



# EUROPEAN DEFENCE AGENCY 2017 ANNUAL ACCOUNTS

JUNE 2018

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### INTRODUCTION

The Annual Accounts 2017 are drafted in accordance with the EDA Financial Rules.

This report consists of:

Part I - Activity Report, which describes the governance of the Agency and its main activities in 2017;

Part II - the Budget Implementation Report including budgetary accounts, which are based on cash transactions during 2017. As in any cash accounting system, payments made and revenue received are recorded in the period in which the cash transaction occurs.

Part III - the Financial Statements, including 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 Annual Accounts.

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### CERTIFICATION BY THE ACCOUNTING OFFICER

The Annual Accounts of EDA for the year 2017 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 has been subject to review and upgrade since January 2017. EDA is not yet in the position to implement fully IPSAS, although progress has been made in this respect during the past 2 years.

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, 29 June 2018



Tim Van Horenbeke

Accounting Officer

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PART I - ACTIVITY REPORT

RESULT OF THE YEAR

2017 Financial Highlights

Figures in k € - Budgetary Accounting

<b>EUROPEAN DEFENCE AGENCY</b>						
<b>HISTORICAL BUDGETARY FINANCIAL DATA</b>						
<b>Figures in k €</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>REVENUES</b>						
MEMBER STATE CONTRIBUTIONS	29 782	29 076	29 161	29 151	29 057	29 086
DEDUCTIONS FROM STAFF REMUNERATION	1 519	1 492	1 450	1 423	1 155	1 375
FINANCIAL INCOME	15	10	57	50	95	177
OTHER REVENUES	323	176	554	215	37	264
<b>TOTAL REVENUES</b>	<b>31 638</b>	<b>30 754</b>	<b>31 222</b>	<b>30 839</b>	<b>30 344</b>	<b>30 902</b>
<b>EXPENSES</b>						
PERSONNEL EXPENSES	19 724	18 967	17 701	18 552	17 775	18 332
FUNCTIONING EXPENSES	5 021	4 693	5 019	5 113	4 228	4 083
OPERATIONAL PROJECTS & STUDIES	6 394	6 857	7 372	7 068	7 680	7 991
<b>TOTAL EXPENSES</b>	<b>31 140</b>	<b>30 517</b>	<b>30 093</b>	<b>30 733</b>	<b>29 683</b>	<b>30 406</b>
<b>BUDGETARY SURPLUS REPAYABLE TO pMS</b>	<b>498</b>	<b>237</b>	<b>1 129</b>	<b>667</b>	<b>831</b>	<b>668</b>

Figures subject to rounding to nearest '000 Euro

# EUROPEAN DEFENCE AGENCY

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### EDA STRUCTURE AND FUNCTIONS

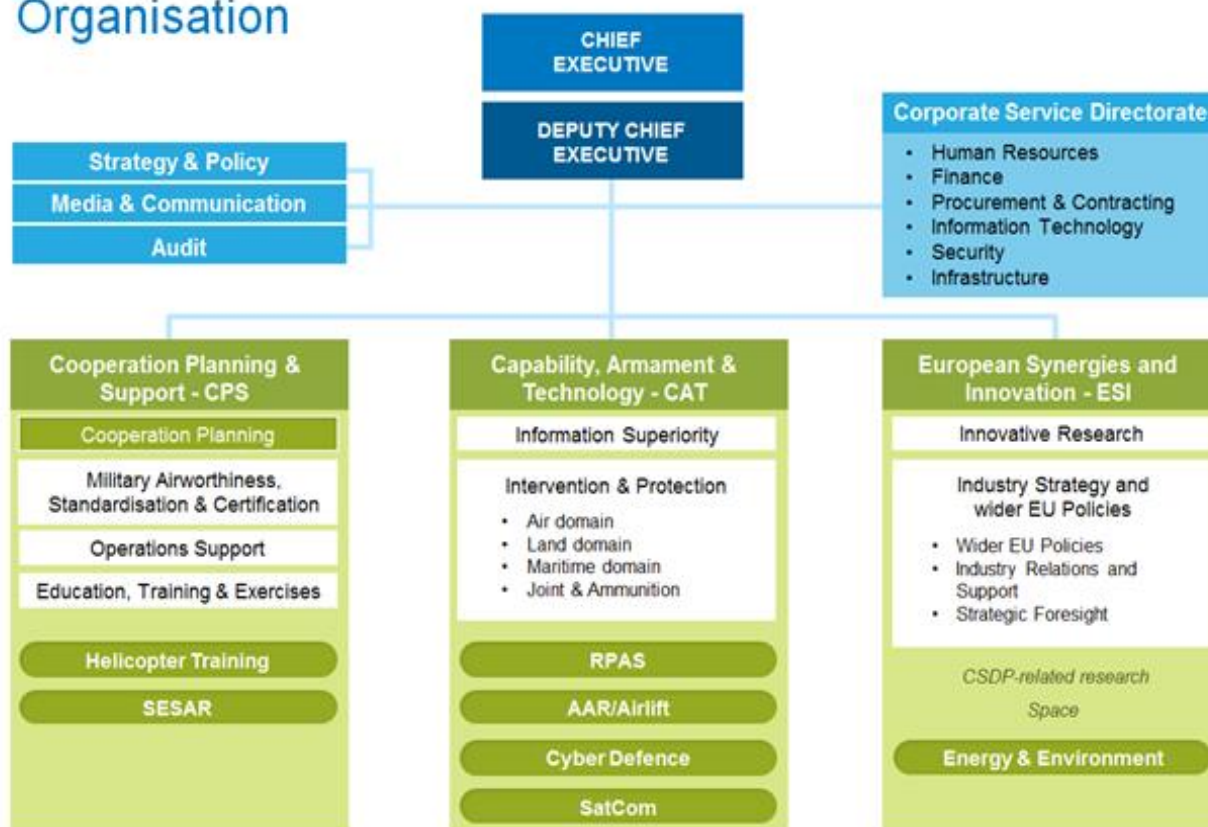
The European Defence Agency is an Agency of the European Union<sup>(1)</sup>, falling under the direction and authority of the Council, which issues guidance and guidelines to and receives reports from the Head of the Agency, High Representative of the Union for Foreign Affairs & Security Policy/Vice-President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

### Organisation



<sup>(1)</sup> 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. At the end of 2016, the Security and Infrastructure units were merged into one. In addition, the Agency's Legal Adviser and the Corporate Projects Officer report to the CSD Director.

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2017 ACTIVITY REPORT

The main activities of the Agency in 2017 are as outlined in the Annual Report of the Agency 2017. This publication can be viewed on the Agency Website :  
<http://www.eda.europa.eu/info-hub>

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PART II – THE BUDGET IMPLEMENTATION REPORT

2017 CONSOLIDATED BUDGET IMPLEMENTATION REPORT

EUROPEAN DEFENCE AGENCY CONSOLIDATED BUDGET IMPLEMENTATION REPORT 2017

BUDGET IMPLEMENTATION REPORT 2017	GENERAL BUDGET EUROPEAN DEFENCE AGENCY			AD HOCS			ADDITIONAL REVENUE		
	2017 Budget <sup>(REV)</sup>	2017 Committed	2017 Paid	2017 Budget	2017 Committed	2017 Paid	2017 Budget	2017 Committed	2017 Paid
<i>Figures in €</i>									
<b>EXPENSES</b>									
Title I: PERSONNEL EXPENSES	19 809 700,00	19 724 007,73	19 583 789,75	257 663,00	257 663,00	220 593,75			
Title II: FUNCTIONING EXPENSES	5 027 000,00	5 021 320,27	3 981 607,10	0,00	0,00	0,00	537 398,37	537 398,37	453 647,24
<b>TOTAL PERSONNEL &amp; FUNCTIONING EXPENSES</b>	<b>24 836 700,00</b>	<b>24 745 328,00</b>	<b>23 565 396,85</b>	<b>257 663,00</b>	<b>257 663,00</b>	<b>220 593,75</b>	<b>537 398,37</b>	<b>537 398,37</b>	<b>453 647,24</b>
Title III: OPERATIONAL BUDGET	6 400 000,00	6 394 460,13	864 295,63	16 829 506,54	16 829 506,54	20 655 418,87	1 387 055,28	1 387 055,28	1 182 977,61
<b>TOTAL EXPENSES</b>	<b>31 236 700,00</b>	<b>31 139 788,13</b>	<b>24 429 692,48</b>	<b>17 087 169,54</b>	<b>17 087 169,54</b>	<b>20 876 012,62</b>	<b>1 924 453,65</b>	<b>1 924 453,65</b>	<b>1 636 624,85</b>
<b>REVENUES</b>									
Title IV: MISC. COMMUNITY TAXES, LEVIES & DUES	1 445 000,00		1 518 803,04	0,00		0,00			
Title V: INCOME FROM OPERATING ACTIVITIES	10 000,00		14 936,30	-3 132,41		-3 132,41	3,48		3,48
Title VI: pMS CONTRIBUTIONS	29 781 700,00		29 781 700,00	11 790 608,91		11 790 608,91	11 182 995,00		11 182 995,00
Title VII: OTHER REVENUES	0,00		322 621,02				9 363,19		9 363,19
<b>TOTAL REVENUES</b>	<b>31 236 700,00</b>	<b>0,00</b>	<b>31 638 060,36</b>	<b>11 787 476,50</b>		<b>11 787 476,50</b>	<b>11 192 361,67</b>	<b>0,00</b>	<b>11 192 361,67</b>
<b>BUDGETARY SURPLUS REPAYABLE TO pMS</b>			<b>498 272,23</b>			<b>N/A</b>			<b>N/A</b>
<i>(Total revenues less total expenses)</i>									



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2017 BUDGET IMPLEMENTATION REPORT (1/3)

EUROPEAN DEFENCE AGENCY							
BUDGET IMPLEMENTATION REPORT 2017							
	Notes	2017	2017	2017	2016	2016	2016
Figures in €	1	Budget <sup>(REV)</sup>	Committed	Paid	Budget <sup>(REV)</sup>	Committed	Paid
<b>EXPENSES</b>							
<b>Title I : PERSONNEL EXPENSES</b>							
<b>Chapter 11: OFFICIALS AND TEMPORARY STAFF</b>							
BASIC SALARIES		10 243 848,52	10 243 848,52	10 243 848,52	10 008 796,99	10 008 055,44	10 008 055,44
STATUTORY STAFF ALLOWANCES		2 788 037,93	2 788 037,93	2 788 037,93	2 696 974,70	2 696 974,70	2 696 974,70
STAFF SOCIAL PROTECTION		2 679 839,00	2 679 141,21	2 679 141,21	2 569 210,70	2 569 174,31	2 569 174,31
STAFF ALLOWANCES ON ENTERING AND LEAVING SERVICE		503 214,49	472 839,03	472 839,03	627 996,75	627 996,75	604 455,90
<b>Subtotal</b>		<b>16 214 939,94</b>	<b>16 183 866,69</b>	<b>16 183 866,69</b>	<b>15 902 979,14</b>	<b>15 902 201,20</b>	<b>15 878 660,35</b>
<b>Chapter 12: CONTRACT STAFF, SNEs AND TRAINEES</b>							
CONTRACT STAFF		1 777 849,02	1 780 221,02	1 768 864,05	1 302 900,79	1 302 900,79	1 237 408,03
SECONDED NATIONAL EXPERTS		1 009 644,84	1 003 507,05	1 003 507,05	1 052 262,61	1 050 726,77	1 050 726,77
TRAINEES		76 523,04	76 523,04	76 523,04	67 344,00	67 344,00	67 344,00
<b>Subtotal</b>		<b>2 864 016,90</b>	<b>2 860 251,11</b>	<b>2 848 894,14</b>	<b>2 422 507,40</b>	<b>2 420 971,56</b>	<b>2 355 478,80</b>
<b>Chapter 13: STAFF RELATED EXPENDITURES</b>							
RECRUITING EXPENSES		70 800,00	66 984,98	66 984,98	77 692,35	77 692,35	77 692,35
STAFF TRAINING		95 734,91	88 438,91	29 138,22	52 381,40	52 381,40	17 553,84
STAFF COMMITTEE		15 000,00	12 170,69	7 770,69	11 811,05	11 811,05	5 435,70
MEDICAL AND OTHER EXPENSES		24 208,25	16 392,91	11 232,59	4 240,76	4 240,76	4 240,76
MISSION EXPENSES		525 000,00	495 902,44	435 902,44	498 237,90	497 661,34	462 848,27
<b>Subtotal</b>		<b>730 743,16</b>	<b>679 889,93</b>	<b>551 028,92</b>	<b>644 363,46</b>	<b>643 786,90</b>	<b>567 770,92</b>
<b>TOTAL PERSONNEL EXPENSES</b>		<b>19 809 700,00</b>	<b>19 724 007,73</b>	<b>19 583 789,75</b>	<b>18 969 850,00</b>	<b>18 966 959,66</b>	<b>18 801 910,07</b>
<b>Notes</b>							
<b>Figures in €</b>							
<b>Title II : FUNCTIONING EXPENSES</b>							
<b>Chapter 20: BUILDING AND BUILDING RELATED EXPENDITURES</b>							
EXP. FITTING OUT OF PREMISES AND OFFICE FURNITURE		53 849,72	53 849,72	4 179,00	63 654,26	63 654,26	52 544,83
SECURITY EQUIPMENT		69 592,95	69 592,95	26 932,48	142 680,81	142 680,80	53 424,14
OFFICE RENT		1 485 515,77	1 485 515,77	1 459 785,77	1 419 513,31	1 419 513,31	1 419 513,31
CLEANING AND MAINTENANCE		325 164,57	325 164,57	268 739,39	299 786,28	299 786,28	224 211,98
UTILITY SERVICES		152 258,91	152 170,77	89 301,90	140 765,00	140 765,00	120 435,83
BUILDING SURVEILLANCE SERVICES		965 091,66	965 091,66	800 876,13	1 055 650,95	1 055 650,95	896 070,47
INSURANCES		3 410,66	3 410,66	3 410,66	9 150,00	9 150,00	6 444,31
OTHER BUILDING RELATED EXPENSES		4 475,76	4 475,76	3 852,30	4 145,98	4 145,98	3 589,28
MAINTENANCE AND REPAIR OF TECHNICAL INSTALLATIONS		130 993,89	130 993,89	102 651,64	124 961,43	124 961,43	82 450,88
OFFICE VEHICLES AND TAXI EXPENSES		10 215,29	10 215,29	10 182,39	13 214,00	12 931,32	12 872,32
<b>Subtotal</b>		<b>3 200 569,18</b>	<b>3 200 481,04</b>	<b>2 769 911,66</b>	<b>3 273 522,02</b>	<b>3 273 239,33</b>	<b>2 871 557,35</b>

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2017 BUDGET IMPLEMENTATION REPORT (2/3)

BUDGET IMPLEMENTATION REPORT (CONT'D)							
	Notes	2017	2017	2017	2016	2016	2016
Figures in €		Budget <sup>(REV)</sup>	Committed	Paid	Budget <sup>(REV)</sup>	Committed	Paid
<b>Chapter 21: INFORMATION TECHNOLOGY</b>							
SOFTWARE, HARDWARE AND MAINTENANCE		370 074,80	370 064,60	272 214,47	386 995,50	386 856,60	285 197,75
IT SERVICES AND DEVELOPMENT		663 940,17	662 747,12	302 347,68	344 001,29	343 674,67	35 011,38
IT SUPPORT AND MAINTENANCE OF COPIERS		0,00	0,00	0,00	31 623,00	31 623,00	27 131,70
TELECOM EXPENSES		135 922,86	135 922,86	126 221,82	167 794,67	167 794,67	122 012,67
<b>Subtotal</b>		<b>1 169 937,83</b>	<b>1 168 734,58</b>	<b>700 783,97</b>	<b>930 414,46</b>	<b>929 948,94</b>	<b>469 353,50</b>
<b>Chapter 22: OTHER FUNCTIONING</b>							
TRANSLATION SERVICES		5 550,00	5 550,00	5 550,00	3 693,30	3 693,30	3 693,30
RECEPTION AND REPRESENTATION EXPENDITURES		9 937,00	9 937,00	8 096,21	15 000,00	12 827,01	10 456,87
INTERNAL MEETINGS		68 000,00	68 000,00	54 467,93	66 755,71	66 459,71	53 278,54
CORPORATE COMMUNICATION AND SUBSCRIPTIONS		269 870,02	269 867,73	227 747,73	261 553,64	261 553,64	145 763,60
CONFERENCES AND SEMINARS		111 564,82	111 564,82	111 564,82	18 224,90	18 224,90	0,00
INFORMATION, SUBSCRIPTIONS AND DOCUMENTATION EXP.		0,00	0,00	0,00	0,00	0,00	0,00
PUBLIC RELATIONS		0,00	0,00	0,00	0,00	0,00	0,00
OFFICE SUPPLIES AND OTHER SERVICES		172 871,15	171 247,30	93 750,32	111 281,40	111 281,40	73 849,99
POSTAL AND DELIVERY EXPENDITURES		8 750,00	8 750,00	2 546,66	10 200,00	10 200,00	4 170,41
AUDIT EXPENDITURES		9 150,00	6 868,40	6 868,40	8 504,57	8 504,57	8 504,57
FINANCIAL CHARGES, INCL. FOREIGN EXCHANGE DIFF.		800,00	319,40	319,40	850,00	-2 638,19	-2 638,19
<b>Subtotal</b>		<b>656 492,99</b>	<b>652 104,65</b>	<b>510 911,47</b>	<b>496 063,52</b>	<b>490 106,34</b>	<b>297 079,09</b>
<b>TOTAL FUNCTIONING EXPENSES</b>		<b>5 027 000,00</b>	<b>5 021 320,27</b>	<b>3 981 607,10</b>	<b>4 700 000,00</b>	<b>4 693 294,61</b>	<b>3 637 989,94</b>
<b>TOTAL PERSONNEL &amp; FUNCTIONING EXPENSES</b>		<b>24 836 700,00</b>	<b>24 745 328,00</b>	<b>23 565 396,85</b>	<b>23 669 850,00</b>	<b>23 660 254,27</b>	<b>22 439 900,01</b>
<b>BUDGET IMPLEMENTATION REPORT (CONT'D)</b>							
	Notes						
Figures in €							
<b>Title III : OPERATIONAL BUDGET &amp; EARMARKED REVENUE</b>							
OPERATIONAL PROJECTS AND STUDIES	4	6 400 000,00	6 394 460,13	864 295,63	6 861 000,00	6 857 214,55	326 387,63
<b>TOTAL OPERATIONAL BUDGET</b>		<b>6 400 000,00</b>	<b>6 394 460,13</b>	<b>864 295,63</b>	<b>6 861 000,00</b>	<b>6 857 214,55</b>	<b>326 387,63</b>
<b>TOTAL EXPENSES</b>		<b>31 236 700,00</b>	<b>31 139 788,13</b>	<b>24 429 692,48</b>	<b>30 530 850,00</b>	<b>30 517 468,82</b>	<b>22 766 287,64</b>

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2017 BUDGET IMPLEMENTATION REPORT (3/3)

BUDGET IMPLEMENTATION REPORT (CONT'D)							
	Notes	2017	2017	2017	2016	2016	2016
Figures in €		Budget <sup>(REV)</sup>	Committed	Paid	Budget <sup>(REV)</sup>	Committed	Paid
<b>REVENUES</b>	<b>5</b>						
<b>Title IV: MISC. COMMUNITY TAXES, LEVIES &amp; DUES</b>							
<b>Chapter 40: DEDUCTIONS FROM STAFF REMUNERATION</b>							
TAXATION ON STAFF SALARIES AND ALLOWANCES		1.205.000,00		1.253.170,68	1.185.000,00		1.237.521,79
TEMPORARY CONTRIBUTION		0,00		1.270,41	0,00		443,30
EU SPECIAL LEVY (PSP)		240.000,00		264.361,95	230.000,00		254.538,58
<b>Subtotal</b>		<b>1.445.000,00</b>		<b>1.518.803,04</b>	<b>1.415.000,00</b>		<b>1.492.503,67</b>
<b>Title V: INCOME FROM OPERATING ACTIVITIES</b>							
<b>Chapter 52: FINANCIAL INCOME</b>							
INTERESTS - BANK		10.000,00		40,61	40.000,00		1.767,85
INTERESTS - PMS		0,00		14.895,69	0,00		7.816,96
<b>Subtotal</b>		<b>10.000,00</b>		<b>14.936,30</b>	<b>40.000,00</b>		<b>9.584,81</b>
<b>Title VI: pMS CONTRIBUTIONS</b>							
<b>Chapter 61 : MEMBER STATE CONTRIBUTIONS</b>							
PMS CONTRIBUTIONS	<b>6</b>	29.545.000,00		29.545.000,00	29.075.850,00		29.075.850,00
BUDGET AMENDMENT		236.700,00		236.700,00			
<b>Subtotal</b>		<b>29.781.700,00</b>		<b>29.781.700,00</b>	<b>29.075.850,00</b>		<b>29.075.850,00</b>
<b>Title VII: OTHER REVENUES</b>							
<b>Chapter 75 : OTHER REVENUES</b>							
OTHER REVENUES		0,00		35.687,37	0,00		4.260,51
CARRYFORWARD CANCELLATION		0,00		286.933,65	0,00		171.975,66
<b>Subtotal</b>		<b>0,00</b>		<b>322.621,02</b>	<b>0,00</b>		<b>176.236,17</b>
<b>TOTAL REVENUES</b>		<b>31.236.700,00</b>		<b>31.638.060,36</b>	<b>30.530.850,00</b>		<b>30.754.174,65</b>
<b>BUDGETARY SURPLUS</b>	<b>7</b>			<b>498.272,23</b>			<b>236.706</b>

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Summary EDA :

<b>EUROPEAN DEFENCE AGENCY</b>			
<b>2017 Budget Transfers</b>			
<i>Figures in €</i>			
EXPENDITURES	Initial budget	Transfers and amendments	Final
Title I - Personnel expenditures			
<b>Total Personnel expenditures</b>	19 573 000,00	236 700,00	19 809 700,00
Title II - Functioning Expenditures			
<b>Total Functioning Expenditures</b>	4 827 000,00	200 000,00	5 027 000,00
Title III - Operational expenditures			
<b>Total Operational expenditures</b>	6 600 000,00	- 200 000,00	6 400 000,00
<b>TOTAL EXPENDITURES</b>	<b>31 000 000,00</b>	<b>236 700,00</b>	<b>31 236 700,00</b>

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Budgetary expenditure for 2017				
Title	Budget A	Expenditure B	% Budget Consumed C	Surplus Budget/Expenditure A-B = D
Title I Personnel Expenses	19 809 700,00	19 724 007,73	99,57%	85 692,27
Title II Functioning Expenses	5 027 000,00	5 021 320,27	99,89%	5 679,73
Title III Operational Expenses	6 400 000,00	6 394 460,13	99,91%	5 539,87
<b>Total</b>	<b>31 236 700,00</b>	<b>31 139 788,13</b>	<b>99,69%</b>	<b>96 911,87</b>
Budgetary Revenue for 2017				
Title	Budget A	Revenue B	% of Revenue Realised C	Surplus Revenue = E B-A
Title IV Deductions from Staff Remuneration	1 445 000,00	1 518 803,04	105,11%	73 803,04
Title V Financial Income	10 000,00	14 936,30	149,36%	4 936,30
Title VI pMS Contributions	29 781 700,00	29 781 700,00	100,00%	0,00
Title VII Other Revenues	0,00	322 621,02	-	322 621,02
<b>Total</b>	<b>31 236 700,00</b>	<b>31 638 060,36</b>	<b>101,28%</b>	<b>401 360,36</b>
<b>Total Surplus for 2017 D + E</b>				<b>498 272,23</b>

Reconciliation of 2014-2017 Carry forwards:

Title	2014 Carry Forwards to 2017	2015 Carry Forwards to 2017	2016 Carryforwards to 2017	2014 Carry Forwards Paid in 2017	2015 Carry Forwards Paid in 2017	2016 Carry Forwards Paid in 2017	Carry forwards cancelled in 2017	2014 Carry Forwards to 2018	2015 Carry Forwards to 2018	2016 Carry Forwards to 2018	2017 Carryforwards to 2018
Title I Personnel Expenses			165 049,59			144 205,91	20 843,68				140 217,98
Title II Functioning Expenses			1 055 304,67			1 031 777,46	23 527,21				1 039 713,17
Title III Operational Exepnses	461 479,66	3 475 194,63	6 530 826,92	251 528,17	3 254 941,09	3 028 302,54	242 562,76	118 500,00	193 995,32	3 377 671,33	5 530 164,50
<b>Totals</b>	<b>461 479,66</b>	<b>3 475 194,63</b>	<b>7 751 181,18</b>	<b>251 528,17</b>	<b>3 254 941,09</b>	<b>4 204 285,91</b>	<b>286 933,65</b>	<b>118 500,00</b>	<b>193 995,32</b>	<b>3 377 671,33</b>	<b>6 710 095,65</b>

EUROPEAN DEFENCE AGENCY  
2017 ANNUAL ACCOUNTS

PART III – THE FINANCIAL STATEMENTS (accrual accounting)

2017 BALANCE SHEET

<b>EUROPEAN DEFENCE AGENCY</b>			
<b>2017 FINANCIALS</b>			
<b>BALANCE SHEET</b>			
	<i>Notes</i>	<b>31.12.2017</b>	<b>31.12.2016</b>
<i>Figures in €</i>			
<b>ASSETS</b>			
<b>ASSETS</b>			
<b>A. NON-CURRENT ASSETS</b>			
FITTING-OUT OF PREMISES		0	995
SECURITY EQUIPMENT		59.893	81.083
IT EQUIPMENT		57.226	132.616
OFFICE FURNITURE		8.918	14.206
OFFICE TECHNICAL EQUIPMENT		20.004	49.458
<b>TOTAL NON-CURRENT ASSETS</b>	<b>8</b>	<b>146.041</b>	<b>278.358</b>
<b>B. CURRENT ASSETS</b>			
<b>Short-term receivables</b>			
INTERESTS RECEIVABLE		61	0
OTHER RECEIVABLES		5.510	18491
<b>Short-term receivables</b>		<b>5.571</b>	<b>18.491</b>
<b>Cash and cash equivalents</b>			
EDA BANK ACCOUNTS		24.827.029	28.430.605
PETTY CASH		0	0
<b>Cash and cash equivalents</b>	<b>9</b>	<b>24.827.029</b>	<b>28.430.605</b>
<b>TOTAL CURRENT ASSETS</b>		<b>24.832.600</b>	<b>28.449.096</b>
<b>TOTAL ASSETS</b>		<b>24.978.641</b>	<b>28.727.455</b>
<b>LIABILITIES</b>			
<b>STAKEHOLDERS</b>			
ADVANCE ON PMS CONTRIBUTIONS		2.423.392	4.487.407
OUTSTANDING RECEIVABLES		584	4.738
CAPEX & DEPRECIATION ADJ. (YEAR N-1)		515.044	352.853
ACCOUNTING SURPLUS/LOSS		4.890.652	162.191
<b>STAKEHOLDERS</b>	<b>10</b>	<b>7.829.672</b>	<b>5.007.189</b>
<b>SUPPLIER PAYABLES</b>			
ACCRUED EXPENSES		5.638.865	11.687.855
- THEREOF FUNCTIONING		443.680	1.220.354
- THEREOF OPERATIONAL		5.195.185	10.467.501
PENDING INVOICES		133.049	85.482
<b>SUPPLIER PAYABLES</b>	<b>11</b>	<b>5.771.914</b>	<b>11.773.337</b>
<b>STAFF PAYABLES</b>			
STAFF PENSION ACCRUALS (RCN)		11.328.280	11.954.451
EMPLOYEES / PENDING INVOICES		48.663	(7.598)
STAFF PAYABLES (9TK)		112	76
<b>STAFF PAYABLES</b>	<b>12</b>	<b>11.377.055</b>	<b>11.946.928</b>
<b>TOTAL LIABILITIES</b>		<b>24.978.641</b>	<b>28.727.455</b>

EUROPEAN DEFENCE AGENCY  
2017 ANNUAL ACCOUNTS

2017 CASH FLOW STATEMENT

<b>EUROPEAN DEFENCE AGENCY</b>		
<b>2017 FINANCIALS</b>		
<b>CASH FLOW</b>		
<i>Figures in €</i>	<b>31.12.2017</b>	<b>31.12.2016</b>
<b>OPENING BANK ACCOUNT BALANCE</b>	<b>28 430 605,28</b>	<b>26 253 323,47</b>
<b>CASH RECEIVED FROM PMS</b>		
PMS CONTRIBUTIONS	29 545 000,00	29 075 850,00
ADDITIONAL REVENUE CONTRIBUTION	0,00	(300 000,00)
REIMBURSEMENT OF YEAR N-1 SURPLUS	(498 272,23)	(236 705,83)
DEFERRED PAYMENTS OF CONTRIBUTIONS & ADJUSTMENTS	1 279 796,24	7 612 351,84
<b>Subtotal</b>	<b>30 326 524,01</b>	<b>36 151 496,01</b>
<b>CASH RECEIVED FROM BANK</b>		
INTERESTS CREDITED DURING THE YEAR	0,00	1 767,85
<b>Subtotal</b>	<b>0,00</b>	<b>1 767,85</b>
<b>TOTAL CASH INFLOWS</b>	<b>30 326 524,01</b>	<b>36 153 263,86</b>
<b>CASH SPENT FOR FUNCTIONING &amp; OPERATIONAL EXPENSES</b>		
PAYMENTS FOR FUNCTIONING EXPENSES	26 531 033,09	26 791 351,58
PAYMENTS FOR OPERATIONAL EXPENSES	7 399 067,43	7 184 630,47
<b>TOTAL CASH OUTFLOWS</b>	<b>33 930 100,52</b>	<b>33 975 982,05</b>
<b>CLOSING BANK ACCOUNT BALANCE</b>	<b>24 827 028,77</b>	<b>28 430 605,28</b>

EUROPEAN DEFENCE AGENCY  
2017 ANNUAL ACCOUNTS

2017 STATEMENT OF FINANCIAL PERFORMANCE

<b>EUROPEAN DEFENCE AGENCY</b>			
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>			
	<i>Notes</i>	<b>2017</b>	<b>2016</b>
<i>Figures in €</i>			
<b>REVENUE</b>			
PMS Contributions	<b>6</b>	29 545 000,00	29 075 850,00
Other revenue		1 554 490,41	1 496 764,18
Exchange gains		0,00	2 774,80
<b>TOTAL REVENUE</b>		<b>31 099 490,41</b>	<b>30 575 388,98</b>
<b>OPERATIONAL EXPENSES</b>			
Operational expenses	<b>4</b>	2 369 313,80	326 387,63
<b>TOTAL OPERATIONAL EXPENSES</b>		<b>2 369 313,80</b>	<b>326 387,63</b>
<b>OPERATING EXPENSES</b>			
<b>Administrative expenses</b>			
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>2 &amp; 3</b>	<b>24 141 074,70</b>	<b>22 551 823,02</b>
<b>Other operating expenses</b>			
Exchange losses		0,00	0,00
<b>TOTAL OTHER OPERATING EXPENSES</b>		<b>0,00</b>	<b>0,00</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>26 510 388,50</b>	<b>22 878 210,65</b>
<b>OPERATING RESULT</b>		<b>4 589 101,91</b>	<b>7 697 178,33</b>
<b>FINANCIAL INCOME</b>			
Interests on late payment (income)		14 895,69	7 816,96
Interests on bank accounts		40,61	1 767,85
<b>Total financial income</b>	<b>5</b>	<b>14 936,30</b>	<b>9 584,81</b>
<b>FINANCIAL EXPENSES</b>			
Financial expenses		319,40	136,61
<b>Total financial expenses</b>		<b>319,40</b>	<b>136,61</b>
<b>FINANCIAL RESULT</b>		<b>14 616,90</b>	<b>9 448,20</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>4 603 718,81</b>	<b>7 706 626,53</b>



EUROPEAN DEFENCE AGENCY  
2017 ANNUAL ACCOUNTS

RECONCILIATION BETWEEN BUDGET IMPLEMENTATION REPORT AND STATEMENT OF FINANCIAL PERFORMANCE

EUROPEAN DEFENCE AGENCY		
RECONCILIATION BETWEEN BUDGET IMPLEMENTATION REPORT AND STATEMENT OF FINANCIAL PERFORMANCE		
	2017	2016
<i>Figures in €</i>		
<b>Budgetary result</b>	498 272	236 706
<i>Adjustment for items not in the budgetary result but in the economic result</i>		
Accumulated depreciations	-149 590	-196 835
Asset acquisitions	17 273	122 320
OB Contracts (pro rata cost)	-2 369 314	-326 387,63
Functioning Accruals 2017	-443 680	
<i>Adjustment for items in the budgetary result but not in the economic result</i>		
Carryforward cancellation	-286 934	-171 976
Carry-over	6 710 096	7 751 181
OB Contracts (total amount paid)	864 296	291 618
Budget amendment	-236 700	
<b>Total</b>	4 603 719	7 706 627
<b>Economic result</b>	-4 603 719	-7 706 627
<b>Discrepancy</b>	0	0

2017 STATEMENT OF CHANGES IN NET ASSETS

EUROPEAN DEFENCE AGENCY	
STATEMENT OF CHANGES IN NET ASSETS	
	Notes
	2017
<i>Figures in €</i>	
<b>Balance as of 31st December 2016</b>	<b>5.007.189</b>
Contributions received from Member States during the year 2017	27.501.899
Contributions called during the year 2017	-27.492.391
Other receivables called during the year 2017	-9.509
Revenue deferred	-2.064.015
Accounting surplus	4.728.461
pMS surplus and asset valuation	162.191
Outstanding receivables	-4.154
<b>BALANCE AS OF 31ST DECEMBER 2017</b>	<b>7.829.672</b>

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### PART IV – NOTES TO THE ANNUAL 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
- Council Decision (EU) 2016/1353/CFSP of 4 August 2016 on the financial rules of the European Defence Agency.
- 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<sup>(2)</sup> ('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).

#### **2017 Budget**

The Foreign Affairs Council in Defence Ministers formation agreed the EDA Budget for 2017 on 15 November 2016. During 2017 the budget was amended in accordance with the Article 6.4 of Council Decision (EU) 2016/1353 on EDA Financial Rules. In order to meet the salary obligations, the surplus 2016 of EUR 236.700 was entered into budget 2017. The 2017 Amending budget was approved on 20 October 2017.

#### **Fixed Asset Policy**

Items acquired by the Agency whose purchase price is 5.000 € or more, with a period of use greater than one year, and which are not consumables are recorded in the fixed assets accounts. 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.

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<sup>(2)</sup> 28 EU Member States excluding Denmark

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### 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

## 2017 ANNUAL ACCOUNTS

### Note 2: Personnel Expenses

<b>EUROPEAN DEFENCE AGENCY</b>				
<b>BUDGET IMPLEMENTATION REPORT 2017</b>				
	<i>Notes</i>	<b>2017</b>	<b>2017</b>	<b>2017</b>
<i>Figures in €</i>	<b>1</b>	<b>Budget<sup>(REV)</sup></b>	<b>Committed</b>	<b>Paid</b>
<b>EXPENSES</b>				
<b>Title I : PERSONNEL EXPENSES</b>	<b>2</b>			
<b>Chapter 11: OFFICIALS AND TEMPORARY STAFF</b>				
BASIC SALARIES		10 243 848,52	10 243 848,52	10 243 848,52
STATUTORY STAFF ALLOWANCES		2 788 037,93	2 788 037,93	2 788 037,93
STAFF SOCIAL PROTECTION		2 679 839,00	2 679 141,21	2 679 141,21
STAFF ALLOWANCES ON ENTERING AND LEAVING SERVICE		503 214,49	472 839,03	472 839,03
<b>Subtotal</b>		<b>16 214 939,94</b>	<b>16 183 866,69</b>	<b>16 183 866,69</b>
<b>Chapter 12: CONTRACT STAFF, SNEs AND TRAINEES</b>				
CONTRACT STAFF		1 777 849,02	1 780 221,02	1 768 864,05
SECONDED NATIONAL EXPERTS		1 009 644,84	1 003 507,05	1 003 507,05
TRAINEES		76 523,04	76 523,04	76 523,04
<b>Subtotal</b>		<b>2 864 016,90</b>	<b>2 860 251,11</b>	<b>2 848 894,14</b>
<b>Chapter 13: STAFF RELATED EXPENDITURES</b>				
RECRUITING EXPENSES		70 800,00	66 984,98	66 984,98
STAFF TRAINING		95 734,91	88 438,91	29 138,22
STAFF COMMITTEE		15 000,00	12 170,69	7 770,69
MEDICAL AND OTHER EXPENSES		24 208,25	16 392,91	11 232,59
MISSION EXPENSES		525 000,00	495 902,44	435 902,44
<b>Subtotal</b>		<b>730 743,16</b>	<b>679 889,93</b>	<b>551 028,92</b>
<b>TOTAL PERSONNEL EXPENSES</b>		<b>19 809 700,00</b>	<b>19 724 007,73</b>	<b>19 583 789,75</b>

#### PERSONNEL EXPENSES

Personnel expenses amount to 19.724 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.

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### 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 and in accordance with the EDA SNE Rules.

#### 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

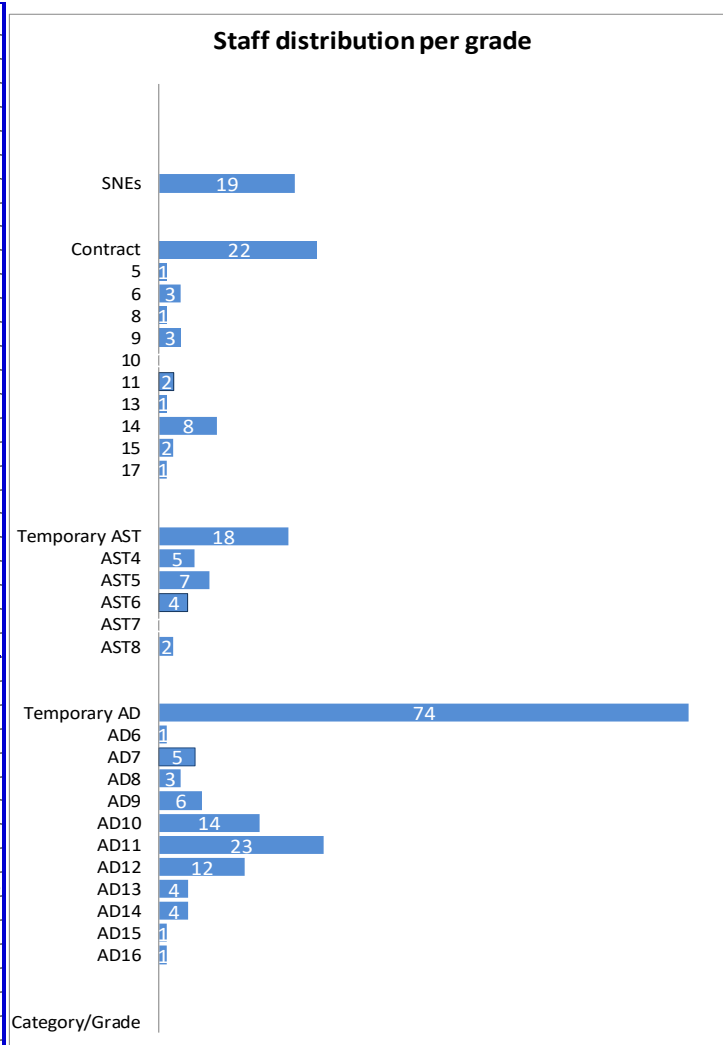
**Orphans Pension:** The EDA has an obligation to pay orphans' pension to the children of a deceased Staff Member, until each orphan reaches the age of 18 or, subject to confirmation, up to the age of 26 if full-time studies are pursued by the child.

**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 2017 ANNUAL ACCOUNTS

## Staff present on 31/12/2017

Staff present 31/12/2017			
Category/Grade	Total	Female	Male
AD16	1	0	1
AD15	1	0	1
AD14	4	0	4
AD13	4	0	4
AD12	12	1	11
AD11	23	2	21
AD10	14	2	12
AD9	6	2	4
AD8	3	1	2
AD7	5	3	2
AD6	1	0	1
<b>Temporary AD</b>	<b>74</b>	<b>11</b>	<b>63</b>
		15%	85%
AST8	2	1	1
AST7	0	0	0
AST6	4	3	1
AST5	7	5	2
AST4	5	3	2
<b>Temporary AST</b>	<b>18</b>	<b>12</b>	<b>6</b>
		67%	33%
17	1	0	1
15	2	1	1
14	8	2	6
13	1	0	1
11	2	1	1
10	0	0	0
9	3	3	0
8	1	0	1
6	3	1	2
5	1	0	1
<b>Contract</b>	<b>22</b>	<b>8</b>	<b>14</b>
		36%	64%
<b>SNEs</b>	<b>19</b>	<b>0</b>	<b>19</b>
		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

22 Contract Staff were present in the Agency on 31/12/2017. 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 31/12/2017, 19 SNEs were present at the Agency. Payment of allowances are governed by the SNE rules of the Agency.

## Trainees

On 31/12/2017, 7 trainees worked at the Agency.

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### **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 & Office Furniture

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.

Desks, tables, chairs, conference room equipment, filing cabinets, cupboards and all miscellaneous office furniture. 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.

#### 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 & Taxi Expenses

Rental fee for office vehicles and maintenance costs and taxi expenses where appropriate.

#### Software Hardware and Maintenance

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

#### IT Services and Development

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

#### Maintenance of Copiers

Rental and maintenance of photocopiers.



# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### **Telecom Expenses**

Telecommunication expenses: mobile, internet and dedicated lines.

### **Translation Services**

Costs (generally recoupable) for translating documents P.A.'s etc.

### **Reception & Representation Expenses**

Expenses related to official receptions: catering, event organisation.

### **Internal Meetings**

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

### **Corporate Communications & Subscriptions**

Expenses related to specialised information sources and press subscriptions.

### **Conferences and Seminars**

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

### **Office Supplies & Other Services**

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.

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### Note 4: 2017 Operational Projects and Studies

In 2017 the EDA launched the following procedures under the Operational Budget that amounted to 6.394 M €.

Following the change in the methodology, the amount representing the operational expenses in 2017 is calculated pro-rata while the figures in previous years were reported as the total amount paid during the year.

Directorate	Description	-	Amount	Accruals 2017	Accruals 2018	Accruals 2019
CAT	<a href="#">17.CAT.SC.017</a>	Specific Contract No 3	19 654,70	19 654,70	-	-
ESI	<a href="#">17.ESI.RE.382</a>	Reimbursement of experts Jumbo	2 735,75	2 735,75	-	-
CAT	<a href="#">17.CAT.SC.031</a>	Specific Contract No 2- Radio Spectrum	148 687,16	134 255,76	14 431,40	-
CPS	<a href="#">17.CPS.NP1.047</a>	Balkan Spartan Exercise Patches	1 128,00	1 128,00	-	-
CPS	<a href="#">17.CPS.SC.042</a>	CPS - Support to EU Requirement Catalogue Revision	40 000,00	40 000,00	-	-
CAT	<a href="#">17.CAT.RE.387</a>	Reimbursement of Experts - Cyber Security Awareness seminar at OHQ Rome	1 861,97	1 861,97	-	-
CAT	<a href="#">17.CAT.FC.064</a>	CAT - EE Presidency Cyber Defence exercise event	30 000,00	30 000,00	-	-
ESI	<a href="#">17.ESI.RE.386</a>	MBA EDA SME Reimbursement of Advisors	1 622,57	1 622,57	-	-
CPS	<a href="#">17.CPS.SC.075</a>	Task order No. 1 CRP tool	296 757,00	296 757,00	-	-
ESI	<a href="#">17.ESI.OT.078</a>	ESI - ESA-EDA JOINT STUDY ON SPACE BASED SERVICES IN SUPPORT OF CBRN OPERATIONS	200 000,00	106 865,67	93 134,33	-
CAT	<a href="#">17.CAT.RE.324</a>	C295 meeting support	298,87	298,87	-	-
CAT	<a href="#">17.CAT.FC.048</a>	CAT - 2nd C-IED Exploitation workshop	9 930,80	9 930,80	-	-
CAT	<a href="#">17.CAT.NP1.055</a>	CAT - FFT on viability of EATC-like model in Maritime domain	5 000,00	5 000,00	-	-
CPS	<a href="#">17.CPS.FC.008</a>	CPS - EAATTC 17-02 - Advanced Tactical Course (May)	5 444,97	5 444,97	-	-
CPS	<a href="#">17.CPS.FC.090</a>	Military Airworthiness Conference (MAC) in Greece	9 508,14	9 508,14	-	-
ESI	<a href="#">17.ESI.NP3.058</a>	ESI - M&S - SRA Update 2017 (instead of Materials 2040)	99 700,00	60 746,17	38 953,83	-
CAT	<a href="#">17.CAT.SC.079</a>	CAT - Deployable Cyber Evidence Collection & Evaluation Capacity (DCEC2) Technology Dem	100 000,00	58 469,95	41 530,05	-
CPS	<a href="#">17.CPS.FC.011</a>	CPS - Opening of the European Tactical Airlift Centre (ETAC)	10 676,96	10 676,96	-	-
CPS	<a href="#">17.CPS.FC.014</a>	CPS - EAATTC 17-04 - Advanced Tactical Course (September)	10 000,00	10 000,00	-	-
CAT	<a href="#">17.CAT.OP.027</a>	CAT - Definition of technical & safety requirements for UGVs	259 396,00	259 396,00	-	-
CAT	<a href="#">17.CAT.FC.067</a>	CAT - Unmanned Maritime Conference	7 000,00	7 000,00	-	-
CAT	<a href="#">17.CAT.RE.383</a>	Unmanned Maritime Conference-Reimbursement of Experts	2 580,68	2 580,68	-	-
CPS	<a href="#">17.CPS.NP1.101</a>	CPS - COLLABORATIVE DATABASE (CODABA) SUPPORT SERVICE- CORPORATE ACCESS TO MIL	12 000,00	6 590,16	5 409,84	-
CPS	<a href="#">17.CPS.RE.384</a>	Reimbursement of experts-Support to EMAR	90,50	90,50	-	-
CPS	<a href="#">17.CPS.FC.012</a>	CPS - C27J - Balkan Spartan Exercise (June)	5 999,13	5 999,13	-	-
CAT	<a href="#">17.CAT.FC.016</a>	CAT - CBRNe workshop	15 000,00	-	15 000,00	-
CPS	<a href="#">17.CPS.SC.330</a>	Specific Contract 4 LOT 1	7 680,00	4 793,89	2 886,11	-
CPS	<a href="#">17.CPS.SC.060</a>	Specific Contract 3 LOT 1	45 290,00	28 270,19	17 019,81	-
CPS	<a href="#">17.CPS.SC.069</a>	Specific Contract 2 LOT 1	19 970,00	19 970,00	-	-
CPS	<a href="#">17.CPS.FC.004</a>	EATT 17 - European Air Transport Training (June)	28 000,00	28 000,00	-	-
CPS	<a href="#">17.CPS.FC.006</a>	CPS - EATIC 17-02 - Tactical Instructor Course (July)	16 600,00	16 600,00	-	-
CPS	<a href="#">17.CPS.FC.009</a>	CPS - EATIC 17-03 - Tactical Instructor Course (July)	16 600,00	16 600,00	-	-
CPS	<a href="#">17.CPS.SC.096</a>	CPS - Defence Energy Managers Course (DEMC)-Additional Services	8 430,00	3 288,43	5 141,57	-
CPS	<a href="#">17.CPS.SC.407</a>	Specific Contract 6 LOT 1	56 560,00	23 643,93	32 916,07	-
CPS	<a href="#">17.CPS.SC.406</a>	Specific Contract 7 LOT 1	7 720,00	2 772,68	4 947,32	-
ESI	<a href="#">17.ESI.NP3.061</a>	ESI - EOST - SRA Update 2017	100 000,00	24 109,59	75 890,41	-
CPS	<a href="#">17.CPS.SC.023</a>	CPS - CDP Strand B - Long Term Capability Assessment- WP4	99 947,60	99 947,60	-	-
CAT	<a href="#">17.CAT.SC.009</a>	CAT - Target Architecture for Enhanced Cyber Situational Awareness (CySAP)	125 000,00	62 627,81	62 372,19	-
CPS	<a href="#">17.CPS.SC.024</a>	CDP Tool Development WP3.I	98 961,00	88 797,44	10 163,56	-
CAT	<a href="#">17.CAT.FC.025</a>	CAT - Delivery of Multinational Force Protection /	2 000,00	-	2 000,00	-
ESI	<a href="#">17.ESI.OT.408</a>	Amendment to Contract: 16.ESI.OP.144 Additive Manufacturing	21 000,00	21 000,00	-	-
ESI	<a href="#">17.ESI.NP.381</a>	Study on disruptive technologies - Nano-electronics and MEMS (re-launch of 17.ESI.OP.085)	150 000,00	53 793,10	96 206,90	-
CAT	<a href="#">17.CAT.NP1.323</a>	CAT - Uplift to CDC Model 3 update	9 920,00	4 398,49	5 521,51	-
CPS	<a href="#">17.CPS.SC.362</a>	Specific Contract 1 (EMAR)	25 629,62	12 955,63	12 673,99	-
CAT	<a href="#">17.CAT.RE.450</a>	Mission costs for experts - Cyber Security Awareness Seminar Rome, 2 - 4/10/2017	1 695,46	1 695,46	-	-
CPS	<a href="#">17.CPS.SC.027</a>	CPS - short studies to facilitate cooperation on selected collaborative opportunities	89 990,00	45 888,94	44 101,06	-
CAT	<a href="#">17.CAT.SC.084</a>	CAT - Cyber Research and Technology AHWG SRA Development	69 700,00	50 026,61	19 673,39	-
CAT	<a href="#">17.CAT.SC.455</a>	CAT - Cyber Strategic Decision Making Bridging exercises	39 000,00	15 157,89	23 842,11	-
CAT	<a href="#">17.CAT.SC.082</a>	CAT - Cyber Strategic Decision Making Bridging exercises	24 500,00	9 522,27	14 977,73	-

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

Directorate	Description	-	Amount	Accruals 2017	Accruals 2018	Accruals 2019
CPS	<a href="#">17.CPS.SC.453</a>	Specific Contract 8 LOT 1	11 807,50	9 055,38	2 752,12	-
CPS	<a href="#">17.CPS.SC.454</a>	Specific Contract 9 LOT 1	3 536,00	961,79	2 574,21	-
CPS	<a href="#">17.CPS.NP1.410</a>	DEFENCE POLICY (DPOL) DATABASE - IMPROVEMENT OF CONTENT MANAGEMENT	14 500,00	3 288,25	11 211,75	-
CPS	<a href="#">17.CPS.FC.015</a>	CPS - EATS 17 - Air Transport Symposium (October)	12 000,00	12 000,00	-	-
CPS	<a href="#">17.CPS.SC.467</a>	Catering services for EACC	780,00	780,00	-	-
CPS	<a href="#">17.CPS.NP1.464</a>	Catering Services-European Armaments Awareness Course 2017	687,50	687,50	-	-
CAT	<a href="#">17.CAT.OP.026</a>	Command, Control & Communication applied to Multinational Medical Support	140 000,00	28 205,13	111 794,87	-
CPS	<a href="#">17.CPS.SC.400</a>	Specific Contract 2 (EMAR)	14 193,84	4 516,22	9 677,62	-
ESI	<a href="#">17.ESI.SC.010</a>	ESI - Foresight & Strategic Assessment	76 000,00	20 694,84	55 305,16	-
CAT	<a href="#">17.CAT.NP3.081</a>	CAT - Cyber Defence specialisation models	99 959,60	15 454,28	84 505,32	-
CAT	<a href="#">17.CAT.OP.047</a>	CAT - UGV Open Architecture	330 000,00	330 000,00	-	-
ESI	<a href="#">17.ESI.SC.003</a>	ESI - CapTech assesment review - status of planned actions report	94 639,00	21 124,78	73 514,22	-
ESI	<a href="#">17.ESI.SC.011</a>	Access to EU funding	45 000,00	7 755,10	37 244,90	-
CPS	<a href="#">17.CPS.FC.016</a>	CPS - DTEB Strategy Phase 1 - Support EU T&E Collaboration Round Robin Test 2	40 000,00	4 563,11	35 436,89	-
ESI	<a href="#">17.ESI.OP.070</a>	Study on critical components for military lasers	140 000,00	15 683,06	124 316,94	-
ESI	<a href="#">17.ESI.SC.071</a>	ESI - support to negotiation and drafting of CFM PA	199 975,00	18 856,20	90 559,40	90 559,40
CAT	<a href="#">17.CAT.FC.473</a>	Personnel Recovery Conference in Florence (IT), 4/5 December 2017	10 000,00	10 000,00	-	-
CAT	<a href="#">17.CAT.RE.397</a>	CAT - Uplift CDC Model 3 update (travel elements)	9 000,00	5 142,86	3 857,14	-
ESI	<a href="#">17.ESI.OP.006</a>	ESI - Study on scalable architecture for Multifunction Radio Frequency (SMRF) sensors demo	135 000,00	7 008,20	127 991,80	-
CAT	<a href="#">17.CAT.OP.032</a>	CAT - Modelling and Simulation methodologies for Coalition Operations Research	137 500,00	9 041,10	128 458,90	-
CPS	<a href="#">17.CPS.FC.007</a>	CPS - EATIC 17-04 - Tactical Instructor Course (November)	16 600,00	16 600,00	-	-
CPS	<a href="#">17.CPS.FC.022</a>	CPS - European Armaments Cooperation Course 2017	19 000,00	19 000,00	-	-
CAT	<a href="#">17.CAT.NP3.030</a>	CAT - Update to Cyber Defence landscaping	79 320,80	-	79 320,80	-
CAT	<a href="#">17.CAT.SC.390</a>	Specific Contract 1 (Arch Rep)	49 900,00	4 902,84	39 767,47	5 229,69
ESI	<a href="#">17.ESI.OP.066</a>	Study on the Impact of Graphene on Defence Applications	150 000,00	8 630,14	141 369,86	-
ESI	<a href="#">17.ESI.SC.014</a>	Technology FORESIGHT Follow-on	99 784,00	3 281,10	70 447,12	26 055,78
ESI	<a href="#">17.ESI.OP.007</a>	ESI - Study On The Use Of Polarimetry For Radar Applications	134 999,88	7 027,39	127 972,49	-
CAT	<a href="#">17.CAT.SC.048</a>	CAT - C-IUSAT	50 000,00	4 234,97	45 765,03	-
CAT	<a href="#">17.CAT.SC.363</a>	Specific Contract 1	140 220,00	13 409,02	126 810,98	-
CPS	<a href="#">17.CPS.SC.502</a>	EDSIS and EDSTAR software improvement	11 407,50	962,08	10 445,42	-
CPS	<a href="#">17.CPS.SC.528</a>	EDSTAR and EDSIS software maintenance	3 536,00	328,93	3 207,07	-
ESI	<a href="#">17.ESI.SC.500</a>	ESIF audio-video tutorial	14 965,00	-	14 965,00	-
ESI	<a href="#">17.ESI.SC.526</a>	COSME audio-video tutorial	14 965,00	-	14 965,00	-
CPS	<a href="#">17.CPS.FC.402</a>	CPS - EDSTAR MAINTENANCE 2017	123 000,00	10 754,10	112 245,90	-
CPS	<a href="#">17.CPS.SC.504</a>	DTEB Maintenance	24 580,00	2 855,77	21 724,23	-
CPS	<a href="#">17.CPS.SC.508</a>	CODABA Improvement	42 300,00	5 666,99	36 633,01	-
CPS	<a href="#">17.CPS.SC.532</a>	CODABA Maintenance	7 680,00	547,18	7 132,82	-
ESI	<a href="#">17.ESI.OP.015</a>	ESI - Energy, Phase 2 Technical Demonstrator	147 465,00	-	147 465,00	-
CPS	<a href="#">17.CPS.OT.540</a>	EUROCAE - Annual membership for 2018	4 000,00	-	4 000,00	-
CPS	<a href="#">17.CPS.FC.503</a>	Round Robin Test	45 000,00	3 522,73	41 477,27	-
CPS	<a href="#">17.CPS.OP.017</a>	Safety case study –accomodation of MALE-type RPAS	198 999,00	-	193 546,97	5 452,03
CAT	<a href="#">17.CAT.NP1.490</a>	Service Contract for the provision of Support and Development to the J1 FAS application	30 000,00	3 640,78	26 359,22	-
CPS	<a href="#">17.CPS.SC.507</a>	CONCEPTUAL ANALYSIS OF HYBRID THREATS IN THE CONTEXT OF COUNTERING MINIDRONES	40 000,00	-	40 000,00	-
CPS	<a href="#">17.CPS.SC.510</a>	CDP TOOL DATA POPULATION	46 843,00	5 058,16	41 784,84	-
ESI	<a href="#">17.ESI.SC.499</a>	ADDITIONAL PROPOSALS TO 2017 OB: ACCESS TO EU FUNDING	39 000,00	-	35 580,82	3 419,18
CPS	<a href="#">17.CPS.OT.506</a>	Purchase of additional displays for RTTD	20 000,00	6 428,57	13 571,43	-
CAT	<a href="#">17.CAT.SC.471</a>	Specific Contract No 2 under FWC 17.CAT.OP.080	199 460,00	-	60 164,98	139 295,02
CAT	<a href="#">17.CAT.OT.068</a>	CAT - Maritime Operations incorporating Space and UMS integration	100 000,00	4 657,53	95 342,47	-
ESI	<a href="#">17.ESI.NP.002</a>	ESI - OSRA implementation	99 940,00	-	99 940,00	-
CPS	<a href="#">17.CPS.SC.554</a>	CPS - World ATM Congress and Exhibition-Lot 3	2 830,00	546,14	2 283,86	-
CPS	<a href="#">17.CPS.SC.030</a>	CPS - World ATM Congress and Exhibition - Lot 1	4 190,00	808,60	3 381,40	-
CPS	<a href="#">17.CPS.SC.413</a>	CPS - CDP Strand B - Long Term Capability Assessment- WP6	19 968,00	-	19 968,00	-
CPS	<a href="#">17.CPS.NP1.541</a>	CEE Armaments cooperation course - Additional Funds	3 811,63	-	3 811,63	-
CAT	<a href="#">17.CAT.NP.516</a>	NDOF Simulation study	300 000,00	-	156 284,15	143 715,85
CAT	<a href="#">17.CAT.SC.560</a>	Specific Contract 2 (Arch Rep)	49 850,00	1 159,30	24 890,90	23 799,79
ESI	<a href="#">17.ESI.SC.517</a>	SMEs	33 000,00	-	33 000,00	-
CAT	<a href="#">17.CAT.SC.553</a>	DEPLOYABLE CYBER EVIDENCE COLLECTION AND EVALUATION CAPABILITY (DCEC2) STAGE TH	150 000,00	-	50 000,00	100 000,00
CPS	<a href="#">17.CPS.NP1.559</a>	CSOP- Workflow for EUSATCOM Market	4 000,00	-	4 000,00	-
			<b>6 394 460,13</b>	<b>2 369 313,80</b>	<b>3 487 619,59</b>	<b>537 526,74</b>

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### 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 2017, the Agency's bank accounts generated interests of 40,61 €.

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 15k € in 2017.

Bank interests and interests for the late payments of contributions are included in the year-end surplus.

#### Other revenues

Other revenues include reimbursements received and carryforward cancellations of previous years.

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### Note 6: pMS Contributions

<b>EUROPEAN DEFENCE AGENCY</b>					
<b>2017 pMS CONTRIBUTIONS AND BUDGETARY SURPLUS</b>					
In €					
	<b>2017 GNI Own Resources *</b>	<b>2017 Key</b>	<b>2017 Annual Contribution</b>	<b>2017 Surplus distribution</b>	<b>2017 actual cost to Member States</b>
Austria (AT)	2 172 588 564	2,3646	698 620,00	11 782,13	686 837,87
Belgium (BE)	2 652 185 262	2,8866	852 839,64	14 383,02	838 456,62
Bulgaria (BG)	274 168 204	0,2984	88 161,83	1 486,84	86 674,99
Cyprus (CY)	107 616 977	0,1171	34 605,43	583,62	34 021,81
Croatia (HK)	279 124 109	0,3038	89 755,46	1 513,71	88 241,75
Czech Republic (CZ)	1 000 109 543	1,0885	321 596,34	5 423,68	316 172,66
Estonia (EE)	133 401 053	0,1452	42 896,59	723,44	42 173,15
Finland (FI)	1 319 277 122	1,4359	424 228,22	7 154,55	417 073,67
France (FR)	14 151 561 702	15,4022	4 550 591,92	76 745,09	4 473 846,83
Germany (DE)	20 091 013 685	21,8666	6 460 488,70	108 955,22	6 351 533,48
Greece (EL)	1 107 352 169	1,2052	356 081,40	6 005,26	350 076,14
Hungary (HU)	702 585 079	0,7647	225 924,04	3 810,18	222 113,86
Ireland (IE)	1 245 213 840	1,3553	400 412,35	6 752,90	393 659,45
Italy (IT)	10 404 694 494	11,3242	3 345 745,14	56 425,52	3 289 319,62
Latvia (LV)	166 542 719	0,1813	53 553,66	903,17	52 650,49
Lithuania (LT)	240 472 304	0,2617	77 326,54	1 304,10	76 022,44
Luxembourg (LU)	220 894 200	0,2404	71 030,98	1 197,93	69 833,05
Malta (MT)	58 789 006	0,0640	18 904,26	318,82	18 585,44
Netherlands (NL)	4 400 829 115	4,7898	1 415 135,51	23 866,06	1 391 269,45
Poland (PL)	2 631 522 997	2,8641	846 195,46	14 270,97	831 924,49
Portugal (PT)	1 140 945 973	1,2418	366 883,86	6 187,44	360 696,42
Romania (RO)	1 074 870 480	1,1699	345 636,55	5 829,11	339 807,44
Slovakia (SK)	494 607 834	0,5383	159 046,65	2 682,30	156 364,35
Slovenia (SI)	245 927 749	0,2677	79 080,80	1 333,69	77 747,11
Spain (ES)	7 052 176 340	7,6754	2 267 705,67	38 244,53	2 229 461,14
Sweden (SE)	3 114 839 510	3,3901	1 001 611,26	16 892,03	984 719,23
United Kingdom (UK)	15 396 581 074	16,7573	4 950 941,74	83 496,93	4 867 444,81
				0,00	0,00
<b>Total 27 pMS*</b>	<b>91 879 891 104</b>	<b>100</b>	<b>29 545 000,00</b>	<b>498 272,23</b>	<b>29 046 727,77</b>

One MS has a credit of 88.534,75 € 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.

EUROPEAN DEFENCE AGENCY  
2017 ANNUAL ACCOUNTS

**Note 7: Budgetary Surplus**

The 2017 budgetary surplus (498.272,23 €) is the difference between revenues received and expenses incurred (payments and carry-forwards) during the financial year.

**Note 8: Fixed Assets and Depreciation**

Figures in €

<p><b>EUROPEAN DEFENCE AGENCY</b> <b>Fixed Assets</b> <i>In €</i></p>					
Fixed Asset Classes	2017 Net Asset Value	2017 Depreciation	2017 Asset Acquisitions	2016 Net Asset Value	Accumulated Depreciation
Fitting-Out of Premises	-	995	-	995	3 039 935
Security Equipment	59 893	32 916	11 726	81 083	206 763
IT Equipment	57 227	80 936	5 547	132 616	1 686 013
Office Furniture	8 918	5 288	-	14 206	162 118
Office Technical Equipment	20 003	29 455	-	49 458	196 754
<b>Total</b>	<b>146 041</b>	<b>149 590</b>	<b>17 273</b>	<b>278 358</b>	<b>5 291 582</b>

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### Note 9: Cash

#### EDA Bank Accounts

As at 31/12/2017, the global balance on the Agency's bank accounts totalled 24.827.029 €.

EUROPEAN DEFENCE AGENCY		
Bank Accounts		
<i>In €</i>		
EDA Bank Accounts	2017	2016
Opening balance	28 430 605	26 253 323
Closing balance	24 827 029	28 430 605

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 2017 (namely 11.543.409 € for the pensions account and 13.283.620 € 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	2017	2016	2015
Opening balance	30 017	60 000	0
Closing balance	15 017	30 017	60 000

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### Note 10: Stakeholders

The Stakeholders liabilities include the following items:

#### Deferred pMS contributions

- Some pMS were invoiced in 2017 for the first and second contributions of 2018 and some paid in 2016.

#### 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 2017, the accounting result amounts to 4.891k €.

### Note 11: Supplier Payables

- Supplier payables include accrued expenses for 5.638.865 € and pending invoices of 133.049 € (i.e. 2017 invoices paid in early 2018). The following table shows the variation of the Agency's balance sheet provisions for accrued expenses:

<b>EUROPEAN DEFENCE AGENCY</b>		
<b>Accrued expenses</b>		
	2017 Balance Sheet	2016 Balance Sheet
Supplier Payables (in €)	Accrued Expenses	Accrued Expenses
<b>FUNCTIONING</b>		
Payables related to 2016		1 220 354
Payables related to 2017	443 680	
<b>FUNCTIONING</b>	443 680	1 220 354
<b>OPERATIONAL</b>		
Payables related to 2014-2016	3 690 167	6 530 827
Payables related to 2017	1 505 018	
<b>OPERATIONAL</b>	5 195 185	10 467 501
<b>TOTAL</b>		
Payables related to 2014	0	461 480
Payables related to 2015	0	3 475 195
Payables related to 2016	3 690 167	7 751 181
Payables related to 2017	1 948 698	0
<b>TOTAL</b>	<b>5 638 865</b>	<b>11 687 855</b>



# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### 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 31/12/2017 amount to 11.3 M €.

Pension provision for 2017 amounts to (626) k € and is composed of the following items:

EUROPEAN DEFENCE AGENCY								
Pension Provision								
In k €								
EDA Staff Pension Accruals	2017	2016	2015	2014	2013	2012	2011	2010
EDA Contribution for Temporary Agents	2 031	1 979	1 957	1 752	2 197	2 213	2 046	2 002
EDA Contribution for Contract Staff	186	136	117	136	174	173	138	107
Staff Contribution for Temporary Agents	1 016	990	979	876	1 098	1 107	1 023	1 001
Staff Contribution for Contract Staff	93	68	59	68	87	86	69	54
Invalidity Contribution	7	29						
Payments for Severance Grants	(3 903)	(3 519)	(2 360)	(2 062)	(3 126)	(1 725)	(3 711)	(1 746)
Payments for Maintenance of Pension Rights	(56)	(455)	(64)	(56)	(61)	(70)	(72)	(97)
Financial Interest	0	6	29	30	71	79	140	90
<b>Total</b>	<b>(626)</b>	<b>(766)</b>	<b>717</b>	<b>746</b>	<b>440</b>	<b>1 862</b>	<b>(366)</b>	<b>1 411</b>

Note: During 2017 accumulated pension rights and corresponding interests were transferred to the pension bank account.

#### Miscellaneous Staff Payables

Miscellaneous Staff Payables include 2016 expenses paid in early 2017, 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 Annual Accounts of the European Defence Agency ("Agency") for the year ended 31 December 2017, which comprise the 2017 Consolidated Budget Implementation Report, the 2017 Budget Implementation Report, the 2017 Balance Sheet, the 2017 Cash Flow Statement, the 2017 Statement of Financial Performance, the 2017 Statement of Changes in Net Assets and Notes to the 2017 Annual Accounts. We report to you on the performance of our mandate of Independent Auditor and present our opinion on the annual accounts.

**Management's Responsibility for the Financial Statements**

Following articles 20 and 39 of the Financial Rules the financial statements shall be drawn up in accordance with rules based on internationally accepted accounting standards for the public sector. The Steering Board appointed an Accounting Officer, responsible for the preparation and fair presentation of the financial statements. According to Article 23 (1) of the Financial Rules this responsibility includes:

- a) proper implementation of payments, collection of revenue and recovery of amounts established as being receivable;
- b) keeping, preparing and presenting the accounts;
- c) implementing the accounting rules and the chart of accounts;
- d) validating systems laid down by the Authorising Officer to supply or justify accounting information;
- e) treasury management.

In connection with the financial statements of the Agency the Chief Executive provided us with a Management Representation Letter dated 31 March 2018, 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 Activity Report, Budget Implementation Report and the Notes to the Annual Accounts, to identify any material inconsistencies with the audited financial statements.

# EUROPEAN DEFENCE AGENCY

## 2017 ANNUAL ACCOUNTS

### Opinion

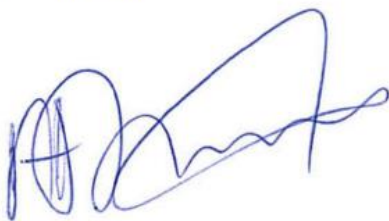
In our opinion the annual accounts present fairly, in all material respects, (give a true and fair view of) the financial position of the European Defence Agency as at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with

- Council Decision (CFSP) 2015/1835 of 12 October 2015 defining the statute, seat and operational rules of the European Defence Agency,
- Council Decision (EU) 2016/1353 of 4 August 2016 on the financial rules of the European Defence Agency.

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

Brussels, 29 June 2018

**College of Auditors of the  
European Defence Agency  
Represented by**



**Mr. Angelos Vasileiou  
Chairman of the College of Auditors**