European Maritime Safety Agency

- EMSA -

FINANCIAL STATEMENT
&
BUDGET IMPLEMENTATION
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REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT

- 2009 -

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REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT 2009
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INTRODUCTION:

CERTIFICATION LETTER FROM THE EMSA ACCOUNTING OFFICER.

The Annual accounts of the European Maritime Safety Agency for the year 2009 have been prepared in accordance with the Financial Regulation of the EC and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and community bodies.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Agency in accordance with article 61 of the Financial Regulation.

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

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present a true and fair view of the financial position of the Agency in all material aspects.

Done in Lisbon on May 26, 2010.

Michel Metzger
Accounting Officer

1. EMSA – BALANCE SHEET 2009 - ASSETS

Consolidation account			31.12.2009	31.12.2008 (restated)	2008
	ASSETS				
	A. NON CURRENT ASSETS				
210000	**Intangible fixed assets**		**1,219,998.00**	**331,553.00**	**331,553.00**
200000	**Tangible fixed assets**		**23,400,389.54**	**18,688,182.12**	**807,658.00**
221000		Land and buildings	0.00	0.00	0.00
230000		Plant and equipment	16,227,531.59	14,518,366.22	1,749.00
241000		Computer hardware	1,217,042.31	553,475.00	553,475.00
240000		Furniture and vehicles	237,472.00	89,152.00	89,152.00
242000		Other fixtures and fittings	5,718,343.64	3,527,188.90	163,282.00
299000	**Long-term pre-financing**		**1,525,000.00**	**0.00**	**0.00**
range		Long-term pre-financing	1,525,000.00	0.00	0.00
	TOTAL NON CURRENT ASSETS		**26,145,387.54**	**19,019,735.12**	**1,139,211.00**
	B. CURRENT ASSETS				
310000	**Stocks**		**0.00**	**0.00**	**0.00**
405000	**Short-term pre-financing**		**9,514,289.00**	**14,008,591.60**	**14,008,591.60**
range		Short-term pre-financing	9,514,289.00	14,008,591.60	14,008,591.60
range		*ST pre-financing with consolidated EU entities*	0.00	0.00	0.00
400000	**Short-term receivables**		**752,067.12**	**335,620.98**	**335,620.98**
401000		Current receivables	446,751.42	235,335.37	235,335.37
410900		Sundry receivables	235,460.10	22,318.25	22,318.25
490000		Other	63,361.95	59,926.03	59,926.03
490010		Accrued income	56,883.59	47,346.92	47,346.92
490011		Deferred charges	6,478.36	5,162.71	5,162.71
490090		*Deferrals and Accruals with consolidated EU entities*	0.00	7,416.40	7,416.40
400009		*Short-term receivables with consolidated EU entities*	6,493.65	18,041.33	18,041.33
500000	**Cash and cash equivalents**		**8,277,429.56**	**3,610,677.41**	**3,610,677.41**
	TOTAL CURRENT ASSETS		**18,543,785.68**	**17,954,889.99**	**17,954,889.99**
	TOTAL		**44,689,173.22**	**36,974,625.11**	**19,094,100.99**

EMSA – BALANCE SHEET 2009 – LIABILITIES

Consolidation account			31.12.2009	31.12.2008 (restated)	2008
	LIABILITIES				
	A. CAPITAL		**37,030,302.15**	**31,408,241.58**	**13,527,717.46**
100000	**Reserves**		**0.00**	**0.00**	**0.00**
140000	**Accumulated surplus/deficit**		**31,408,241.58**	**23,709,458.93**	**10,697,777.24**
141000	**Economic result of the year - profit+/loss-**		5,622,060.57	**7,698,782.65**	**2,829,940.22**
	B. NON CURRENT LIABILITIES		**204,689.74**	0.00	0.00
162000	**Provisions for risks and charges**		**128,168.98**	0.00	0.00
172000	**Other long-term liabilities**		**76,520.76**	0.00	0.00
172100		Other long-term liabilities	76,520.76	0.00	0.00
	TOTAL A+B+C		**37,234,991.89**	**31,408,241.58**	**13,527,717.46**
	C. CURRENT LIABILITIES		**7,454,181.33**	**5,566,383.53**	**5,566,383.53**
482000	**Provisions for risks and charges**		**31,412.97**	**16,412.97**	**16,412.97**
430000	**Financial liabilities**		**0.00**	**0.00**	**0.00**
431000		Borrowings falling due within the year	0.00	0.00	0.00
432000		Held-for-trading liabilities due within the year	0.00	0.00	0.00
433000		Other current financial liabilities			0.00
440000	**Accounts payable**		**7,422,768.36**	**5,549,970.56**	**5,549,970.56**
441000		Current payables	302,059.95	8,462.40	8,462.40
442000		Long-term liabilities falling due within the year	0.00	0.00	0.00
443000		Sundry payables	124,229.89	214,337.02	214,337.02
491000		Other	2,355,183.58	4,739,916.66	4,739,916.66
491010		Accrued charges	2,343,555.01	4,739,916.66	4,739,916.66
491011		Deferred income	1,322.32	0.00	0.00
491090		*Deferrals and accruals with consolidated EU entities*	10,306.25	0.00	0.00
440009		*Accounts payable with consolidated EU entities*	4,641,294.94	587,254.48	587,254.48
440019		*Pre-financing received from consolidated EU entities*	4,456,539.40	21,991.09	21,991.09
440029		*Other accounts payable against consolidated EU entities*	184,755.54	565,263.39	565,263.39
	TOTAL D. CURRENT LIABILITIES		**7,454,181.33**	**5,566,383.53**	**5,566,383.53**
	TOTAL		**44,689,173.22**	**36,974,625.11**	**19,094,100.99**

2. EMSA – ECONOMIC OUTTURN ACCOUNT 2009

Consolidation account		2009	2008 (restated)	2008
744000	Revenues from administrative operations	120,091.49	21,889.80	21,889.80
745000	Other operating revenue	46,611,637.52	38,473,404.56	38,473,404.56
777777	TOTAL OPERATING REVENUE	46,731,729.01	38,495,294.36	38,495,294.36
610000	Administrative expenses	-22,115,839.83	-21,998,809.33	-17,923,852.53
620100	All Staff expenses	-15,264,742.04	-12,335,352.44	-12,335,352.44
630100	Fixed asset related expenses	-4,132,878.54	-4,571,351.98	-496,395.18
611000	Other administrative expenses	-2,718,219.25	-5,092,104.91	-5,092,104.91
600000	Operational expenses	-18,993,808.61	-8,797,320.16	-17,741,119.39
606000	Other operational expenses	-18,993,808.61	-8,797,320.16	-17,741,119.39
666666	TOTAL OPERATING EXPENSES	-41,109,648.44	-30,796,129.49	-35,664,971.92
	SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	**5,622,080.57**	**7,699,164.87**	**2,830,322.44**
750000	Financial revenues	0.00	0.00	0.00
650000	Financial expenses	-20.00	-382.22	-382.22
680000	Movement in pensions (- expense, + revenue)			0.00
	SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES	**-20.00**	**-382.22**	**-382.22**
	SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES	**5,622,060.57**	**7,698,782.65**	**2,829,940.22**
790000	Extraordinary gains (+)			0.00
690000	Extraordinary losses (-)			0.00
	SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	**0.00**	**0.00**	**0.00**
	ECONOMIC RESULT OF THE YEAR	**5,622,060.57**	**7,698,782.65**	**2,829,940.22**

3. EMSA – CASH FLOW 2009 TABLE (INDIRECT METHOD)

	2009	2008 (restated)	2008
Cash Flows from ordinary activities			
Surplus/(deficit) from ordinary activities	**5,622,060.57**	**7,698,782.65**	**2,829,940.22**
Operating activities			
Adjustments			
Amortization (intangible fixed assets) +	341,185.52	157,103.73	157,103.73
Depreciation (tangible fixed assets) +	3,810,183.21	2,836,929.86	341,612.37
Increase/(decrease) in Provisions for risks and liabilities	143,168.98	-18,587.03	-18,587.03
(Increase)/decrease in Stock	0.00		
(Increase)/decrease in Long term Pre-financing	-1,525,000.00		
(Increase)/decrease in Short term Pre-financing	4,494,302.60	-4,005,723.39	-4,005,723.39
(Increase)/decrease in Long term Receivables	0.00		
(Increase)/decrease in Short term Receivables	-427,993.82	-80,820.93	-80,820.93
(Increase)/decrease in Receivables related to consolidated EU entities	11,547.68	-615.07	-615.07
Increase/(decrease) in Other Long term liabilities	76,520.76		
Increase/(decrease) in Accounts payable	-2,181,242.66	1,337,904.70	1,337,904.70
Increase/(decrease) in Liabilities related to consolidated EU entities	4,054,040.46	-11,289,497.99	-11,289,497.99
Net cash Flow from operating activities	**14,418,773.30**	**-3,364,523.47**	**-10,728,683.39**
Cash Flows from investing activities			
Increase of tangible and intangible fixed assets (-)	-9,752,021.15	-9,770,312.33	-826,516.10
Proceeds from tangible and intangible fixed assets (+)			
Net cash flow from investing activities	**-9,752,021.15**	**-9,770,312.33**	**-826,516.10**
Net increase/(decrease) in cash and cash equivalents	4,666,752.15	-13,134,835.80	-11,555,199.49
Cash and cash equivalents at the beginning of the period	**3,610,677.41**	**15,165,873.90**	**15,165,873.90**
Cash and cash equivalents at the end of the period	**8,277,429.56**	**3,610,677.41**	**3,610,677.41**

4. STATEMENT OF CHANGES IN CAPITAL - 2009

Capital	Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
Balance as of 31 December 2008	23,709,458.93	7,698,782.65	31,408,241.58
Changes in accounting policies 1)			0.00
Balance as of 1 January 2009 (if restated)	**23,709,458.93**	**7,698,782.65**	**31,408,241.58**
Other 2)			0.00
Fair value movements			0.00
Movement in Guarantee Fund reserve			0.00
Allocation of the Economic Result of Previous Year	7,698,782.65	-7,698,782.65	0.00
Amounts credited to Member States			0.00
Economic result of the year		5,622,060.57	5,622,060.57
Balance as of 31 December 2009	**31,408,241.58**	**5,622,060.57**	**37,030,302.15**
Account	**140000**	**141000**	

5. ANNEXES

a. Accounting principles

The EMSA Financial Statement 2009 has been drafted based on:

- EMSA Founding Regulation (Regulation 1406/2002/EC as amended)
- EMSA Financial Regulation as last amended by the Administrative Board on 18 December 2008
- EMSA Implementing Rules of the Financial Regulation as last amended by the Administrative Board on 15 June 2009
- EMSA Decision No 2009/30 on inventory rules (based on relevant Commission Regulations and guidelines)
- “Accounting Guidelines” as provided by the Commission Accountant

Generally accepted accounting principles as defined by the EMSA Financial Regulation (art. 78):

a) Going concern basis
b) prudence
c) consistent accounting method
d) comparability of information
e) materiality
f) no netting
g) reality over appearance
h) accrual based accounting

b) Additional information

I. Fixed assets

The variation of the intangible fixed assets in 2009 is composed of:

2009		Computer Software	Total
Gross carrying amounts 01.01.2009	+	**674.937,32**	**674.937,32**
Additions	+	1.229.630,52	1.229.630,52
Disposals	-		0,00
Transfer between headings	+/-	0,00	0,00
Other changes (2)	+/-	0,00	0,00
Gross carrying amounts 31.12.2009		**1.904.567,84**	**1.904.567,84**
Accumulated amortization and impairment 01.01.2009	-	**-343.384,32**	**-343.384,32**
Amortization	-	-341.185,52	-341.185,52
Write-back of amortization	+		0,00
Disposals	+		0,00
Impairment (2)	-		0,00
Write-back of impairment	+		0,00
Transfer between headings	+/-	0,00	0,00
Other changes (2)	+/-		0,00
Accumulated amortization and impairment 31.12.2009		**-684.569,84**	**-684.569,84**
Net carrying amounts 31.12.2009		**1.219.998,00**	**1.219.998,00**
Accounts		211000	210000

In conformity with the EC Accounting Rule 7, amortisations have been recorded on a monthly basis in SAP.

The variation of the tangible fixed assets in 2009 is composed of:

2009		Plant and Equipment	Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	**Total**
Gross carrying amounts 01.01.2009	+	**17.247.599,10**	**1.385.848,24**	**133.195,37**	**4.307.595,58**	**23.074.238,29**
Additions	+	4.021.491,07	1.106.925,56	181.555,26	3.212.418,74	8.522.390,63
Disposals	-					**0,00**
Transfer between headings	+/-					**0,00**
Other changes (1)	+/-					**0,00**
Gross carrying amounts 31.12.2009		**21.269.090,17**	**2.492.773,80**	**314.750,63**	**7.520.014,32**	**31.596.628,92**
						0,00
Accumulated amortization and impairment 01.01.2009	-	**-2.729.232,88**	**-832.373,24**	**-44.043,37**	**-780.406,68**	**-4.386.056,17**
Depreciation	-	-2.312.325,70	-443.358,25	-33.235,26	-1.021.264,00	-3.810.183,21
Write-back of depreciation	+					0,00
Disposals	+					0,00
Impairment (1)	-					0,00
Write-back of impairment	+					0,00
Transfer between headings	+/-					0,00
Other changes (1)	+/-					0,00
Accumulated amortization and impairment 31.12.2009		**-5.041.558,58**	**-1.275.731,49**	**-77.278,63**	**-1.801.670,68**	**-8.196.239,38**
Net carrying amounts 31.12.2009		**16.227.531,59**	**1.217.042,31**	**237.472,00**	**5.718.343,64**	**23.400.389,54**
Accounts		230000	241000	240000	242000	200000

In conformity with the EC Accounting Rule 7, amortisations have been recorded on a monthly basis in SAP.

Gross carrying amount 31.12.2009

"Plant and Equipment" are composed of: 21.266.220,17 EUR (anti-pollution equipment in service) and 2.870,00 EUR (other)

"Other Fixtures and Fittings" are composed of: 6.779.016,73 EUR (anti-pollution pre-fitting in service) and 740.997,59 (building & other)

II. Long-term pre-financing

Account	Pre-financing with interest for the EU entity >1 yr	31.12.2009	31.12.2008
299290	**PF implemented by other EU entities than the Commission (pre-financing given to third parties)**	1,525,000.00	
299200	**Total**	**1,525,000.00**	**0.00**
299000	**TOTAL**	**1,525,000.00**	**0.00**

These pre-financings are related to operational activities (LRIT) and shall be cleared in 2011.

III. Short-term pre-financing

Account	Pre-financing without interest for the EU entity <1 yr	31.12.2009	31.12.2008
405290	**PF Implemented by other EU entities than the Commission (pre-financing given to third parties)**	9,514,289.00	14,008,591.60
405297	Accrued charges on PF TP - Implemented by other EU entities than the Commission		
405200	**Total**	**9,514,289.00**	**14,008,591.60**
405000	**Total**	**9,514,289.00**	**14,008,591.60**

These pre-financings are mainly related to the anti-pollution call for tenders and other operational activities.

IV. Short-term receivables

			Current receivables	31.12.2009		
Account			Receivables from	Gross Total	Amounts written down (-)	Net Value
401100	401101	401102	Customers	63.223,74	-51.449,79	**11.773,95**
401200	401201	401202	Member States	197.855,55		**197.855,55**
401300	401301	401302	EFTA	247,34		**247,34**
401600	401601	401602	Third States	26.662,84		**26.662,84**
401700	401701	401702	Other current receivables (1)	210.211,74		**210.211,74**
401000			**Total**	**498.201,21**	**-51.449,79**	**446.751,42**

Current receivables from Member States are mainly composed of VAT to be recovered (mainly from Portugal) while current receivables with Third States are linked to LRIT fees and charges to be collected.

(1) Other current receivables are composed of:

	Gross Total	Amounts written down (-)	Net Value
EMSA staff holidays paid by EMSA on behalf of Agencies/Inst.	11.054,86		11.054,86
Suppliers debtors	199.156,88		199.156,88
Total	**210.211,74**	**0,00**	**210.211,74**

Sundry receivables totalling **€ 235,460.10** are composed of:

Sundry receivables	**31.12.2009**			**31.12.2008**		
Receivables from	**Gross Total**	**Amounts written down (-)**	**Net Value**	**Gross Total**	**Amounts written down (-)**	**Net Value**
Staff	191,784.49		**191,784.49**	22,318.25		**22,318.25**
Other (2)	43,675.61		**43,675.61**			**0.00**
Total	**235,460.10**	**0.00**	**235,460.10**	**22,318.25**	**0.00**	**22,318.25**

The amount of € 191,784.49 is linked to the salary regularisation following the 3.9% reduction of the Lisbon salary coefficient (applicable from the second Semester 2009). The € 191,784.49 will be recovered from the staff during the first Semester 2010.

(2) Other sundry receivables are composed of:

	Gross Total	**Amounts written down (-)**	**Net Value**
Salary taxes (debit) follow. negative coeff Lisbon	14,031.75		14,031.75
ABAC Assets - Good received	29,643.86		29,643.86
			0.00
Total	**43,675.61**	**0.00**	**43,675.61**

Other – deferrals and accruals totalling **€ 63.361,95** are composed of:

€ 35.014,80 (interests to be received from ING)
€ 5.870,89 (prepayments - deferred charges)
€ 21.868,79 (Accrued income – LRIT operations)
€ 607,47 (Other expenditures)

Short-term receivables with consolidated EC entities totalling **€ 6.493,65** and composed of several receivables against The European Parliament and the European Commission:

€ 2,95 (European Parliament)
€ 6.490,70 (DG ELARG)

V. Cash and cash equivalents

Account	Description	31.12.2009	31.12.2008
505000	*Unrestricted cash:*	8,277,429.56	3,610,677.41
505200	Treasury and Central Bank accounts		
505300	Current accounts (bank accounts)	8,277,406.70	3,610,677.41
505400	Imprest accounts		
505500	Cash in hand ("Caisses")	22.86	
505600	Transfers (Cash in transit) *)	0.00	
505700	Short-term deposits and other cash equivalents	0.00	
506000	*Restricted cash:*	0.00	0.00
506100	Fines		
506200	Other		
500000	**Total**	**8,277,429.56**	**3,610,677.41**

The important variation between 2008 and 2009 is mainly due to the necessary cash reserve to be established to cover the first three months of 2010 (the first part of the TREN subsidy being usually received in March of the following year).

VI. Capital

The EMSA capital is increased by the positive economic outturn of the year 2009 (€ 5.622.060,57) to reach **€ 37.030.302,15.**

VII. Provisions for risks and charges (long-term)

A provision of € 128.168,98 has been established to cover potential losses related to the salary increase (2009) originally refused by the European Council.

VIII. Other long term liabilities

Totalling **€ 76.520,76,** this account is composed of:

€ 75.000,00 - LRIT long term deposits collected from the different customers
€ 1.520,76 – Financial interests to be reimbursed at the end of the Equasis project

IX. Short-term liabilities

A provision for risks and liabilities (short term) of **€ 31.412,97** has been constituted to cover potential losses related to different legal court cases.

Current payables are reaching **€ 302,059.95** and are constituted of invoices received, found eligible (the verification process being completed) but not paid at year end.

Account	Current payables	31.12.2009	31.12.2008
441100	Vendors	148,130.25	-369,794.82
441200	Member States	118,159.98	378,257.22
441300	EFTA		
441600	Third States	32,994.00	
441700	Other (1)	2,775.72	
441000	**Total**	**302,059.95**	**8,462.40**

(3) Other current payable are composed of:

	31.12.2009	31.12.2008
Debts linked to holidays paid on behalf of EMSA by Agencies/Inst.	2,775.72	
Total	**2,775.72**	**0.00**

Sundry payables

Account	Sundry payables	31.12.2009	31.12.2008
	Staff	74,116.06	52,412.42
	Other (2)	50,113.83	161,924.60
443000	**Total**	**124,229.89**	**214,337.02**

Staff payables include mainly debt towards EMSA staff (composed mainly of GALP individual down payments) while Other (2) is composed of:

	31.12.2009	31.12.2008
ONSS - Insurance accident - Insurance unemployment - Pension - Caisse Mal.	46,047.22	12,592.32
ABAC Assets (technical account)		91,450.41
Other items (payments to be re-sent, ONSS, etc.)	4,066.61	57,881.87
Total	**50,113.83**	**161,924.60**

Deferrals and accruals are totalling **€ 2.355.183,58** and represent mainly invoices to be received early 2009 for services rendered or goods delivered in 2009 (accrued charges: € 2.102.523,25) and staff untaken holidays at 31/12/2009 (€ 241.031,76).

Account	Description	31.12.2009	31.12.2008
491010	Accrued charges	**2,343,555.01**	**4,739,916.66**
	Untaken annual leave *	241,031.76	204,787.54
	other accrued charges	2,102,523.25	4,535,129.12
491011	Deferred income	**1,322.32**	
491000	**Total**	**2,344,877.33**	**4,739,916.66**

Extra deferrals and accruals with consolidated EU entities are totalling **€ 10.306,25** and are related to expenses with the Translation Centre Luxembourg.

Pre-financing received from consolidated EC entities reached **€ 4.456.539,40** and is mainly composed of:

€ 4.239.979,92 – DG TREN outstanding pre-financings received (2009)

€ 216.559,48 - DG ELARG outstanding pre-financings received (2009)

Other accounts payable against consolidated EC entities totalling **€ 184.755,54** include debts towards DG TREN and the European Translation Centre (CdT):

€ 179.314,04 (DG TREN - financial interests 2009)

€ 5.441,50 (CdT – Translation Centre)

X. Contigent liabilities

Account	Commitments for future fundings	31.12.2009	31.12.2008
902500	RAL - Commitments against appropriations not yet consumed	30,644,185.60	33,206,247.58
903200	Operating lease	0.00	0.00
903300	Contractual commitment (for which budget commitments have not yet been made) *)	0.00	0.00
903100	Other **)		
	TOTAL	**30,644,185.60**	**33,206,247.58**

XI. Contigent assets

Account	Description	31.12.2009	31.12.2008 (restated)	31.12.2008
901100	Guarantees received	7,950,869.00	16,804,400.80	16,804,400.80
901120	Guarantees for pre-financing *	7,950,869.00	16,804,400.80	16,804,400.80
901130	Guarantees for fines pending			
901180	Performance guarantees			
901190	Guarantees for other a)	0.00	0.00	
901200	Borrowing agreements signed			
901300	EAGGF guarantees			
901400	Fraud and irregularities - structural actions			
901900	Other contingent assets b)	290,136.00	0.00	16,470,731.71
901000	**TOTAL**	**8,241,005.00**	**16,804,400.80**	**33,275,132.51**

Other contingent assets b) are composed of:

	31.12.2009	31.12.2008 (restated)	31.12.2008
- Anti-pollution equipments		0.00	16,470,731.71
- Equasis guarantee of reimbursement of PF given (2009)	290,136.00	0.00	
Total	**290,136.00**	**0.00**	**16,470,731.71**

In the previous 2008 Financial Statements "Other contingent assets" included "call options" allowing the Agency to buy back the anti-pollution equipment installed on the contractor's ships for a single euro at the end of the contracting period. This classification was adopted given the complexity of the contracts concerning these equipments.

Following remarks of the Court made after its audit on the provisional accounts about the necessity to find a more appropriate solution and after a in depth analysis of the nature and substance of the contracts and in consultation with the Commission, it was concluded that these amounts should be brought into the Agency balance sheet as fixed assets according to the Commission accounting rules.

As at 31/12/2008 the amount of equipment installed on board was 18.957.463,87 EUR and the estimated net value of these equipment was 16.470.731,71 EUR. In order to allow the comparability between years, the 2008 accounts were restated.