	**0**	**174**
2 1 1 1	Rental of building	1 834	1 834	0	0	1 834	100 %	0	0	0	0	0	0	0	0
2 1 2 1	Charges of the building	1 445	873	249	0	1 122	78 %	290	0	0	290	19	14	0	33
Total chapter 2 1		3 279	2 707	249	0	2 956	90 %	290	0	0	290	19	14	0	33
2 2 1 1	Hardware and software	713	238	114	0	352	49 %	347	0	0	347	11	3	0	14
2 2 2 1	ICT Services	482	466	0	0	466	97 %	0	0	0	0	16	0	0	16
Total chapter 2 2		1 195	704	114	0	818	68 %	347	0	0	347	27	3	0	30

2 3 1 1	Furniture & technical installations & handling	141	11	28	0	39	28 %	84	0	0	84	4	13	0	17
2 3 2 1	Office supplies & archive & subscription & corresp	102	57	12	0	70	68 %	19	0	0	19	11	2	0	13
2 3 3 1	Other expenditure related to work environment	20	10	0	0	10	50 %	0	0	0	0	10	0	0	10
Total chapter 2 3		263	79	40	0	119	45 %	104	0	0	104	26	15	0	40
Total title 2		**4 737**	**3 490**	**403**	**0**	**3 893**	**82 %**	**740**	**0**	**0**	**740**	**72**	**32**		**103**
3 1 1 1	Missions and related expenditure	466	313	82	0	395	85 %	57	0	0	57	0	14	0	14
3 1 2 1	Audit	301	42	109	0	151	50 %	132	0	0	132	0	17	0	17
3 1 3 1	Operational related IT expenditure	590	192	190	0	382	65 %	181	0	0	181	8	19	0	27
3 1 4 1	Communication & events & other Programme support	398	162	144	0	306	77 %	79	0	0	79	10	3	0	13
Total chapter 3 1		1 755	709	525	0	1 235	70 %	449	0	0	449	18	53	0	71
Total title 3		**1 755**	**709**	**525**	**0**	**1 235**	**70 %**	**449**	**0**	**0**	**449**	**18**	**53**	**0**	**71**

GRAND TOTAL	**28 104**	**25 079**	**1 213**	**0**	**26 292**	**94 %**	**1 464**	**0**	**0**	**1 464**	**127**	**221**	**0**	**348**

Commitments outstanding

EUR '000

Item		Commitments outstanding at the end of previous year				Commitments of the year				Total commitm. out-standing at year-end
		Comm. carried forward from prev. year	Decommit. Revaluation Cancellat.	Payments	Total	Commitm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. out-standing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1 1 1 1	Temporary agents	0	0	0	0	8 229	8 229	0	0	0
1 1 2 1	Contract agents	0	0	0	0	11 384	11 384	0	0	0
1 1 3 1	Interim and trainees	107	(14)	93	0	288	182	0	105	105
Total chapter 1 1		107	(14)	93	0	19 901	19 795	0	105	105
1 2 1 1	Medical services	45	(17)	28	0	104	69	0	35	35
1 2 2 1	Training	74	(12)	62	0	200	167	0	33	33
1 2 3 1	Administration of staff	6	(1)	5	0	337	293	0	44	44
1 2 4 1	Recruitment	14	(8)	6	0	38	30	0	8	8
1 2 5 1	Representation & internal meetings	2	(0)	2	0	5	1	0	4	4
1 2 6 1	Other social expenditure	174	(86)	88	0	570	524	0	45	45
Total chapter 1 2		315	(123)	191	0	1 254	1 085	0	169	169
Total Title 1		**421**	**(137)**	**285**	**0**	**21 154**	**20 880**	**0**	**274**	**274**
2 1 1 1	Rental of building	0	0	0	0	1 834	1 834	0	0	0
2 1 2 1	Charges of the building	263	(14)	249	0	1 163	873	0	290	290
Total chapter 2 1		263	(14)	249	0	2 997	2 707	0	290	290
2 2 1 1	Hardware and software	117	(3)	114	0	585	238	0	347	347
2 2 2 1	ICT Services	0	0	0	0	466	466	0	0	0
Total chapter 2 2		117	(3)	114	0	1 051	704	0	347	347
2 3 1 1	Furniture & technical installations & handling	41	(13)	28	0	96	11	0	84	84
2 3 2 1	Office supplies & archive & subscription & corresp.	14	(2)	12	0	77	57	0	19	19
2 3 3 1	Other expenditure related to work environment	0	0	0	0	10	10	0	0	0
Total chapter 2 3		55	(15)	40	0	182	79	0	104	104
Total Title 2		**435**	**(32)**	**403**	**0**	**4 230**	**3 490**	**0**	**740**	**740**
3 1 1 1	Missions and related expenditure	96	(14)	82	0	370	313	0	57	57
3 1 2 1	Audit	126	(17)	109	0	174	42	0	132	132
3 1 3 1	Operational related IT expenditure	209	(19)	190	0	373	192	0	181	181
3 1 4 1	Communication & events & other Programme support	147	(3)	144	0	241	162	0	79	79
Total chapter 3 1		578	(53)	525	0	1 159	709	0	449	449
Total Title 3		**578**	**(53)**	**525**	**0**	**1 159**	**709**	**0**	**449**	**449**
GRAND TOTAL		**1 434**	**(221)**	**1 213**	**0**	**26 543**	**25 079**	**0**	**1 464**	**1 464**

List of outstanding commitments carried over from 2018 to 2019

FDI	Commitment User Reference	Original fund Source	Open Amount: RAL (type C8 in 2019)
31/12/2019	INTERIM STAFF 2018	C1	68,518.90
31/12/2019	TRAINEES 2018	C1	36,756.08
31/12/2019	SLA HR MEDICAL SERVICE 2018	C1	35,118.00
31/12/2019	SOCIAL EXPENSES 2018	C1	150.00
31/12/2019	LEASING AND MAINTENANCE OF COPIERS 2018	C1	4,667.34
31/12/2019	TRAINING 2018	C1	32,894.79
31/12/2019	SLA PMO 2018	C1	6,398.48
31/12/2019	SLA HR STAFF ADMINISTRATION 2018	C1	37,624.00
31/12/2019	RECRUITMENT 2018	C1	7,690.88
31/12/2019	REPRESENTATION OF STAFF AND INTERNAL MEETINGS 2018	C1	3,796.60
31/12/2019	CENTRE DE LA PETITE ENFANCE AND SCHOOL BUSES 2018	C1	41,168.00
31/12/2019	MISSIONS 2018	C1	56,926.25
31/12/2019	SLA OIB 2018	C1	165,411.94
31/12/2019	SLA HR/DS SECURITY 2018	C1	61,907.86
31/12/2019	BUILDING CHARGES, TAXES AND INSURANCES 2018	C1	134,916.96
31/12/2019	PUBLICATIONS 2018	C1	9,263.51
31/12/2019	OTHER COMMUNICATION EXPENSES 2018	C1	25,774.76
31/12/2019	OFFICE SUPPLIES 2018	C1	6,728.14
31/12/2019	TRANSLATIONS 2018	C1	3,532.15
31/12/2019	MEETINGS, CONFERENCES, SEMINARS AND WORKSHOPS 2018	C1	3,325.70
31/12/2019	EURORA CONSORTIUM, FWC DI/7330, SC 13338 BUSINESS INTELLIGENCE ANALYST L3, 220 DAYS	C1	51,669.16
31/12/2019	PANOPLYS CONSORTIUM, FWC DI/7331, SC 13347 TWO APPLICATION ARCHITECTS/DESIGNERS L2,	C1	129,435.28
31/12/2019	SAP BELGIUM , OF 002 FWC 7450, MIAINTENANCE OF SAP LICENSES 2018	C1	3,771.60
31/12/2019	SPECIFIC CONTRACT TEA.823 CEF AND TEN-T GRANTS AUDITS 2018	C1	116,310.50
31/12/2019	SPECIFIC CONTRACT TEA.824 MARCO POLO GRANT AUDIT 2018	C1	15,930.00
31/12/2019	MOZER BELUX MOVES 2018	C1	2,210.00
31/12/2019	SPECIFIC CONTRACT N°52 - TIMES AND MEANS-QLIK CONSULTANCY	C1	9,720.00
31/12/2019	OFFICE FURNITURE 2018	C1	26,234.06
31/12/2019	SPECIFIC CONTRACT N°000445 FOR A UX/UI SPECIALIST (LEVEL3) UNDER FWC DI/07700	C1	37,232.89
31/12/2019	BECHTLE BRUSSELS, OF 0532 FWC 7630, PURCHASE OF 63 LAPTOPS AND RELATED ACCESSORIES	C1	40,725.30
31/12/2019	BECHTLE BRUSSELS, OF 0531 FWC 7650, PURCHASE OF 63 DOCKING STATIONS	C1	48,350.68
31/12/2019	BECHTLE ORDER FORM N°1002017 FWC DI/07720 PURCHASE OF 50 QLIK SENSE PERPETUAL LICENCES AND THEIR MAINTENANCE RENEWAL 10 QLIK SENSE LICENSES	C1	22,933.97
31/12/2019	CANCOM ORDER FORM N°0428-INEA UNDER FWC DI/0760 - PURCHASE OF 7 SERVERS	C1	37,678.40
31/12/2019	ORDER FORM N°307 UNDER FWC DI/07722 PURCHASE OF WAPT SINGLE USER LICENCE	C1	994.44

31/12/2019	ORDER FORM N°0552 UNDER FWC DI/7610 PURCHASE OF STANDARD SERVER + ADDITIONAL MEMORY	C1	24,717.20
31/12/2019	ORDER FORM N°60 UNDER FWC DI/7360 EMC NETWORKER ELA FEE 2019	C1	4,462.20
31/12/2019	PURCHASE OF 2 EQUALLY SIZED STORAGE SYSTEMS DELL EMC UNITY 350F OF 77530058 AND OF 77530059 UNDER FWC 7753	C1	148,943.83
		C8 in 2019	**1,463,889.85**

Payment appropriations carried over from 2017 to 2018

FDI	Commitment User Reference	Open Amount: RAL (type C1 in 2017)	Payments (type C8 in 2018)
31/12/2018	INTERIM STAFF 2017	76,454.13	64,787.80
31/12/2018	TRAINEES 2017	30,173.44	28,243.92
31/12/2018	SLA HR MEDICAL SERVICE 2017	44,559.99	27,881.11
31/12/2018	TRAINING 2017	73,935.38	62,327.46
31/12/2018	SLA PMO 2017	6,276.67	4,987.52
31/12/2018	RECRUITMENT 2017	13,814.53	5,739.13
31/12/2018	REPRESENTATION OF STAFF AND INTERNAL MEETINGS 2017	2,379.70	2,234.60
31/12/2018	CENTRE DE LA PETITE ENFANCE AND SCHOOL BUSES 2017	166,208.89	83,412.00
31/12/2018	SOCIAL EXPENSES 2017	3,781.13	3,267.32
31/12/2018	SLA OIB 2017	60,459.01	41,613.29
31/12/2018	SLA HR/DS SECURITY 2017	125,889.05	117,303.61
31/12/2018	BUILDING CHARGES, TAXES AND INSURANCES 2017	108,385.04	106,458.32
31/12/2018	OFFICE SUPPLIES 2017	8,128.30	7,736.50
31/12/2018	MISSIONS 2017	96,270.31	82,202.32
31/12/2018	COMMUNICATION 2017	86,200.30	83,846.62
31/12/2018	MEETINGS, CONFERENCES, SEMINARS AND WORKSHOPS 2017	3,922.57	3,613.97
31/12/2018	LEASING AND MAINTENANCE OF COPIERS 2017	4,383.06	1,459.34
31/12/2018	IMC MOVES 2017	646.87	366.47
31/12/2018	EURORA CONSORTIUM, FWC DI/7330, SC 8882 BUSINESS INTELLIGENCE ANALYST L3, 205 DAYS	53,244.82	42,130.61
31/12/2018	PANOPLYS CONSORTIUM, FWC DI/7331, SC 8881 TWO APPLICATION ARCHITECTS/DESIGNERS L2, 405 DAYS	110,449.35	106,251.75
31/12/2018	SC N° TEA.726 UNDER FWC N°2016-AUDFWC-01 MS 2017, TEN-T, CEF-T	58,275.00	49,590.88
31/12/2018	SC N° TEA.727 UNDER FWC N°2016-AUDFWC-01 MS 2017, CEF-ICT	51,800.00	43,572.94
31/12/2018	SYSTEMAT OF 1458, FWC DI 7350, PURCHASE OF 35 WORKSTATIONS, HP, 45 SCREENS FLAT PANELS, 19 SPEAKERHPONES, 7 WEBCAMS, 5 HIGH END PCS, 45 SECURITY LOCKS	19,887.92	19,887.92

31/12/2018	SC N° TEA.746 UNDER 2016-AUDFWC-01 MS MARCO POLO - 2017	16,186.00	16,019.96
31/12/2018	SPECIFIC CONTRACT N°593 UNDER FC RTD IT/HORIZON 2020-2013-L1-02-00 - INTERFACE DESIGNER	13,232.75	13,232.75
31/12/2018	SPECIFIC CONTRACT N°600 UNDER FC RTD IT/HORIZON 2020-2013-L1-01-00 - ANALYST	1,993.86	1,993.86
31/12/2018	SPECIFIC CONTRACT N°11498, FWC DI-7332 FOR AN APPLICATION DEVELOPER	37,770.48	33,955.28
31/12/2018	SPECIFIC CONTRACT 012010 UNDER FWC DI/7330- GIS PROGRAMMER	7,476.40	7,476.40
31/12/2018	PO TEA.760 INTERSTUHL OFFICE CHAIRS 2017	5,209.97	5,209.97
31/12/2018	DROMEAS PURCHASE OF 5 STANDING DESKS 2017	1,847.60	1,847.60
31/12/2018	SPECIFIC CONTRACT N°012297 UNDER FWC DI/07338-00 - WEB OPERATION MANAGER	23,279.00	23,279.00
31/12/2018	BECHTLE ORDER FORM NR 1839 FWC DI/07210 PURCHASE OF 2 PACKS OF 5 TAPE CARTRIDGES FOR THE BACK UP TAPE LIBRARY	4,337.70	4,337.70
31/12/2018	IMC MOVES 2017-2	5,600.00	4,763.72
31/12/2018	SPECIFIC CONTRACT N°012617 UNDER FWC DI/07333 WEB FRONT-END DEVELOPER	18,181.00	18,181.00
01/01/18	**PAYMENT APPROPRIATIONS CARRIED OVER TO 2018**	**1,434,300.10**	**1,212,872.52**
31/12/18	**UNUSED PAYMENT APPROPRIATIONS TO BE REIMBURSED TO THE COMMISSION**		**221,427.58**

Human resources overview on 31 December 2018

In 2018 INEA organised a total of 46 staff selection procedures (internal, inter-Agency job mobility and external publications). As a result, at the end of the reporting period, INEA had 282 staff (incl. 1 staff member on unpaid leave) out of the 298 foreseen for 2018. At the end of 2018, the vacancy rate was 5.4%. Furthermore, 5 recruitments of new staff members were confirmed. They should take functions in the first months of 2019. The staff turnover rate was 9.09% and the internal staff movement rate was at 6%.

During various periods of the year the Agency also had 45 external staff members, including interim staff, trainees and consultants.

Number of staff 2018	planned	actual	%
Seconded officials	23	19	83%
Temporary agents	49	48	98%
Contract agents	226[7]	215	95%
Total	**298**	**282**	**95%**

Activity	planned	actual	%
Director and directly attached staff	9	7	78%
Department C - CEF project management	127	122	96%
Department H - H2020 projects management	44	40	91%
Department R - Programme support and resources	118	113	96%
Total	**298**	**282**	**95%**

[7] Including 5 EFTA posts, which are not in the establishment plan

Establishment plan of 2018

ESTABLISHMENT PLAN OF 2018 [8]

Category and Grade	Number of posts	Actually filled on 31/12/2018
AD15		1
AD14	7	3
AD13	9	6
AD12	5	3
AD11	5	1
AD10	5	5
AD9	7	9
AD8	10	7
AD7	10	8
AD6	2	4
AD5	2	10
TOTAL of AD	**62**	**57**
AST7	1	
AST6	1	
AST5	2	3
AST4	4	3
AST3	2	4
TOTAL of AST	**10**	**10**
TOTAL of staff into the establishment plan	**72**	**67**

[8] The establishment plan accepts the following *ad personam* appointment: 1 AD 14 official may become AD 15.

PERSONS NOT INCLUDED INTO THE ESTABLISHMENT PLAN

CONTRACT AGENTS

Category and Grade	Number of persons	Actually filled on 31/12/2018
GF IV	120	103
GF III	69	74
GF II	32	38
GF I		
TOTAL of contract agents	**221**	**215**

Contracts in force in 2018

In 2018, the Agency managed more than a hundred contracts which provided the goods and services necessary to carry out its tasks. A list of all 2018 contracts with a value of more than €15,000 can be found on the Agency website: *https://ec.europa.eu/inea/en/mission-objectives/key-documents#Other*.

The Agency also concluded Service Level Agreements (SLA) and Memoranda of Understanding (MoU) with various European Commission Directorates, offices and agencies for the delivery of specific goods and services, as shown in the table below.

SLA Subject	Commission Directorate/service	Amount
Training, medical service, security, IDOC	DG HR	on request /committed €768,036/
Definition of the administrative and financial terms governing the implementation and usage of the ABAC[9] system	DG BUDG	€95,000
Translation services	Translation Centre for the bodies of EU	on request /committed €23,527/
Computer network, mailbox, licence SMT, hosting of the ABAC system, tokens	DG DIGIT	€370,943
Trainings of staff	European Administrative School	on request / committed €9,760/
Services related to the building maintenance, logistics, archiving, childcare facilities	Office for Infrastructure and Logistics – Brussels	on request / committed €708,215/
Publications	Publications Office	on request / committed €0/
Remunerations, insurance, social contributions	Pay Master Office	€225,714
Delivery and installation of video conference equipment	DG SCIC	€86,413
Participation to ILA2018 exhibition (Berlin, 25-29 April 2018)	DG RTD	€12,000
Placement of trainees	DG EAC	on request / committed €53,497/
Services related to Speedwell[10]	ERCEA	€10,000

[9] Accrual Based Accounting, the financial system of the European Commission
[10] Management of budgetary transaction workflows