



EUROPEAN DEFENCE AGENCY 2015 FINANCIAL REPORT

30 June 2016

EUROPEAN DEFENCE AGENCY

2015 FINANCIAL REPORT

INTRODUCTION

The Financial Report 2015 is drafted in accordance with the EDA Financial Rules.

This report consists of:

Part I - Management Report, which describes the governance of the Agency and its main activities in 2015;

Part II - the budget accounts, which are based on modified cash accounts. As in any cash accounting system, payments made and revenue received are recorded in the period in which the cash transaction occurs. These accounts are termed 'modified' because payment appropriations carried over are also recorded. Their purpose is for drawing up the budgetary outturn account and reports on budget implementation.

Part III - The general accounts are accrual accounts, meaning that the effects of transactions and other events are recognised when those transactions or events take place. They are drawn up based on accounting policies derived from the International Public Sector Accounting Standards (IPSAS) or by default, International Financial Reporting Standards (IFRS).

Part IV – Notes to the accounts.

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CERTIFICATION BY THE ACCOUNTING OFFICER

The Annual Accounts of EDA for the year 2015 have been prepared in accordance with the Financial RULES applicable to the General Budget of EDA.

EDA uses an integrated budgetary and accounting system, which will be subject to review and upgrade during 2016. EDA is not yet in the position to implement fully IPSAS, although progress has been made in this respect during 2015.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the EDA'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 EDA.

Brussels, 12 May 2016



Carlo Maria Borghini

Director and Accounting Officer of EDA

12/5/16

EUROPEAN DEFENCE AGENCY 2015 FINANCIAL REPORT

PART I - MANAGEMENT REPORT

RESULT OF THE YEAR

2015 Financial Highlights

Figures in k € - Budgetary Accounting

EUROPEAN DEFENCE AGENCY					
HISTORICAL BUDGETARY FINANCIAL DATA					
Figures in k €	2015	2014	2013	2012	2011
REVENUES					
MEMBER STATE CONTRIBUTIONS	29 161	29 151	29 057	29 086	29 034
DEDUCTIONS FROM STAFF REMUNERATION	1 450	1 423	1 155	1 375	1 241
FINANCIAL INCOME	57	50	95	177	247
OTHER REVENUES	554	215	37	264	15
TOTAL REVENUES	31 222	30 839	30 344	30 902	30 537
EXPENSES					
PERSONNEL EXPENSES	17 701	18 552	17 775	18 332	17 045
FUNCTIONING EXPENSES	5 019	5 113	4 228	4 083	4 640
OPERATIONAL PROJECTS & STUDIES	7 372	7 068	7 680	7 991	8 474
TOTAL EXPENSES	30 093	30 733	29 683	30 406	30 159
ACCOUNTING SURPLUS		106	661	496	378
CAPITAL EXPENDITURE & DEPRECIATION ADJUSTMENTS		618	170	172	261
BUDGETARY SURPLUS REPAYABLE TO pMS	1 129	667	831	668	639

Figures subject to rounding to nearest '000 Euro

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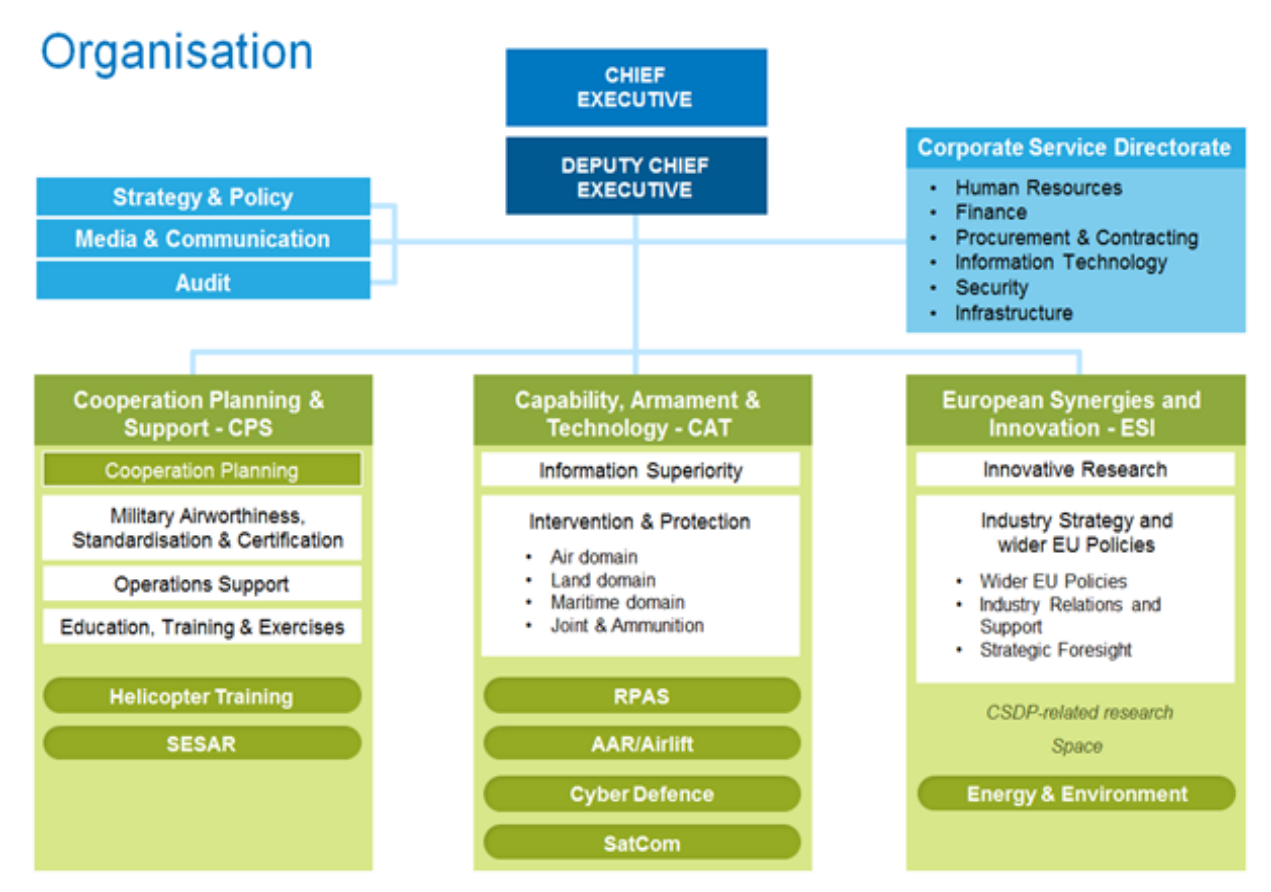
EDA STRUCTURE AND FUNCTIONS

The European Defence Agency is an Agency of the European Union⁽¹⁾, falling under the direction and authority of the Council, which issues guidance and guidelines to and receives reports from the Head of the Agency, High Representative of the Union for Foreign Affairs & Security Policy/Vice-President of the European Commission.

The Agency is governed by a Steering Board. The Head of the Agency chairs the Steering Board made up of Defence Ministers from 27 participating Member States (all EU members except Denmark) and a representative of the European Commission. In addition to ministerial meetings at least twice a year, the Steering Board also meets at the sub-ministerial level: National Armaments Directors, Research and Technology Directors and in Capabilities formation.

The Agency is established "to support the Member States in their effort to improve European defence capabilities in the field of crisis management and to sustain the Common Foreign and Security Policy as it stands now and develops in the future".

The internal organisation of the Agency is represented here below:



⁽¹⁾ Council Decision (CFSP) 2015/1835 of 12 October 2015 defining the statute, seat and operational rules of the European Defence Agency and repealing Joint Action 2004/551/CFSP.

COOPERATION PLANNING & SUPPORT (CPS)

The Cooperation Planning & Support directorate focuses on the early identification of requirements at European level and the through-life aspect of capabilities. It is responsible for capability planning through the Capability Development Plan and the Cooperative Programme Database; and Pooling & Sharing including the Code of Conduct. It deals with Defence & Industry analysis to complement the identification and development of capability demands. The directorate is also responsible for key enablers to support defence cooperation and enhance interoperability: military airworthiness, standardisation and certification, SES and SESAR, and education and training. In addition, it supports CSDP operations and EU Battle groups at the request of Member States.

CAPABILITY, ARMAMENTS & TECHNOLOGY (CAT)

The Capability, Armaments & Technology directorate prepares the programmes of tomorrow by maximising synergies between capabilities, armaments and Research & Technology. The directorate brings together the Agency's work in the areas of: Information Superiority (Communication & Information Systems, Surveillance & Reconnaissance, Space, Cyber Defence; Air (Remotely Piloted Aircraft Systems, Air-to-Air Refuelling, airlift and aerial systems technologies); Land (Counter-IED, armoured systems, camp protection and land systems technologies); Maritime (Maritime Surveillance, Mine Counter Measures and naval systems technologies); and the Joint domain (mobility, transport, medical and Ammunition). Particular attention will be given to identifying future Critical Defence Technologies needed to support military capabilities.

EUROPEAN SYNERGIES & INNOVATION (ESI)

This directorate acts as an interface between defence ministries and wider EU policies that have implications for defence. Its main tasks are to promote and support innovation through innovative research in the areas such as: Components, Radio-Frequency & Optical Sensors, Materials and Structures, Energy, and CBRN protection. It develops synergies and greater complementarity with EU programmes such as Horizon 2020 and European Structural Funds. The directorate is also the Agency's focal point on Space Policy, on which it has a close dialogue with the European Commission and the European Space Agency. It is responsible for Market & Industry policy, including SMEs, Security of Supply, the REACH regulation, market efficiency and global aspects of the defence market.

CORPORATE SERVICES DIRECTORATE (CSD)

The Corporate Services Directorate provides the horizontal services that ensure the functioning of the Agency. It consists of 6 Units providing financial, contracting, ICT, HR, security and administrative services to ensure that the Agency perform in accordance with the principles of sound financial management. In addition, the Agency's Legal Adviser and the Head of the Corporate Project report to the CSD Director.

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2015 ACTIVITY REPORT

The main activities of the Agency in 2015 are as outlined in the Annual Report of the Agency 2015.
This publication can be viewed on the Agency Website <http://www.eda.europa.eu/info-hub> .

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PART II – BUDGETARY ACCOUNTS

EUROPEAN DEFENCE AGENCY CONSOLIDATED BUDGET IMPLEMENTATION REPORT 2015						
GENERAL BUDGET						
BUDGET IMPLEMENTATION REPORT 2015	EUROPEAN DEFENCE AGENCY		AD HOCS		ADDITIONAL REVENUE	
	2015	2015	2015	2015	2015	2015
<i>Figures in €</i>	Committed	Paid	Committed	Paid	Committed	Paid
EXPENSES						
Title I : PERSONNEL EXPENSES	17 701 240,40	17 409 917,12	219 983,12	219 983,12	0,00	0,00
Title II : FUNCTIONING EXPENSES	5 019 485,40	3 631 877,66	0,00	0,00	0,00	0,00
TOTAL PERSONNEL & FUNCTIONING EXPENSES	22 720 724,80	21 041 794,78	219 983,12	219 983,12	0,00	0,00
Title III : OPERATIONAL BUDGET	7 372 199,85	202 903,39	32 388 364,69	15 390 753,18	102 994,82	0,00
TOTAL EXPENSES	30 092 925,65	21 244 698,17	32 608 347,81	15 610 736,30	102 994,82	0,00
BUDGET IMPLEMENTATION REPORT 2015 (CONT'D)						
	2015	2015	2015	2015	2015	2015
<i>Figures in €</i>	Committed	Actual	Committed	Paid	Committed	Paid
REVENUES						
MISC. COMMUNITY TAXES, LEVIES & DUES		1 449 949,73		0,00		0,00
INCOME FROM OPERATING ACTIVITIES		56 745,05		-23 891,79		26,92
CONTRIBUTIONS		29 160 850,00		25 607 181,80		1 035 000,00
OTHER REVENUES		554 782,80				
TOTAL REVENUES		31 222 327,58		25 583 290,01		1 035 026,92
BUDGETARY SURPLUS REPAYABLE TO pMS		1 129 401,93		N/A		N/A

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2015 BUDGET IMPLEMENTATION REPORT (1/3)

EUROPEAN DEFENCE AGENCY						
BUDGET IMPLEMENTATION REPORT 2015						
	Notes	2015	2015	2015	2014	2014
Figures in €	1	Budget ^(REV)	Committed	Paid	Budget ^(REV)	Committed
EXPENSES						Cash Based
Title I : PERSONNEL EXPENSES	2					
Chapter 11: OFFICIALS & TEMPORARY STAFF						
BASIC SALARIES (TBA)		9 734 200,00	9 526 697,87	9 526 697,87	9 731 501	9 730 115
STAFF STATUTORY ALLOWANCES		2 638 800,00	2 633 832,86	2 633 832,86	2 674 553	2 675 702
STAFF SOCIAL PROTECTION		2 539 000,00	2 531 331,31	2 531 331,31	2 494 000	2 306 413
STAFF ALLOWANCES ON ENTERING & LEAVING SERVICE		274 000,00	262 213,82	262 213,82	959 412	895 179
Subtotal		15 186 000,00	14 954 075,86	14 954 075,86	15 859 466	15 607 409
Chapter 12: SNE, CONTRACT STAFF & TRAINEES						
CONTRACT STAFF		1 010 000,00	989 570,97	989 570,97	1 206 946	1 199 830
SECONDED NATIONAL EXPERTS		995 000,00	979 907,27	979 907,27	1 025 000	1 019 645
TRAINEES		30 000,00	26 306,40	26 306,40	115 588	115 568
Subtotal		2 035 000,00	1 995 784,64	1 995 784,64	2 347 534	2 335 043
Chapter 13: STAFF RELATED						
RECRUITING EXPENSES		36 000,00	31 132,63	31 132,63	53 000	35 485
STAFF TRAINING		173 000,00	170 519,70	11 259,60	65 000	64 971
STAFF COMMITTEE		15 000,00	7 438,96	440,40	15 000	12 780
MEDICAL EXPENSES		5 000,00	2 471,86	2 471,86	10 000	3 281
MISSION EXPENSES		550 000,00	539 816,75	414 752,13	500 000	493 238
Subtotal		779 000,00	751 379,90	460 056,62	643 000	609 755
TOTAL PERSONNEL EXPENSES		18 000 000,00	17 701 240,40	17 409 917,12	18 850 000	18 552 207
Title II : FUNCTIONING EXPENSES	3					
Chapter 20: BUILDING & BUILDING RELATED						
FITTING-OUT OF PREMISES		112 608,95	112 608,95	0,00	0	0
SECURITY EQUIPMENT		269 781,08	269 781,08	7 771,17	271 082	271 082
OFFICE RENT		1 415 000,00	1 415 000,00	1 400 224,42	1 420 259	1 420 259
CLEANING & MAINTENANCE		265 720,23	265 720,23	212 936,83	279 102	279 101
UTILITY SERVICES		132 300,00	132 300,00	123 387,88	144 712	144 712
BUILDING SURVEILLANCE SERVICES		1 101 315,08	1 101 315,08	953 481,17	1 035 446	1 035 446
INSURANCES		7 346,81	7 346,81	7 346,81	7 988	7 988
OTHER BUILDING RELATED EXPENSES		5 748,02	5 748,02	5 269,03	2 600	2 600
Subtotal		3 309 820,17	3 309 820,17	2 710 417,31	3 161 189	3 161 188

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2015 BUDGET IMPLEMENTATION REPORT (2/3)

BUDGET IMPLEMENTATION REPORT 2015 (CONT'D)						
	Notes	2015	2015	2015	2014	2014
Figures in €	1	Budget ^(REV)	Committed	Paid	Budget (REV)	Committed
						Cash Based
Chapter 21: IT EQUIPMENT, FURNITURE & OTHER						
SOFTWARE, HARDWARE & MAINTENANCE		279 636,14	279 525,95	253 492,96	272 329	272 129
OFFICE FURNITURE		33 130,53	33 130,53	3 264,00	4 462	4 462
OFFICE TECHNICAL EQUIPM. & SUPPLIES		246,00	246,00	246,00	29 155	29 155
IT SERVICES & DEVELOPMENT		275 481,10	275 472,84	11 523,99	43 561	43 561
IT SUPPORT & MAINTENANCE OF COPIERS		362 616,01	362 616,01	186 999,90	154 688	154 688
TELECOM EXPENSES		134 880,19	134 880,19	113 776,27	212 422	212 420
OUTSIDE ASSIST. FOR OPERATION OF TECHN. INSTALLATIONS		9 191,65	9 191,65	7 646,37	9 936	9 936
MAINTENANCE & REPAIR OF TECHNICAL INSTALLATIONS		80 631,94	80 628,20	34 586,66	153 932	153 932
OFFICE VEHICLES AND TAXI EXPENSES		1 498,49	1 498,49	1 498,49	18 401	18 353
Subtotal		1 177 312,05	1 177 189,86	613 034,64	898 886	898 636
Chapter 22: OTHER FUNCTIONING						
TRANSLATION SERVICES		8 315,60	8 315,60	8 315,60	10 291	10 291
RECEPTION & REPRESENTATION EXPENSES		10 609,03	10 607,03	5 217,75	8 604	8 504
INTERNAL MEETINGS		62 871,38	62 645,67	47 115,94	64 707	63 674
CONFERENCES & SEMINARS		104 645,00	104 645,00	7 600,00	90 482	90 482
INFORMATION, SUBSCRIPTIONS & DOCUMENTATION EXPENSES		109 965,40	109 965,40	109 965,40	79 116	79 116
OFFICIAL JOURNAL		0,00	0,00	0,00	1 470	1 470
PUBLIC RELATIONS		140 380,89	140 380,89	55 164,71	110 379	110 379
OFFICE SUPPLIES & OTHER SERVICES		76 241,57	76 241,57	56 942,61	68 913	68 793
POSTAL & DELIVERY EXPENSES		14 040,00	14 032,22	12 461,71	26 000	26 000
AUDIT EXPENSES		5 448,91	5 448,91	5 448,91	10 013	10 013
FINANCIAL CHARGES, INCL. FOREIGN EXCHANGE DIFF.		200,00	193,08	193,08	800	714
Subtotal		532 717,78	532 475,37	308 425,71	470 775	469 436
TOTAL FUNCTIONING EXPENSES		5 019 850,00	5 019 485,40	3 631 877,66	4 530 850	4 529 260
TOTAL PERSONNEL & FUNCTIONING EXPENSES		23 019 850,00	22 720 724,80	21 041 794,78	23 380 850	23 081 467
Title III : OPERATIONAL BUDGET & EARMARKED REVENUE						
OPERATIONAL PROJECTS & STUDIES	4	7 511 000,00	7 372 199,85	202 903,39	7 150 000	7 091 120
TOTAL OPERATIONAL BUDGET		7 511 000,00	7 372 199,85	202 903,39	7 150 000	7 091 120
TOTAL EXPENSES		30 530 850,00	30 092 925,65	21 244 698,17	30 530 850	30 172 587

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2015 BUDGET IMPLEMENTATION REPORT (3/3)

BUDGET IMPLEMENTATION REPORT 2015 (CONT'D)						
	Notes	2015	2015	2015	2014	2014
<i>Figures in €</i>	1	Budget ^(REV)	Committed	Paid	Budget (REV)	Committed
REVENUES	5					Cash Based
Title IV: MISC. COMMUNITY TAXES, LEVIES & DUES						
Chapter 40: DEDUCTIONS FROM STAFF REMUNERATION						
TAXATION ON STAFF SALARIES & ALLOWANCES		1 120 000,00		1 203 050,73	1 180 000	1 184 764
TEMPORARY CONTRIBUTION		0,00		713,82	0	329
EU SPECIAL LEVY (PSP)		200 000,00		246 185,18	150 000	237 831
Subtotal		1 320 000,00		1 449 949,73	1 330 000	1 422 924
Title V: INCOME FROM OPERATING ACTIVITIES						
Chapter 52: FINANCIAL INCOME						
INTERESTS - BANK		50 000,00		30 292,96	50 000	37 462
INTERESTS - PMS		0,00		26 452,09	0	12 636
Subtotal		50 000,00		56 745,05	50 000	50 098
Title VI: pMS CONTRIBUTIONS						
Chapter 61 : MEMBER STATE CONTRIBUTIONS						
PMS CONTRIBUTIONS	6	29 160 850,00		29 160 850,00	29 150 850	29 150 850
Subtotal		29 160 850,00		29 160 850,00	29 150 850	29 150 850
OTHER REVENUES		0,00		39 511,28	0	30 218
CARRYFORWARD CANCELLATION		0,00		515 271,52	0	185 577
TOTAL REVENUES		30 530 850,00		31 222 327,58	30 530 850	30 839 667
BUDGETARY SURPLUS REPAYABLE TO pMS	7			1 129 401,93		667 080,18

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Summary EDA:

Budget transfers 2015					
	Title I	Title II	Title III	Total	
2015					
Original budget	19 800 000	4 599 850	6 131 000	30 530 850	2
Budget transfer	-1 800 000	420 000	1 380 000	-	0
Budget after transfer	18 000 000	5 019 850	7 511 000	30 530 850	1
					5

Budgetary Expenditure for 2015				
Title	Budget	Expenditure	% of Budget Consumed	Surplus Budget /Expenditure = A
	A	B	D	A/B
Title I Personnel Expenses	18 000 000,00	17 701 240,40	98,34%	298 759,60
Title II Functioning Expenses	5 019 850,00	5 019 485,40	99,99%	364,60
Title III Operational Expenses	7 511 000,00	7 372 199,85	98,15%	138 800,15
Total	30 530 850,00	30 092 925,65	98,57%	437 924,35
Budgetary Revenue for 2015				
Title	Budget	Revenue	% of Budget Realised	Surplus Revenue = B
Title IV Deductions from Staff Remuneration	1 320 000,00	1 449 949,73	109,84%	129 949,73
Title V Financial Income	50 000,00	56 745,05	113,49%	6 745,05
Title VI pMS Contributions	29 160 850,00	29 160 850,00	100,00%	0,00
Title VII Other Revenues	0,00	554 782,80	-	554 782,80
Total	30 530 850,00	31 222 327,58	102,26%	691 477,58
Total Surplus for 2015 A +B				1 129 401,93
	Budget	Expenses	Cancellations	Outturn
Carry Forward 2014-2015	10 831 719,43	7 161 152,89	515 271,52	3 155 295,02

Reconciliation of 2013-2014 Carry forwards and Carry forward Cancellations of 515.271,52 € in 2015 (46.603,17 € and 468.668,35 € respectively):

Title	2013 Carry Forwards to 2015	2014 Carry Forwards to 2015	2013 Carry Forwards Paid in 2015	2014 Carry Forwards Paid in 2015	2013 Carry Forwards Cancelled in 2015	2014 Carry Forwards Cancelled in 2015	2013 Carry Forwards to 2016	2014 Carry Forwards to 2016
Title I Personnel Expenses	0,00	734 295,83	0,00	320 990,64	0,00	413 305,19	0,00	0,00
Title II Functioning Expenses	0,00	897 145,92	0,00	841 782,76	0,00	55 363,16	0,00	0,00
Title III Operational Expenses	2 407 608,75	6 792 668,93	2 307 005,58	3 691 373,91	46 603,17	0,00	54 000,00	3 101 295,02
Totals	2 407 608,75	8 424 110,68	2 307 005,58	4 854 147,31	46 603,17	468 668,35	54 000,00	3 101 295,02
	10 831 719,43		7 161 152,89		515 271,52		3 155 295,02	

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PART III – GENERAL ACCOUNTS (accrual accounting)

2015 BALANCE SHEET

EUROPEAN DEFENCE AGENCY 2015 FINANCIALS				
BALANCE SHEET				
	Notes	31.12.2015	31.12.2014	31.12.2013
Figures in €				
ASSETS				
ASSETS				
A. NON-CURRENT ASSETS				
FITTING-OUT OF PREMISES		3 215	57 330	382 933
SECURITY EQUIPMENT		16 888	5 135	10 988
IT EQUIPMENT		244 345	224 508	424 947
OFFICE FURNITURE		13 681	12 126	14 785
OFFICE TECHNICAL EQUIPMENT		74 744	101 819	128 010
TOTAL NON-CURRENT ASSETS	8	352 873	400 918	961 663
B. CURRENT ASSETS				
Short-term receivables				
INTERESTS RECEIVABLE		10 478	20 427	26 159
OTHER RECEIVABLES		11 624	141 669	28 169
Short-term receivables		22 102	162 096	54 328
Cash and cash equivalents				
EDA BANK ACCOUNTS		26 253 323	25 950 557	25 076 158
PETTY CASH		0	1 445	1 151
Cash and cash equivalents	9	26 253 323	25 952 002	25 077 309
TOTAL CURRENT ASSETS		26 275 426	26 114 098	25 131 637
TOTAL ASSETS		26 628 299	26 515 016	26 093 300
LIABILITIES				
STAKEHOLDERS				
ADVANCE ON PMS CONTRIBUTIONS		386 300	2 150 313	1 447 387
OUTSTANDING RECEIVABLES		3 714	17 228	17 228
CAPEX & DEPRECIATION ADJ. (YEAR N-1)		400 915	961 659	1 131 482
ACCOUNTING SURPLUS/LOSS		1 081 357	106 336	661 091
STAKEHOLDERS	10	1 872 285	3 235 536	3 257 188
SUPPLIER PAYABLES				
ACCRUED EXPENSES		12 003 523	10 831 719	9 392 058
- THEREOF FUNCTIONING		1 678 931	1 631 442	582 346
- THEREOF OPERATIONAL		10 324 591	9 200 278	8 809 711
PENDING INVOICES		35 389	440 866	2 080 797
SUPPLIER PAYABLES	11	12 038 911	11 272 586	11 472 855
STAFF PAYABLES				
STAFF PENSION ACCRUALS (RCN)		12 724 525	12 001 032	11 267 824
EMPLOYEES / PENDING INVOICES		(7 422)	5 865	95 660
STAFF PAYABLES (9TK)		0	(3)	(227)
STAFF PAYABLES	12	12 717 103	12 006 894	11 363 258
TOTAL LIABILITIES		26 628 299	26 515 016	26 093 300



Jorge DOMEcq
Chief Executive

30 June 2015.

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2015 CASH FLOW

EUROPEAN DEFENCE AGENCY			
2015 FINANCIALS			
CASH FLOW			
<i>Figures in €</i>	31.12.2015	31.12.2014	31.12.2013
OPENING BANK ACCOUNT BALANCE	25 950 556,55	25 076 157,79	26 792 938,89
CASH RECEIVED FROM PMS			
PMS CONTRIBUTIONS	29 160 850,00	29 150 850,00	29 056 850,00
ADDITIONAL REVENUE CONTRIBUTION	300 000,00	0,00	0,00
REIMBURSEMENT OF YEAR N-1 SURPLUS	(1 129 401,93)	(667 080,18)	(667 991,91)
DEFERRED PAYMENTS OF CONTRIBUTIONS & ADJUSTMENTS	958 786,45	4 617 540,08	2 301 235,37
Subtotal	29 290 234,52	33 101 309,90	30 690 093,46
CASH RECEIVED FROM BANK			
INTERESTS CREDITED DURING THE YEAR	30 292,96	37 462,02	105 970,92
Subtotal	30 292,96	37 462,02	105 970,92
TOTAL CASH INFLOWS	29 320 527,48	33 138 771,92	30 796 064,38
CASH SPENT FOR FUNCTIONING & OPERATIONAL EXPENSES			
PAYMENTS FOR FUNCTIONING EXPENSES	22 816 477,68	24 439 266,13	26 347 676,29
PAYMENTS FOR OPERATIONAL EXPENSES	6 201 282,88	7 825 107,03	6 165 169,19
TOTAL CASH OUTFLOWS	29 017 760,56	32 264 373,16	32 512 845,48
CLOSING BANK ACCOUNT BALANCE	26 253 323,47	25 950 556,55	25 076 157,79

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2015 STATEMENT OF FINANCIAL PERFORMANCE

EUROPEAN DEFENCE AGENCY			
STATEMENT OF FINANCIAL PERFORMANCE			
	<i>Notes</i>	2015	2014
<i>Figures in €</i>			
REVENUE			
PMS Contributions	6	29 160 850,00	29 150 850,00
Other revenue		1 489 397,68	1 453 141,93
Exchange gains		63,32	86,06
TOTAL REVENUE		30 650 311,00	30 604 077,99
OPERATIONAL EXPENSES			
Operational expenses	4	2 177 805,17	275 297,47
TOTAL OPERATIONAL EXPENSES		2 177 805,17	275 297,47
OPERATING EXPENSES			
Administrative expenses			
TOTAL ADMINISTRATIVE EXPENSES	2 & 3	21 087 740,37	22 033 826,40
Other operating expenses			
Exchange losses		1 906,28	0,00
TOTAL OTHER OPERATING EXPENSES		1 906,28	0,00
TOTAL OPERATING EXPENSES		23 267 451,82	22 309 123,87
OPERATING RESULT		7 382 859,18	8 294 954,12
FINANCIAL INCOME			
Interests on late payment (income)		26 452,09	12 636,25
Interests on bank accounts		30 292,96	37 462,02
Total financial income	5	56 745,05	50 098,27
FINANCIAL EXPENSES			
Financial expenses		193,08	183,06
Total financial expenses		193,08	183,06
FINANCIAL RESULT		56 551,97	49 915,21
ECONOMIC RESULT OF THE YEAR		7 439 411,15	8 344 869,33

Note: The amount representing the operational expenses in 2015 is calculated pro rata while the figure in 2014 shows the total amount paid during the year

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RECONCILIATION BETWEEN BUDGET OUTTURN AND ECONOMIC OUTTURN

EUROPEAN DEFENCE AGENCY		
RECONCILIATION BETWEEN BUDGET OUTTURN AND ECONOMIC OUTTURN		
	2015	2014
<i>Figures in €</i>		
Budgetary result	1 129 402	667 080
<i>Adjustment for items not in the budgetary result but in the economic result</i>		
Accumulated depreciations	-270 933	-618 002
Asset acquisitions	222 889	57 258
OB Contracts (pro rata cost)	-2 177 805	0
<i>Adjustment for items in the budgetary result but not in the economic result</i>		
Carryforward cancellation	-515 272	-185 577
Carry-over	8 848 227	8 424 111
OB Contracts (total amount paid)	202 903	0
Total	7 439 411	8 344 869
Economic result	-7 439 411	-8 344 869
Discrepancy	0	0

PART IV – NOTES TO THE ACCOUNTS

Note 1: Basis of Presentation and Specific Accounting Policies

BASIS OF PRESENTATION

EDA's financial accounts have been established in conformity with:

- Council Decision (CFSP) 2015/1835 of 12 October 2015 defining the statute, seat and operational rules of the European Defence Agency
- Steering Board Decision No. 2007/29 (Cor.) on the Financial Rules of the European Defence Agency ('the EDA Financial Rules' or 'FR')
- in certain tables figures have been rounded to the nearest '000 € for ease of reference

SPECIFIC ACCOUNTING POLICIES

pMS Contributions

Contributions, initially from 27 participating Member States⁽²⁾ ('pMS') are calculated in accordance with the principles of the EU budget proportional share of the pMS's GNI in the total GNI aggregate. Contributions are requested in three instalments, by 15 March, 15 June and 15 October (Art. 16, Council Decision (CFSP) 2015/1835 of 12 October 2015 defining the statute, seat and operational rules of the European Defence Agency).

2015 Budget

The Foreign Affairs Council in Defence Ministers formation agreed the EDA Budget for 2015 on 18 November 2014. During 2015, in accordance with the Financial Rules, to properly reflect its financial situation, the Agency reviewed its budget, adjusting intra-titles budgets based on forecasted expenses and revenues (see table on page 12).

Budgetary Surplus repayable to pMS

The budgetary surplus repayable to pMS is the difference between revenues and expenses of the financial year, including capital expenditure, depreciation adjustment and cancelled carry forwards from previous years. The surplus is returned to pMS as a deduction of the third contribution in the following financial year (see also Note 7).

Fixed Asset Policy

Items acquired by the Agency whose purchase price is 420 € or more, with a period of use greater than one year, and which are not consumables are recorded in the fixed assets accounts (Art. 222, 'EU Implementing Provisions'). The Agency performs an annual inventory of its fixed assets, where all qualifying assets are individually monitored and recorded in the fixed asset database.

The cost of fixed assets comprises the purchase price, including any directly attributable costs of bringing the asset into working condition for its intended use. Routine maintenance and repairs, however, are not capitalised but charged to expenses as incurred.

In line with the Council's policy, asset-invoices are booked as expenses during the year and transferred to the balance sheet at year-end. Up to 2014 the capital expenditure and depreciation were both reflected in the expense column and then re-adjusted. These balancing transactions are not reflected from 2015 onwards.

⁽²⁾ 28 EU Member States excluding Denmark

Depreciation

Depreciation is computed on a straight-line basis, from the date of the purchase, over the estimated useful life of the assets:

- 9 years for fitting-out of premises (building related investments),
- 5 years for office furniture (desks, chairs, filing cabinets, etc.) and office technical equipment (projectors, bicycles etc.),
- 3 years for IT equipment and software (computers, telecommunications, audio-visual, other equipment and software) and security equipment (scanner, surveillance equipment, etc.).

EUROPEAN DEFENCE AGENCY

2015 FINANCIAL REPORT

Note 2: Personnel Expenses

EUROPEAN DEFENCE AGENCY			
PERSONNEL EXPENSES 2015			
	Notes	2015	2015
Figures in €		Budget ^(REV)	Committed
			2015
			Paid
EXPENSES			
Title I : PERSONNEL EXPENSES			
Chapter 11: OFFICIALS & TEMPORARY STAFF			
BASIC SALARIES (TBA)		9 734 200,00	9 526 697,87
STAFF STATUTORY ALLOWANCES		2 638 800,00	2 633 832,86
STAFF SOCIAL PROTECTION		2 539 000,00	2 531 331,31
STAFF ALLOWANCES ON ENTERING & LEAVING SERVICE		274 000,00	262 213,82
Subtotal		15 186 000,00	14 954 075,86
Chapter 12: SNE, CONTRACT STAFF & TRAINEES			
CONTRACT STAFF		1 010 000,00	989 570,97
SECONDED NATIONAL EXPERTS		995 000,00	979 907,27
TRAINEES		30 000,00	26 306,40
Subtotal		2 035 000,00	1 995 784,64
Chapter 13: STAFF RELATED			
RECRUITING EXPENSES		36 000,00	31 132,63
STAFF TRAINING		173 000,00	170 519,70
STAFF COMMITTEE		15 000,00	7 438,96
MEDICAL EXPENSES		5 000,00	2 471,86
MISSION EXPENSES		550 000,00	539 816,75
Subtotal		779 000,00	751 379,90
TOTAL PERSONNEL EXPENSES		18 000 000,00	17 701 240,40
			17 409 917,12

PERSONNEL EXPENSES

Personnel expenses amount to 17,7 M €

The remuneration of the members of the temporary and contract Staff is determined according to the same rules as those set out in the EU Staff Regulations (Art. 59 and Art. 111 of EDA Staff Regulations).

STAFF CATEGORIES AT THE AGENCY

EDA employs four different categories of personnel:

1. Temporary Staff

Staff engaged to fill temporarily a post included in the list of posts appended to the budget of the Agency. They are classified in an administrators' function group (AD) and assistants' function group (AST). Function group AD is graded AD6-AD16, corresponding to administrative, advisory, linguistic and scientific duties. Function group AST is graded AST5-AST8, corresponding to executive, technical and clerical duties.

2. Contract Staff

Staff not included in the Staff Establishment Plan and engaged for the performance of full-time or part-time duties. Contract Staff are subdivided into four function groups corresponding to the duties performed. Each function group is subdivided into grades and steps.

3. Seconded National Experts

Temporarily assigned experts from the Member States' administrations in accordance with EDA's requirements and budgetary possibilities. Seconded National Experts are defined in Article 6 of Council Regulation of 29 January 2007 amending Decision 2004/677/EC with regard to a minimum period of secondment of national experts and military staff seconded to the European Defence Agency. In addition, EDA may under the same conditions hire *Short Term SNEs* for specific projects (not included in the Staff Establishment Plan).

4. Trainees

Temporarily assigned experts from the Member States' administrations in accordance with EDA's requirements and budget availability.

Basic Salaries

Staff basic salaries (TBA) are processed through the *EU Paymasters Office's (PMO)*, using the NAP system. Grades and salary parameters are updated annually.

Staff Statutory Allowances & Staff Social Protection

Staff Statutory Allowances & Staff Social Protection are governed by the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities.

Other Staff Expenses

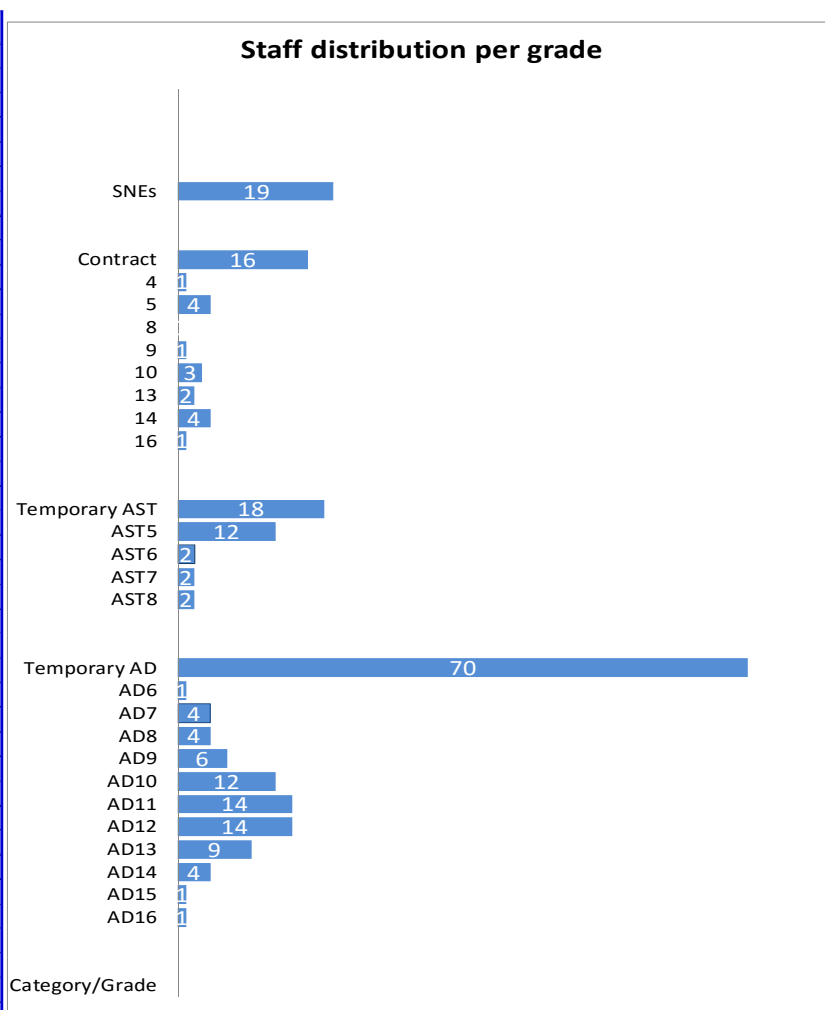
Orphans Pension: With reference to Art. 80 of the EU Staff Regulations and Art. 81 of EDA Staff Regulations, EDA has an obligation to pay orphans' pension to the children of a deceased Staff Member, until each orphan reaches the age of 18 or, subject to confirmation, up to the age of 26 if full-time studies are pursued by the child.

Invalidity Pension: following termination of employment with the EDA due to invalidity one former Contract Staff member is currently in receipt of Invalidity Allowance.

EUROPEAN DEFENCE AGENCY 2015 FINANCIAL REPORT

Staff present on 31/12/2015

Staff present 31/12/2015			
Category/Grade	Total	Female	Male
AD16	1	0	1
AD15	1	0	1
AD14	4	0	4
AD13	9	2	7
AD12	14	2	12
AD11	14	0	14
AD10	12	3	9
AD9	6	2	4
AD8	4	1	3
AD7	4	4	0
AD6	1	0	1
Temporary AD	70	14	56
		20%	80%
AST8	2	1	1
AST7	2	2	0
AST6	2	1	1
AST5	12	11	1
Temporary AST	18	15	3
		83%	17%
16	1	0	1
14	4	2	2
13	2	2	0
10	3	2	1
9	1	0	1
8	0	0	0
5	4	2	2
4	1	0	1
Contract	16	8	8
		50%	50%
SNEs	19	0	19
		0%	100%



Staff Allowances on Entering & Leaving Service

Staff allowances on entering & leaving service are governed by the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities.

Contract Staff

16 Contract Staff were present in the Agency on 31/12/2015. Payment of salary and allowances of contract staff are governed by the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities.

Seconded National Experts (SNEs)

On 31/12/2015, 19 SNEs were present at the Agency. Payment of allowances are governed by the SNE rules of the Agency.

Trainees

On 31/12/2015, 3 trainees worked at the Agency.

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Recruiting Expenses

Miscellaneous recruiting expenses related to candidates' interviews, travel and accommodation of recruiting experts, organisation of selection process.

Staff Training & Conference Fees

Staff training expenses: language classes, security training and EDA participant fees for seminars or conferences.

Medical Expenses

Relate to recruiting expenses, annual health examinations and the purchase of standard medical supplies for the infirmary.

Mission Expenses

Expenses related to Staff business missions: travel expenses, meals and accommodation.

Note 3: Functioning Expenses

Fitting-out of Premises

Investments related to the fitting-out of office premises, notably: set-up of new meeting rooms, office partitioning to accommodate new Staff members, external lighting, building air-conditioning and other building transformation expenses. Expenses include annual depreciation charge.

Security Equipment

Surveillance cameras, surveillance locks, cabinets, secure doors and other equipment to ensure security of EDA premises. Expenses include annual depreciation charge.

Office Rent

The Agency signed a standard Belgian lease for the office building at Rue des Drapiers in Brussels. Rent is settled on a quarterly basis and includes related taxation.

Cleaning and Maintenance

Building cleaning and maintenance contracts, including cleaning supplies.

Utility Services

Building utility expenses related to water, electricity and heating.

Building Surveillance Services

Expenses related to 24-hour building surveillance, notably security services and guards.

Insurances

Selected insurance policies related to EDA premises and Staff.

Other Building related Expenses

Expenses related to waste removal, recycling services, office plants and fire protection.

IT Equipment and Software

All expenses related to the Agency's IT systems: servers, desktops, laptops and other IT equipment and software. Expenses include annual depreciation charge.

Office Furniture

Desks, tables, chairs, conference room equipment, filing cabinets, cupboards and all miscellaneous office furniture. Expenses include annual depreciation charge.

IT Projects & Development of Systems

Expenses related to installation of software, banking software, accounting information system.

IT Support & Maintenance of Copiers

Rental and maintenance of photocopiers.

Telecom Expenses

Telecommunication expenses: mobile, internet and dedicated lines.

Office Technical Equipment

Technical supplies for electrical systems and other technical installations.

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Outside Assistance for Operation of Technical Installation

Outside assistance for the operation of electrical systems and other building related technical installations.

Maintenance & Repair of Technical Installations

Services for maintenance and repair of technical equipment and installations: electrical systems, air conditioning, elevators and other technical installations, plumbing, heating.

Office Vehicles

Rental fee for office vehicles and maintenance costs.

Reception & Representation Expenses

Expenses related to official receptions: catering, event organisation.

Internal Meetings

Meeting supplies such as: water, coffee, and sandwiches.

Organisation of Conferences & Seminars

Expenses related to EDA conferences and seminars, including the payment for selected conference speakers.

Information, Subscriptions & Documentation Expenses

Expenses related to specialised information sources and press subscriptions.

Official Journal

Publication expenses for EDA's regulatory documents in *the Official Journal of the European Union*.

Public Relations

Expenses related to EDA's image, Public Relations campaigns, media coaching, conference posters and other communication materials.

Office Supplies

Standard office supplies, including: paper, stationary and office consumables.

Postal & Delivery Expenses

Postage, express mail, P.O. Box.

Financial Charges, including Foreign Exchange Rate Differences

Expenses for bank transfers outside the EU and bank services subject to specific charges.

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Note 4: 2015 Operational Projects and Studies

In 2015 the EDA launched the following procedures under the Operational Budget that amounted to 7,372 M €.

Contract Reference	Contract Title	Contract value (in €)
15.CAT.FC.112	Maritime Security Conference, Cyprus	17 600,00
15.CAT.NP1.026/01	EART 2015 EDA financial contribution for patches	537,00
15.CAT.NP1.043	Support to C-IED inter-agency events	30 000,00
15.CAT.NP1.181	CBRN-e ID Advanced Search Course	72 500,00
15.CAT.NP1.188	Renew al of 14.CAT.OP.028 Personnel Management Functional Area Service (J1-FAS)	155 000,00
15.CAT.NP3.072	Translation of Sw edish Personnel Recovery Baseline Training Tool	53 700,00
15.CAT.NP3.204	Purchase of X-Ray Equipment to support C-IED	45 000,00
15.CAT.OP.042	CD TEXP	95 000,00
15.CAT.OP.063	NLC equipment feasibility study	78 863,00
15.CAT.OP.065	Study to inform strategy on C-SAFIRE in EU led mil ops	95 001,06
15.CAT.OP.068	Medical Support to Light Footprint Ops	149 821,00
15.CAT.OP.070	Power Management for Land Platforms	200 000,00
15.CAT.OP.071	Standard Architecture for Soldier Systems	200 000,00
15.CAT.OP.089	European Hubs optimisation analysis	149 426,51
15.CAT.OP.095	Laser detection of UW targets in turbid waters	200 000,00
15.CAT.OP.116	Space-based imagery exploitation	170 000,00
15.CAT.OP.120	Business Case for multi-crypto environment	60 160,00
15.CAT.OP.124	Course Correction Fuse Integration with Artillery Systems in EU	149 800,00
15.CAT.OP.138	RPAS detect and avoid	91 200,00
15.CAT.OP.139	Forward Aeromedical Evacuation with Rotary Wing - interoperability study	99 738,00
15.CAT.OT.031	Geospatial Information implementation	150 000,00
15.CAT.OT.108	IEGD	7 662,00
15.CAT.OT.113	UMS Maritime Conference with EuroDefense	4 787,53
15.CAT.OT.217	Train the Trainer Course for Naval Operations Room Personnel organizational costs	4 844,90
15.CAT.SC.019	Call on 12.CAP.OP.284 - radio spectrum management	93 475,28
15.CAT.SC.052	Call on FSC 12.CAP.OP.330 for the Architectures Repository	54 000,00
15.CAT.SC.119	GOVSATCOM WP1&2	496 666,00
15.CAT.SC.177	Maieutic Tool	7 965,00
15.CAT.SC.202	GOVSATCOM Feasibility study - WP3	495 333,00
15.CAT.SC.237	Stage 1 Operational C2 Interoperability Project	99 500,00
15.CAT.SC.269	15.CAT.OP.042 OF1	74 000,00
15.CAT.SC.270	15.CAT.OP.042 OF3	25 500,00
Total for CAT Directorate		3 627 080,28

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Contract Reference	Contract Title	Contract value (in €)
15.CPS.NP1.013/01	European Air Transport Training (EATT) 2015	475,00
15.CPS.NP1.013/02	EATT 15 event conference material	10 705,00
15.CPS.NP1.021	Specific Maieutic Tool Session (MATOS) for the CDP	4 900,00
15.CPS.NP1.026/02	EART15 catering services eindhoven	847,34
15.CPS.NP1.027/1	EAATTC 2015 Bulgaria event support services	8 522,50
15.CPS.NP1.161	EAATTC 15-3 Zaragoza, Spain, financial contribution	11 288,92
15.CPS.OP.100	CDP Mid-Longterm Threat Assessment	100 000,00
15.CPS.OT.101	EAT Symposium 2015	2 972,30
15.CPS.OT.118	EATTC 2015 Event Support	4 414,18
15.CPS.OT.121	EACM follow on Course	25 000,00
15.CPS.OT.132	Strategic Security and Defence Implications of the Hybrid Warfare Threat	5 000,00
15.CPS.OT.135	EATT15 Portugal	24 975,00
15.CPS.OT.146	EATIC course autumn 2015	33 150,00
15.CPS.OT.150	EATT 15 Portugal transportation services	5 322,49
15.CPS.OT.161	EATTC Event Support	599,54
15.CPS.OT.166	Additional Advance Tactical Instructors' Course (EATIC 15-4) for 2015	16 600,00
15.CPS.OT.229	EUROCAE membership	5 625,00
15.CPS.RE.211	Reimbursement of mission costs for an expert-OHQ Rome Staff Cyber Security Awareness Seminar	2 000,00
15.CPS.SC.028	Analysis of industr. implicat.of CDP priority Cyber def.	20 000,00
15.CPS.SC.040	CODABA 2.0 IT Tool	107 960,00
15.CPS.SC.103	EDSTAR Maintenance and update (2015)	106 000,00
15.CPS.SC.149	Specific Contract No.3 implementing FWC 13.CAP.NP.738 "Capability Development Plan"	20 000,00
15.CPS.SC.174	Market Analysis for Collaborative Opportunities Identified in the CODABA	24 750,00
15.CPS.SC.175	Market Analysis for Collaborative Opportunities identified in CODABA	25 000,00
15.CPS.SC.176	Market Analysis for Collaborative Opportunities Identified in the CODABA	24 750,00
15.CPS.SC.184	Identification of P&S solutions	179 000,00
15.CPS.SC.187	EATT 15 Event Support	563,21
15.CPS.SC.210	Operations Support - EU Contractors Support to Operations (CSO)	49 670,00
15.CPS.SC.212	CDP Threat Assessment WP1	85 000,00
15.CPS.SC.216	CSO Contractor Support Operations	49 560,00
15.CPS.SC.223	CODABA Maintenance and Improvement Phase 3	49 670,00
15.CPS.SC.228	CODABA Maintenance and Improvement Phase 2 Part II	126 950,00
15.CPS.SC.244	CDP Threat Assessment WP2	125 000,00
15.CPS.SC.256	SES/SESAR WORLD ATM CONFERENCE	25 400,00
15.CPS.SC.258	The military in sesar	22 000,00
15.CPS.SC.264	Additional on-site Support and Maintenance For THE EATF Exercise Tool FLIGHTPRO (Ocean	52 250,00
15.CPS.SC.277	EMA CC Update Phase 2 WP2	160 000,00
Total for CPS Directorate		1 515 920,48

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Contract Reference	Contract Title	Contract value (in €)
15.ESI.OP.029	Support to Supply Chain Action Plan	148 000,00
15.ESI.OP.029	15.ESI.OP.029 Reimbursement of expenses External Speaker Defence Acquisition Expert Network Meeting 12 November 2015.	2 000,00
15.ESI.OP.064	Assessment of Defence-Related SME Access to COSME Programme	135 000,00
15.ESI.OP.066	Knowledge - Based Radar For Target Detection and Identification – KbaReT - Study	250 000,00
15.ESI.OP.067	Radio Frequency Photonic Technologies (RPT)	135 000,00
15.ESI.OP.162	Overarching Strategic Research Agenda and Captech SRAs Harmonization (OSRA)	500 000,00
15.ESI.OP.201	Tech Watch Follow - on	190 950,09
15.ESI.OP.203	System Architecture Enhancing the Capabilities of EO Sensor Suites to Improve Situational Awareness – “Smart Electro-Optical Sensors”	200 000,00
15.ESI.OT.133	Defence Equipment Cost Inflation in Europe: Analysis	5 000,00
15.ESI.OT.148	MATOS for graphene technologies WS	7 965,00
15.ESI.OT.190	ENER contract workshop participants reimbursement	5 000,00
15.ESI.SC.055	Implementation of SME Action Plan – Handbook for Defence Related SMEs	14 850,00
15.ESI.SC.105	Specific Contract implementing Framework Contract 14.ESI.OP.001	11 500,00
15.ESI.SC.145	Industrial Analysis of CDP Priority Actions in the Field of Protection of Forces in Theatre (C-IED and CBRNE Capabilities in Operations)	40 000,00
15.ESI.SC.154	Specific Contract implementing Framework Contract 14.ESI.OP.001- Reopening 4	318 000,00
15.ESI.SC.189	Specific Contract implementing Framework Contract 14.ESI.OP.001- Reopening 5	6 000,00
15.ESI.SC.192	Defence Industry Data	50 000,00
15.ESI.SC.199	Industrial Analysis of CDP Priority actions in the Field of Tactical Drones	40 000,00
15.ESI.SC.260	Industrial analysis for prioritized action of Cyber Defence of the CDP additional tasks	10 000,00
15CPS.SC.276	EMACC Update Phase 2 WP1	60 000,00
15PS.SC.254	Central and Eastern European (CEE) Study	99 934,00
Total for ESI Directorate		2 229 199,09
Global Total for Operational Budget 2015		7 372 199,85

Note 5: Revenues

EU Taxation

Taxation on Staff salaries (temporary and contractual) and allowances collected by the Agency for income tax, temporary contribution and EU special levy.

Financial Income

In 2015, the Agency's bank accounts generated interests of 30 k €.

According to the Article 29 of the Financial Rules, interests for late payments of contributions were charged where applicable. Total pMS payments for late interests amounted to 26k € in 2015.

Bank interests and interests for the late payments of contributions are included in the year-end surplus, which flows back to pMS.

Other revenues

Other revenues include reimbursements received and cancelled unused accrued expenses of previous years.

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Note 6: pMS Contributions

In 2015, pMS contributions amounted to 28,03 M € after deduction of the 2015 surplus reimbursement of 1.129k €.

EUROPEAN DEFENCE AGENCY

pMS CONTRIBUTIONS

In €

Country	% GNI ⁽⁵⁾	2015 Annual Contribution	Actual Cost to pMS	Budgetary Surplus 2015 ⁽⁶⁾
Austria (AT)	2,4334	709.602	682.119	27.482,92
Belgium (BE)	2,9576	862.465	829.062	33.403,35
Bulgaria (BG)	0,3028	88.311	84.891	3.420,30
Cyprus (CY)	0,1155	33.692	32.387	1.304,89
Croatia (HK)	0,3141	91.597	88.050	3.547,56
Czech Republic (CZ)	1,0255	299.053	287.471	11.582,35
Estonia (EE)	0,1451	42.298	40.660	1.638,21
Finland (FI)	1,4870	433.623	416.828	16.794,24
France (FR)	16,0885	4.691.547	4.509.844	181.703,99
Germany (DE)	21,9366	6.396.894	6.149.142	247.752,20
Greece (EL)	1,3467	392.718	377.508	15.210,02
Hungary (HU)	0,7254	211.534	203.341	8.192,71
Ireland (IE)	1,0882	317.339	305.048	12.290,55
Italy (IT)	11,7952	3.439.569	3.306.354	133.214,78
Latvia (LV)	0,1919	55.950	53.783	2.166,94
Lithuania (LT)	0,2715	79.182	76.115	3.066,71
Luxembourg (LU)	0,2432	70.929	68.182	2.747,07
Malta (MT)	0,0539	15.726	15.117	609,05
Netherlands (NL)	4,6737	1.362.892	1.310.107	52.784,90
Poland (PL)	2,9903	872.005	838.232	33.772,82
Portugal (PT)	1,2341	359.870	345.932	13.937,78
Romania (RO)	1,1223	327.273	314.598	12.675,31
Slovakia (SK)	0,5523	161.069	154.831	6.238,21
Slovenia (SI)	0,2607	76.023	73.079	2.944,39
Spain (ES)	7,6903	2.242.543	2.155.689	86.853,84
Sweden (SE)	3,2904	959.516	922.354	37.162,12
United Kingdom (UK)	15,6636	4.567.632	4.390.727	176.904,72
Total 27 pMS	100	29.160.850,00	28.031.448	1.129.401,93

^{(5)**} Based on Definitive Adoption EU General Budget 2015 OJ L69/20 dated 13.3.2015, percentages rounded to 4 decimals.

⁽⁶⁾ The Budgetary Surplus is returned to pMS as a deduction from the 3rd contribution in year N+1 (15 October 2016).

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One pMS paid the sum of 300.000,00 € in 2015. This will be treated as “Additional Revenue” in 2016 (Article 15(1)b of the EDA Council Decision (Council Decision (CFSP) 2015/1835 of 12 October 2015).

One MS has a credit of 88.611,05 € in their EDA account. This amount was transferred from their JIP-FP and JIP-ICET surpluses in 2014 and instructions on the final usage of these funds are awaited.

Note 7: Budgetary Surplus repayable to pMS

The 2015 budgetary surplus (1.129.401,93 €) repayable to pMS is the difference between revenues received and expenses incurred (payments and carry-forwards) during the financial year, including capital expenditure. The 2015 surplus is returned to pMS as a deduction from the third budgetary contribution on 15 October 2016 (also see Note 6 above).

Note 8: Fixed Assets and Depreciation

Figures in €

EUROPEAN DEFENCE AGENCY					
Fixed Assets					
In €					
Fixed Asset Classes	2015 Net Asset Value	2015 Depreciation	2015 Asset Acquisitions	2014 Net Asset Value	Accumulated Depreciation
Fitting-Out of Premises	3 215	54 116	-	57 330	3 036 720
Security Equipment	16 888	3 637	15 390	5 135	156 676
IT Equipment	244 345	177 706	197 544	224 508	1 462 557
Office Furniture	13 681	5 492	7 047	12 126	151 458
Office Technical Equipment	74 744	29 983	2 908	101 819	137 746
Total	352 873	270 933	222 889	400 918	4 945 158

Note 9: Cash

EDA Bank Accounts

As at 31/12/2015, the global balance on the Agency's bank accounts totalled 26.253.323 €.

EUROPEAN DEFENCE AGENCY			
Bank Accounts			
<i>In €</i>			
EDA Bank Accounts	2015	2014	2013
Opening balance	25.950.557	25.076.158	26.792.939
Closing balance	26.253.323	25.950.557	25.076.158

Employee pension rights are managed in a separate interest bearing bank account. However, the figure shown in the table above shows the consolidated closing balance at the end of 2015 (namely 12.935.133 € for the pensions account and 13.318.190 € for the EDA current account)

*In 2015 the EDA has also opened a "guarantee" bank account for Projects on dual-use technologies to access ESIF. This has been considered as off balance and is therefore not taking into account in the reporting.

EUROPEAN DEFENCE AGENCY	
Guarantee account	
<i>In €</i>	
EDA Bank Accounts	2015
Opening balance	0
Closing balance	60.000

EDA Petty Cash

The Agency has decided to end the use of petty cash for small office supplies. As a result the petty cash balance at 31 December 2015 is 0.

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Note 10: Stakeholders

The Stakeholders liabilities include the following items:

Deferred pMS contributions

- First and second contributions of 2016 were invoiced at the end of 2015 and some pMS paid in 2015.

Capital expenditure Year N-1

- In accounting terms, the capital expenditure and the corresponding depreciation charges are shown under liabilities. In budgetary terms, 100% of the acquisition cost of fixed assets is expensed in the year of acquisition.

Accounting Surplus/Loss

- For the year 2015, the accounting result amounts to 1.081k €.

Note 11: Supplier Payables

- Supplier payables include accrued expenses for 12.003.523 € and pending invoices of 35.389 € (i.e. 2015 invoices paid in early 2016). The following table shows the variation of the Agency's balance sheet provisions for accrued expenses:

EUROPEAN DEFENCE AGENCY			
Accrued expenses			
	2015 Balance Sheet	2014 Balance Sheet	2013 Balance Sheet
Supplier Payables (in €)	Accrued Expenses	Accrued Expenses	Accrued Expenses
FUNCTIONING			
Payables related to 2012	0	0	0
Payables related to 2013	0	0	582.346
Payables related to 2014	0	1.631.442	0
Payables related to 2015	1.678.931	0	0
FUNCTIONING	1.678.931	1.631.442	582.346
OPERATIONAL			
Payables related to 2012	0	0	1.716.212
Payables related to 2013	54.000	2.407.609	7.093.500
Payables related to 2014	3.101.295	6.792.669	0
Payables related to 2015	7.169.296	0	0
OPERATIONAL	10.324.591	9.200.278	8.809.712
TOTAL			
Payables related to 2012	0	0	1.716.212
Payables related to 2013	54.000	2.407.609	7.675.846
Payables related to 2014	3.101.295	8.424.111	0
Payables related to 2015	8.848.227	0	0
TOTAL	12.003.523	10.831.719	9.392.058

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Note 12: Staff Payables

Pensions

Staff (Temporary and Contract) pension rights, including corresponding interests, are capitalised on the Agency's balance sheet to cover future pension obligations.

Staff pension rights are composed of:

- 2/3 Agency contribution, booked as expenses and capitalised on the balance sheet;
- 1/3 Staff contribution, deducted from Staff remuneration and capitalised on the balance sheet.

Total Statutory Staff pension rights accumulated on the Agency's balance sheet as per 31/12/2015 amount to 12.935M €.

Pension provision for 2015 amounts to 717k € and is composed of the following items:

EUROPEAN DEFENCE AGENCY						
Pension Provision						
<i>In k €</i>						
EDA Staff Pension Accruals	2015	2014	2013	2012	2011	2010
EDA Contribution for Temporary Agents	1.957	1.752	2.197	2.213	2.046	2.002
EDA Contribution for Contract Staff	117	136	174	173	138	107
Staff Contribution for Temporary Agents	979	876	1.098	1.107	1.023	1.001
Staff Contribution for Contract Staff	59	68	87	86	69	54
Payments for Severance Grants	(2.360)	(2.062)	(3.126)	(1.725)	(3.711)	(1.746)
Payments for Maintenance of Pension Rights	(64)	(56)	(61)	(70)	(72)	(97)
Financial Interest	29	30	71	79	140	90
Total	717	746	440	1.862	(366)	1.411

Note: During 2015 accumulated pension rights and corresponding interests were transferred to the pension bank account.

Miscellaneous Staff Payables

Miscellaneous Staff Payables include 2015 expenses paid in early 20156, such as, School and Child allowances, severance grants, salary adjustments, mission expenses, etc.

AUDIT OPINION

**INDEPENDENT AUDITOR'S REPORT
TO THE STEERING BOARD
OF THE EUROPEAN DEFENCE AGENCY**

In accordance with Article 43 of the Financial Rules the College of Auditors have audited the accompanying financial statements of the European Defence Agency ("Agency") for the year ended 31 December 2015, which comprise the 2015 Budget Implementation Report, the 2015 Balance Sheet, the 2015 Cash Flow Statement, the 2015 Statement of Financial Performance and Notes to the 2015 Financial Statements. We report to you on the performance of our mandate of Independent Auditor and present our opinion on the financial statements.

Management's Responsibility for the Financial Statements

Following Article 10 (1) of the Financial Rules the financial statements shall be drawn up in accordance with the generally accepted accounting principles of the European Union. The Steering Board, on a proposal from the Head of the Agency, appointed an Accounting Officer, responsible for the preparation and fair presentation of the financial statements. According to Article 20 (1) of the Financial Rules this responsibility includes:

- a) proper implementation of payments, collection of revenue and recovery of amounts established as being receivable including interest on late payments;
- b) preparing and presenting the accounts;
- c) maintaining the accounts;
- d) establishing the accounting rules and methods and the chart of accounts;
- e) establishing and validating the accounting systems and, where appropriate, validating systems laid down by the Authorising Officer to supply or justify accounting information;
- f) treasury management.

In connection with the financial statements of the Agency the Chief Executive provided us with a Management Representation Letter dated 31 March 2016, which formed part of the audit procedure and is stored in the audit documentation.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit in order to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal controls relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates, if any, made by the Accounting Officer, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We have also examined the Financial Report on the activities of the Agency and the implementation of the budget, to identify any material inconsistencies with the audited financial statements.

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Opinion

In our opinion the financial statements present fairly, give a true and fair view of the financial position of the European Defence Agency as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with

- Council Decision (CFSP) 2015/1835 of 12 October 2015 defining the statute, seat and operational rules of the European Defence Agency,
- EDA Steering Board Decision No. 2007/29 (Cor.) on the Financial Regulation applicable to the general budget of the European Defence Agency (“EDA Financial Rules”).

Audit findings and comments of the auditor without impact on the audit opinion are included in the associated audit report.

Brussels, 30 June 2016.

College of Auditors of the
European Defence Agency
Represented by



Jan Prosecký

Chairman of the College of Auditors.