

FINAL ACCOUNTS FOR 2013



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1.1. Introduction

The annual accounts are drawn up in accordance with the Financial Regulation of European Agency for the Management of the Operational Cooperation at the External Borders of the Member States of the European Union (hereinafter Frontex). The annual accounts of Frontex include the financial statements and the report on implementation of the budget.

The objectives of financial statements are to provide information about the financial position, performance and cash flows of Frontex.

The financial statements have been prepared according to the accounting rules adopted by the European Commission's accountant, following the principles of accrual based accountancy where the economic outturn, balance and cash flow are concerned. It should be noted that under Frontex Financial Regulation, the accounts consist of the general accounts and the budget accounts, both kept in euro.

The general accounts are accrual accounts which mean that the effects of transactions and other events are recognised when those transactions or events occur (and not only when cash or its equivalent is received or paid). They are based on the IPSAS (International Public Sector Accounting Standards). The general accounts allow for the preparation of the financial statements as they show all revenues and expenses for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

The budget execution is prepared on the basis of a modified cash accounting. In cash accounting system, payments made and revenue received are recorded. Modified cash accounts means that payment appropriations carried over are also recorded. They are used to produce the budgetary outturn account and reports on budget implementation.

These provisions lead to discrepancies between the general accounts and the budget accounts.

The accounting policies have been applied consistently throughout the period.

According to Article 82 of Frontex Financial Regulation, Agency's Accounting Officer shall send to the Commission's Accounting Officer and the Court of Auditors by no later than 1st of March of the following year its provisional accounts, together with the report on budgetary and financial management during the year.

The Director shall send the final accounts, together with the opinion of the Management Board, to the Commission's Accounting Officer, the Court of Auditors, the European Parliament and the Council, by 1st of July of the following year at the latest.

Finally the final accounts are presented to the Council and Parliament for discharge.

1.2. Accounting principles

The financial statements of Frontex are drawn up in accordance with the generally accepted accounting principles:

a) Going concern basis principle

The going-concern principle means that for the purposes of preparing the financial statements, Frontex is deemed to be established for an indefinite duration.

b) Principle of prudence

The principle of prudence means that assets and income have not been overstated and liabilities and charges have not been understated. No hidden reserves or undue provisions have been created.

c) Principle of consistent accounting methods

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

d) Principle of comparability of information

The principle of comparability of information means that for each item the financial statements also show the amount of the corresponding item the previous year.

Where, pursuant to previous paragraph, the presentation or the classification of one of the components of the financial statements is changed, the corresponding amounts for the previous year have been made comparable and reclassified. Where it has been impossible to reclassify items, this shall be explained in the annex.

e) Materiality principle

The materiality principle means that all operations which are of significance for the information sought have been taken into account in the financial statements. Materiality has been assessed in particular by reference to the nature of the transaction or the amount.

Transactions may be aggregated where:

- (a) The transactions are identical in nature, even if the amounts are large;
- (b) The amounts are negligible;
- (c) Aggregation makes for clarity in the financial statements.

f) No-netting principle

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

g) Principle of reality over appearance

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

h) Accrual-based accounting principle

The accrual-based accounting principle means that transactions and events have been entered in the accounts when they occurred and not when amounts were actually paid or recovered. They shall be booked to the financial years to which they relate.

Currency

Frontex 2013 financial statements are presented in euro, the euro being the European Union's functional and reporting currency.

Economic transactions in other currencies than in euro have been converted into euro on the basis of European Commission's official rate "Infor-Euro".

Due to the Agency's location outside of Euro-zone, a substantial number of transactions during reporting period occurred in Polish Zlotys. Foreign currency exchange rate gains and losses resulting from transactions in other currencies than euro have been reflected in economic outturn account.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are converted into euro on the basis of the exchange rates applying on 31 December 2013.

Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to, provisions, financial risk on inventories and accounts receivables, accrued income and charges, contingent assets and liabilities. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

Declaration of Assurance of the Executive Director

I, the undersigned, Executive Director a.i. of Frontex, in my capacity as Authorising Officer,

- declare that the information contained in the annual accounts for the year 2013 report gives a true and fair view;
- state that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the ex-ante and ex-post controls, the recommendations from the European Parliament's Committee for Budgets and the observations of the Court of Auditors; and
- confirm that I am not aware of any matter not reported in this declaration that could harm the interests of the Agency in general.

Warsaw, 03 June 2014



Gil Arias Fernandez
Executive Director a.i.

Certificate of the Accounting Officer

The annual accounts of Frontex for the year 2013 have been prepared in accordance with the Title IX of the Financial Regulation applicable to the general budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

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

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show the Frontex'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 Frontex.

Warsaw, 03 June 2014



Klaus Ohlmann
Accounting Officer

2. FINANCIAL STATEMENTS 2013

2.1. Balance Sheet

	Note	31.12.2013	31.12.2012	Variation
A. NON CURRENT ASSETS				
Intangible fixed assets	3.1.1.1	2.730.109,76	2.981.507,85	-251.398,09
Tangible fixed assets	3.1.2.2	3.262.752,00	4.848.907,03	-1.586.155,03
Plant and equipment		50.468,00	65.889,00	-15.421,00
Computer hardware		2.236.096,00	3.590.804,15	-1.354.708,15
Furniture and vehicles		258.608,00	253.399,00	5.209,00
Other fixtures and fittings		717.580,00	938.814,88	-221.234,88
Long-term receivables	3.1.1.3	0,00	11.013,80	-11.013,80
TOTAL NON CURRENT ASSETS		5.992.861,76	7.841.428,68	-1.848.566,92
B. CURRENT ASSETS				
Short-term pre-financing	3.1.2.1	1.471.869,17	486.939,74	984.929,43
Short-term receivables	3.1.2.2	6.375.904,04	8.629.040,42	-2.253.136,38
Current receivables		2.233.826,23	2.190.070,02	43.756,21
Sundry receivables		202.183,21	125.066,92	77.116,29
Other		3.939.894,60	6.313.903,48	-2.374.008,88
Cash and cash equivalents	3.1.2.3	26.338.294,21	13.457.781,61	12.880.512,60
TOTAL CURRENT ASSETS		34.186.067,42	22.573.761,77	11.612.305,65
TOTAL ASSETS		40.178.929,18	30.415.190,45	9.763.738,73

C. CAPITAL				
Accumulated surplus/deficit		16.310.776,77	22.383.022,56	-6.072.245,79
Economic result of the year		7.765.780,77	-6.072.245,79	13.838.026,56
TOTAL CAPITAL		24.076.557,54	16.310.776,77	7.765.780,77
D. CURRENT LIABILITIES				
Provisions for risks and charges	3.1.3.1	1.377.300,24	1.018.720,63	358.579,61
Accounts payables	3.1.3.2	14.725.071,40	13.085.693,05	1.639.378,35
Current payables		5.737.883,24	6.355.928,94	-618.045,70
Sundry payables		275,28	39.267,75	-38.992,47
Other		8.986.912,88	6.690.496,36	2.296.416,52
Accrued charges		8.947.019,02	6.630.417,19	2.316.601,83
Deferrals and accruals with consolidated EC entities		0,00	0,00	0,00
Accounts payable with consolidated EC entities		39.893,86	60.079,17	-20.185,31
TOTAL CURRENT LIABILITIES		16.102.371,64	14.104.413,68	1.997.957,96
TOTAL LIABILITIES		40.178.929,18	30.415.190,45	9.763.738,73

2.2. Economic Outturn Account

	Note	2013	2012
Operating revenue:	3.2.1		
Revenues from administrative operations		894.114,85	1.941,76
Other		89.494.351,46	82.950.193,30
Operating Revenue total		90.388.466,31	82.952.135,06
Operating expenses:	3.2.2		
Administrative expenses:		-32.897.685,43	-33.148.812,15
Staff expenses		-15.477.073,81	-16.031.068,93
Fixed asset related expenses		-2.979.253,77	-2.849.089,11
Other administrative expenses		-14.441.357,85	-14.268.654,11
Operating expenses:		-49.714.597,62	-55.860.931,43
Other operating expenses		-49.714.597,62	-55.860.931,43
Operating expenses total		-82.612.283,05	-89.009.743,58
Surplus/(deficit) from operating activities		7.776.183,26	-6.057.608,52
Financial operations expenses	3.2.3	-10.402,49	-14.637,27
Surplus/(deficit) from non-operating activities		-10.402,49	-14.637,27
Surplus/(deficit) from ordinary activities		7.765.780,77	-6.072.245,79
Economic result for the year		7.765.780,77	-6.072.245,79

2.3. Cash Flow

(Indirect method)

	2013	2012
Surplus/(deficit) from ordinary activities	7.765.780,77	-6.072.245,79
Operating activities		
-		
Amortization (intangible fixed assets)	991.423,75	686.251,11
Depreciation (tangible fixed assets)	2.050.011,03	2.162.191,61
Increase/(decrease) in Provisions for risks and liabilities	358.579,61	663.924,77
(Increase)/decrease in Short term Pre-financing	-984.929,43	-206.549,77
(Increase)/decrease in Long term Receivables	11.013,80	3.761,91
(Increase)/decrease in Short term Receivables	2.253.136,38	-6.210.413,11
(Increase)/decrease in Receivables related to EC entities		0,00
Increase/(decrease) in Accounts payable	1.659.563,66	-10.568.812,89
Increase/(decrease) in Liabilities related to EC entities	-20.185,31	-639.088,41
Net Cash Flow from operating activities	14.084.394,26	-20.180.980,57
Investing activities		
Purchase of tangible and intangible fixed assets (-)	-1.203.881,66	-3.666.579,33
Proceeds from tangible and intangible fixed assets (+)	0,00	2.835,00
Net cash flow from investing activities	-1.203.881,66	-3.663.744,33
Net increase/(decrease) in cash and cash equivalents	12.880.512,60	-23.844.724,90
Cash and cash equivalents at the beginning of the period	13.457.781,61	37.302.506,51
Cash and cash equivalents at the end of the period	26.338.294,21	13.457.781,61

2.4. Statement of changes in capital

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2012	0,00	0,00	22.383.022,56	-6.072.245,79	16.310.776,77
Allocation of the economic result of previous year	0,00	0,00	-6.072.245,79	6.072.245,79	0,00
Economic result of the year	0,00	0,00		7.765.780,77	7.765.780,77
Balance as of 31 December 2013	0,00	0,00	16.310.776,77	7.765.780,77	24.076.557,54

3. ANNEX TO FINANCIAL STATEMENTS

3.1. Notes to the Balance Sheet

3.1.1. Non current assets

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

Fixed assets are assets with an acquisition price value above 420.00 euro and are expected to be used during more than one year. Assets, which do not fall under the above described criteria, have been charged against expenses and are reflected in the economic outturn account. Repairs and maintenance are recognised as running expenses during the financial period in which they are incurred.

The assets were valued in the financial statements at their purchase price minus depreciations, in order to give a fair view of Frontex assets.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciation method chosen is the straight-line method. Frontex fixed assets are depreciated on a monthly basis. The depreciation rates are the coefficients used at the European Commission. The applied depreciation annual percentage rates per asset types are as follows:

Intangible fixed assets:

Computer software	25.0%
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Tangible fixed assets:

Specific equipment	25.0%
Transport equipment	25.0%
Computers, servers, printers etc.	25.0%
Telecommunications and audiovisual equipment	25.0%
Security, safety and protective equipment	12.5%
Equipment for kitchen	12.5%
Office furniture	10.0%

3.1.1.1. Intangible fixed assets

	Computer Software	Other Intangible fixed assets	Intangible assets under constructio n	Total
Gross carrying amounts 01.01.2013	4.093.023,28	20.130,76	729.847,50	4.843.001,54
Additions	649.037,99	0,00	90.987,67	740.025,66
Transfer between headings	729.847,50	0,00	-729.847,50	0,00
other changes	0,00	0,00	0,00	0,00
Gross carrying amounts 31.12.2013	5.471.908,77	20.130,76	90.987,67	5.583.027,20
Accumulated amortization and impairment 01.01.2013	-	-	0,00	-
	1.848.911,93	12.581,76		1.861.493,69
Amortization	-986.390,75	-5.033,00	0,00	-991.423,75
Transfer between headings	0,00	0,00	0,00	0,00
Accumulated amortization and impairment 31.12.2013	-	-	0,00	-
	2.835.302,68	17.614,76		2.852.917,44
Net carrying amounts 31.12.2013	2.636.606,09	2.516,00	90.987,67	2.730.109,76

Intangible assets are identifiable non-monetary assets without physical substance.

Frontex intangible fixed assets consist mainly of computer software and intangible assets under construction. At 31.12.2013, the Agency had various projects of different scope and nature ongoing, the costs of which were capitalised in case they reached the internal threshold for capitalisation.

3.1.1.2. Tangible fixed assets

	Plant and Equipment	Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	Total
Gross carrying amounts 01.01.2013	100.498,55	8.259.494,36	435.016,21	2.068.106,28	10.863.115,40
Additions	79.795,00	204.773,22	62.645,60	116.642,18	463.856,00
Write offs					0,00
Transfer between headings					0,00
Gross carrying amounts 31.12.2013	180.293,55	8.464.267,58	497.661,81	2.184.748,46	11.326.971,40
Accumulated amortization and impairment 01.01.2013	-34.609,55	-4.668.690,21	-181.617,21	-1.129.291,40	-6.014.208,37
Depreciation	-92.312,00	-1.559.481,37	-57.436,60	-337.877,06	-2.047.107,03
Write-back of depreciation					0,00
Transfer between headings					0,00
Other changes	-2.904,00				-2.904,00
Accumulated amortization and impairment 31.12.2013	-129.825,55	-6.228.171,58	-239.053,81	-1.467.168,46	-8.064.219,40
Net carrying amounts 31.12.2013	50.468,00	2.236.096,00	258.608,00	717.580,00	3.262.752,00

Tangible fixed assets are assets that are held by Frontex for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one reporting period.

Frontex tangible fixed assets consist of office furniture, printing and mailing equipment, transport vehicles, computers, servers and accessories, printers, copying equipment, audiovisual equipment, security equipment and other electronic office equipment.

3.1.1.3. Long-term receivables

There are no amounts to be received after the end of the following financial year.

3.1.2. Current assets

3.1.2.1. Short-term pre-financing

Pre-financing is a payment intended to provide the beneficiary with a float, i.e. cash advance. It may be split into a number of payments over a period defined in the particular pre-financing agreement. The float or advance shall be used for the purpose for which it was provided during the period defined in the agreement. If the beneficiary does not incur eligible expenditures, he has the obligation to return the pre-financing advance to Frontex. The amount of the pre-financing is reduced (wholly or partially) by the acceptance of eligible costs and amounts returned, and this amount is recognised as an expense.

The short-term pre-financing balance amounts to 1,471,869.17 euro

3.1.2.2. Short-term receivables

Receivables from:	Balance as at 31.12.2013				Balance as at 31.12.2012			
	Total	Doubtful amounts	Amounts written off	Net value	Total	Doubtful amounts	Amounts written off	Net value
Current receivables:	2.231.288,26	0,00	0,00	2.231.288,26	2.190.070,02	0,00	0,00	2.190.070,02
VAT	1.915.585,51	0,00	0,00	1.915.585,51	2.181.871,84	0,00	0,00	2.181.871,84
Member States	27.952,00	0,00	0,00	27.952,00	0,00	0,00	0,00	0,00
Customers	1.150,75	0,00	0,00	1.150,75	8.198,18	0,00	0,00	8.198,18
Other	286.600,00	0,00	0,00	286.600,00	0,00	0,00	0,00	0,00
Other receivables:	3.942.432,57	0,00	0,00	3.942.432,57	6.313.903,48	0,00	0,00	6.313.903,48
Deferred charges	117.782,34	0,00	0,00	117.782,34	95.919,59	0,00	0,00	95.919,59
Accrued income	3.822.112,26	0,00	0,00	3.822.112,26	6.217.983,89	0,00	0,00	6.217.983,89
Consolidated EU entities	2.537,97	0,00	0,00	2.537,97	0,00	0,00	0,00	0,00
Sundry receivables:	202.183,21	0,00	0,00	202.183,21	125.066,92	0,00	0,00	125.066,92
Staff	202.183,21	0,00	0,00	202.183,21	125.066,92	0,00	0,00	125.066,92
Total	6.375.904,04	0,00	0,00	6.375.904,04	8.629.040,42	0,00	0,00	8.629.040,42

Receivables are carried at original invoice amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that Frontex will not be able to collect all amounts due according to the original terms of receivables.

Frontex receivables as at 31.12.2013 comprise of following items:

Current receivables 6,375,904.04 euro:

- VAT to be recovered from Polish Taxation Authorities relating to invoices paid during year 2013. In accordance with taxation regulations, Frontex is entitled to VAT exempt purchases with value of greater than 500.00 PLN;
- Other receivables refer to amounts to be received from debtors.

Other receivables 3,942,432.57 euro:

- Deferred charges relate to prepaid expenses paid in 2013 but relate to year 2014 expenditure (newspapers subscriptions, insurance etc);
- Accrued income includes 2013 income for which debit notes will be issued next year and 3,509,333.97 euro negative budgetary outturn result which will be reimbursed from the European Commission in 2014.

Sundry receivables include various advance payments to staff that will be settled next year.

3.1.2.3. Cash and cash equivalents

	PLN	EUR	Exchange rate	Total EUR
<i>Current accounts:</i>				
Bank account PLN	18.329.910,50		4,1942	4.370.299,58
Bank account EUR		21.950.082,22	1,0000	21.950.082,22
<i>Imprest accounts:</i>				
Bank account PLN	26.639,17		4,1942	6.351,43
Bank account EUR		11.560,98	1,0000	11.560,98
Total	18.356.549,67	21.961.643,20		26.338.294,21

Cash and cash equivalents refer to the Agency's funds held on bank accounts.

As at 31.12.2013 the Agency held in total six bank accounts, three in euro and three in Polish Zlotys. Out of those six bank accounts two served as imprest accounts for executing one-off urgent payments and payments of low value.

During the financial year 2013 Frontex received bank interests in total amount of 39,893.86 euro which shall be reimbursed to the Commission during year 2014.

3.1.3. Current liabilities

3.1.3.1. Provisions for risks and charges

A provision is a liability of uncertain timing or amount. Provisions can be distinguished from other liabilities such as payables and accruals because there is uncertainty about the timing or amount of the future expenditure required in settlement.

At the year end 2013 the Court of Justice decided that the Council of the European Union was entitled to reject the proposal of the European Commission for a remuneration and pension adjustments based on an increase of 1,7 %.

On 14 April 2014 the Council approved the European Parliament's position on the draft regulations providing for the annual adjustments of remuneration and pensions of EU staff of 0% for 2011 and of 0.8% for 2012 (payable as from 1 July 2012).

The financial statements include estimates for salary adjustments with a financial impact for Frontex staff of 1,327,300.24 euro, and for Seconded National Experts of 50,000.00 euro, including the effect of the in 2014 adopted Regulations.

3.1.3.2. Accounts payables

	Balance as at 31.12.2013	Balance as at 31.12.2012
Current payables:	5.737.883,24	6.355.928,94
Member States	5.175.689,72	5.056.444,99
Vendors	445.928,02	1.040.592,08
Other payables from public bodies	47.245,03	162.336,57
Third States	63.848,50	78.718,73
EFTA	5.171,97	17.836,57
Sundry payables:	275,28	39.267,75
Invoices to be received for goods delivered in 2013	275,28	33.660,06
Staff	0,00	5.607,69
Other payables:	8.986.912,88	6.690.496,36
Accrued charges	8.719.593,11	6.357.520,45
Accounts payable with consolidated EC entities	39.893,86	60.079,17
Untaken holiday leave	227.425,91	272.896,74
Deferrals and accruals with consolidated EC entities	0,00	0,00
Total	14.725.071,40	13.085.693,05

Payables are amounts due to a creditor, including transactions arising from the purchase of goods and services. Frontex accounts payable are stated at the amount they are to be paid within one year.

Current payables of 5,737,883.24 euro consist of amounts owed by Frontex at the end of the reporting period for invoices, claims and requests for reimbursement that have been received in 2013 but remained unpaid at year end.

Sundry payables of 275,28 euro comprise of amounts to be received for goods delivered in 2013.

Accrued charges 8.719.593,11 euro represent estimate of liabilities that are not supported by invoices or cost claims or expense summaries at the end of the reporting period. Accrued charges have been estimated on the basis of accounting information provided by authorising officers. The amount of 227,425.91 euro refers to the Agency staff untaken holidays as at 31.12.2013, i.e. holiday days carried over to next year.

Accounts payable with consolidated EC entities 39.893,86 euro consists of bank interests that are to be reimbursed to the Commission in 2014.

3.2. Notes to the Economic Outturn Account

3.2.1. Operating revenue

	2013
Operating revenues:	
EC Subsidy	79.293.867,49
Switzerland contribution	3.029.200,00
Norway contribution	2.734.200,00
UK contribution	570.000,00
Exchange rate gains	124.809,53
Ireland contribution	250.000,00
Iceland contribution	58.750,00
Liechtenstein contribution	49.000,00
Other operating revenue	3.606.189,29
Fixed assets related revenue	672.450,00
Total	90.388.466,31

In accordance with the principle of accrual-based accounting, the financial statements shall show the income for the financial year, i.e. when they were recognised, regardless of the date of collection.

Frontex revenue consists solely of non-exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

87.73% of Frontex accounting revenue during year 2013 consists of the European Commission subsidy, followed by contributions from Schengen Associated Countries and Member States.

Other operating revenue takes into account reimbursements of expenses.

3.2.2. Operating expenses

	2013
Administrative Expenses:	32.897.685,43
Staff expenses	15.477.073,81
Fixed Assets Expenses	2.979.253,77
Other Administrative Expenses:	14.441.357,85
Experts and meetings	4.357.801,56
Office premises rent and maintenance	4.195.989,97
ICT supportive services	2.914.445,96
Other goods and services	1.060.472,64
Office Supplies and maintenance	505.456,63
Communications and publications	490.201,50
Missions	618.767,21
Training costs	155.931,14
Recruitment costs	97.405,41
Publicity and Legal Expenses	44.885,83
Operational Expenses:	49.714.597,62
Operational expenses	48.885.382,94
Exchange rate losses	829.214,68
Operating expenses total	82.612.283,05

In accordance with the principle of accrual-based accounting, the financial statements shall show the charges for the financial year, i.e. when they were recognised, regardless of the date of payment.

Administrative expenses in the total amount of 32,897,685.43 euro relate to the Agency's administrative activities (budget titles 1: Staff and 2: Other administrative expenditure).

Staff expenses include Frontex staff related costs (basic salaries, allowances, contract agents, family allowances, insurance, social contributions etc.) covered by the Conditions of Employment of Other Servants of the European Communities.

Fixed assets expenses reflect depreciation charges for the year and net value of assets written off in 2013.

Administrative expenses consist of other expenses incurred from Frontex daily activities, such as rent of premises, Seconded National Experts' allowances, meetings organizing expenses, office supplies etc.

Operational expenses equalling to 49,714,597.62 euro relate to Frontex operational activities (budget title 3: Operational activities).

3.2.3. Financial expenses

Financial expenses totalling to 10,402.49 euro relate to paid bank fees 10,381.98 euro and 20.51 euro to late payment interests to vendors.

3.2.4. Economic result for the year

The economic result for the year is a surplus of 7,765,780.77 euro. In the previous year, the economic result was a deficit of 6,072,245.79 euro. This gives a total variation for both years of 13,838,026.56 euro.

The main reason for this variation may be mainly explained by the decrease in the amount of operating expenses by 6,397,460.53 euro - whereas administrative expenses decreased slightly by 301,126.72 euro - and by the increase of total revenue by 7,436,331.25 euro in 2013.

3.2.5. Cash Flow

By the end of 2013, the Agency hold funds in cash and cash equivalents on bank accounts in the amount of 26,338,294.21 euro. At the beginning of the reporting period the cash amounted to 13,457,781.61 euro which gives an increase of cash and cash equivalents of 12,880,512.60 euro.

The Agency hold more cash as less short term receivables were outstanding in comparison to the previous year (variation of -2,253,136.38 euro). The amount of Accounts Payable increased (variation of 1,639,378.35 euro). Thus the cash status at the end of the reporting period can be considered as stable and the Agency as liquid.

3.3. Off balance sheet items

3.3.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency.

As at 31.12.2013 Frontex had a guarantee in amount of 200.000 euro.

3.3.2. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency, or a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Operating lease

Short-term operating lease expenses with regards to office premises rent to be paid during the year 2013 equal to 3,094,592.39 euro.

Long-term operating lease expenses have not been taken into account, since the contract with the lessor includes a clause stating the possibility to terminate the contract in six months advance notice period.

Finance lease

Frontex has not entered into finance lease contracts.

Commitments for future funding

RAL - Commitments against appropriations not yet consumed amount to 18,441,824.11 euro (i.e. total RAL for budgetary commitments 31,764,775.47 euro less cut-off expenses included in the economic outturn 13,322,951.36 euro).

Legal cases

Frontex has one ongoing litigation related to tender procedures and two litigations related to former Frontex staff members.

The Applicant in the tender procedures related case has claimed damages for total amount of 10,295,000.00 euro suffered from the rejection of their offers, as well as legal costs incurred in connection with the Applications (around 20,000.00 euro).

The applicants in the staff cases have claimed damages for total amount of 20,000.00 euro, as well as legal costs incurred (around 10,000.00 euro).

3.4. Related parties

Frontex is managed by Executive Director who also performs the duties of Authorising Officer. However, in accordance with Frontex Financial Regulation Article 34, the Executive Director may delegate his powers of budget implementation to staff of the Agency covered by the Staff Regulations, in accordance with the conditions laid down by the financial rules, within the meaning of Article 185 of the general Financial Regulation, adopted by the Management Board.

As of 31.12.2013 Frontex had in total 1 Authorising Officer and 26 Authorising Officers by sub-delegation.

3.5. Events after the reporting date

On 14 April 2014 the Council approved the European Parliament's position on the draft regulations providing for the annual adjustments of remuneration and pensions of EU staff of 0% for 2011 and of 0.8% for 2012 (payable as from 1 July 2012).

The Regulations were signed on 16 April 2014 in Strasbourg and published in the Official Journal of the EU on 30 April 2014.

The entering into force of these Regulations is considered as an event after the reporting date which gives rise to adjustments of the provision for salary adjustments (see 3.1.3.1.).

4. REPORTS ON IMPLEMENTATION OF THE BUDET 2013

4.1. Budgetary principles

In Accordance with Frontex Financial Regulation Title II, the establishment and implementation of the budget of the Agency shall comply with the following principles:

a) Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the Agency's budget.

An appropriation must not be entered in the budget if it is not for an item of expenditure considered necessary.

No expenditure may be committed or authorised in excess of the appropriations authorised by the budget.

b) Principle of annuality

The appropriations entered in the budget shall be authorised for one financial year which shall run from 1 January to 31 December.

c) Principle of equilibrium

This means that the budget revenue and payment appropriations must be in balance.

d) Principle of unit of account

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

e) Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

f) Principle of specification

The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items.

g) Principle of sound financial management

Budget appropriations shall be used in accordance with the principle of sound financial management - in accordance with the principles of economy, efficiency and effectiveness.

h) Principle of transparency

The budget is established and implemented and the accounts presented in compliance with the principle of transparency - the budget and amending budgets are published in the Official Journal of the European Communities.

4.2. Statement of Comparison of Budget and Actual Amounts 2013

REVENUE								
Budget item	Original budget (1)	Budget amendments (2)	Final budget (3)	Entitlements established (4)	Cashed (5)	Difference Final-Actual (6)=(3)-(5)	Receipts as % of budget (7)=(5)/(3)	Outstanding (8)=(4)-(5)
9000 Subsidy from the Community	79.500.000,00	7.900.000,00	87.400.000,00	85.500.000,00	85.500.000,00	1.900.000,00	97,83%	0,00
9010 Contributions from the Schengen Associated Countries	5.207.100,00	522.900,00	5.730.000,00	5.871.150,00	5.584.550,00	145.450,00	97,46%	286.600,00
9020 Contributions from the United Kingdom and Ireland	1.000.000,00	-180.000,00	820.000,00	820.000,00	820.000,00	0,00	100,00%	0,00
9100 Other revenue	0,00	0,00	0,00	151.983,79	110.204,57	-110.204,57	0,00%	41.779,22
Total	85.707.100,00	8.242.900,00	93.950.000,00	92.343.133,79	92.014.754,57	1.935.245,43	97,94%	328.379,22

EXPENDITURE									
Budget title	2013 budget (1)	Internal Assigned revenue (2)	Carried over from 2012 (3)	Total budget (4)=(1)+(2)+(3)	Payments made (5)	% of total budget (6)=(5)/(4)	Difference Total-Actual (7)=(4)-(5)	Carried over to 2014 (8)	Not used (9)=(4)-(5)-(8)
1 Staff	22.262.280,00	14.698,15	208.409,88	22.485.388,03	20.443.252,04	90,92%	2.042.135,99	137.593,84	1.904.542,15
2 Administration	9.136.820,00	4.432,49	2.023.147,80	11.164.400,29	8.359.267,60	74,87%	2.805.132,69	2.402.304,38	402.828,31
3 Operating expenditure	62.550.900,00	93.267,98	19.526.347,60	82.170.515,58	49.804.161,05	60,61%	32.366.354,53	29.224.193,09	3.142.161,44
Total	93.950.000,00	112.398,62	21.757.905,28	115.820.303,90	78.606.680,69	67,87%	37.213.623,21	31.764.091,31	5.449.531,90

Summary of key points

The Management Board adopted on 4 November 2013 a budget amendment (Budget 2013 N1) for an additional € 8.2M, including the contribution of the Schengen associated countries which is linked to the EU contribution.

The table below gives the budget implementation figures and percentages for 2013 together with 2012 figures for comparison.

	2013		2012	
Commitment of Regular budget (C1)	€91,8	98%	€89,6	99%
Payment of Regular budget (C1)	€60,1	64%	€67,4	75%
Payment of Automatic carry-overs (C8)	€18,4	87%	€31,3	82%

Frontex issued 991 grants in 2013 for a total amount of € 41.1M. Final payments were made to 660 grants during 2013. On average the final payments are at 89% of the granted amount.

4.3. Budgetary Outturn Account

	2013	2012
Revenue:		
Commission subsidy	85.500.000,00	69.500.000,00
Other revenue	6.514.754,57	6.810.597,70
Total revenue	92.014.754,57	76.310.597,70
Expenditure:		
Title I: Staff		
Payments	-20.335.255,17	-20.422.005,84
Appropriations carried over	-137.593,84	-208.409,88
Title II: Administrative Expenses		
Payments	-6.551.234,74	-6.863.646,54
Appropriations carried over	-2.402.304,38	-2.023.147,80
Title III: Operating Expenditure		
Payments	-33.315.306,54	-40.106.656,61
Appropriations carried over	-29.224.877,25	-19.526.347,60
Total expenditure	-91.966.571,92	-89.150.214,27
Outturn for the financial year	48.182,65	-12.839.616,57
Cancellation of unused payment appropriations carried over from previous year	3.256.694,56	7.057.005,17
Adjustment for carry-over arising from assigned revenue	96.326,46	0,00
Exchange differences for the year (gain +/loss -)	-704.405,15	-423.521,11
Balance of the Outturn Account for the financial year	2.696.798,54	-6.206.132,51
Balance year N-1	-6.206.132,51	541.480,70
Balance from year N-1 reimbursed to the Commission		-541.480,70
Final balance of the Outturn Account for the financial year	-3.509.333,97	-6.206.132,51
Not included in the budget outturn:		
Interest received by 31/12/N on the Commission subsidy funds and to be reimbursed to the Commission (liability)	39.893,86	53.389,58

4.4. Budget amendments and transfers

Budget title	Original budget	Amending budget N1	Transfers	Final budget
	(1)	(2)	(3)	(4)=(1)+(2)+(3)
Revenue:				
Subsidy from the Community	79.500.000,00	7.900.000,00	0,00	87.400.000,00
Contributions from the Schengen Associated Countries	5.207.100,00	522.900,00	0,00	5.730.000,00
Contributions from the United Kingdom and Ireland	1.000.000,00	-180.000,00	0,00	820.000,00
Revenue total	85.707.100,00	8.242.900,00	0,00	93.950.000,00
Expenditure:				
Staff	21.641.000,00	0,00	0,00	21.641.000,00
Administration	9.758.100,00	0,00	621.280,00	10.379.380,00
Operating expenditure	54.308.000,00	8.242.900,00	-621.280,00	61.929.620,00
Expenditure total	85.707.100,00	8.242.900,00	0,00	93.950.000,00

The Management Board adopted on 4 November 2013 a budget amendment (Budget 2013 N1) for an additional € 8.2M thus the final budget for 2013 amounted to € 93.9M. The basis for this amendment was the European Council which on 24 -25 October called for the reinforcement of Frontex activities in the Mediterranean and along the South Eastern borders of the EU. In addition, the JHA Council on 22 October also called for specific reinforcements in Frontex operational activities.

Twenty nine budget transfers were processed in 2013; twenty seven of which were transfers within titles and two between titles within the limit of 10% according to Article 27 of the Frontex Financial Regulation. All transfers could therefore be made on the authority of the Executive Director without prior approval of the Management Board.

4.5. Reconciliation economic outturn versus budgetary outturn

	2013
Economic result of the year	7.765.780,77
Adjustment for accrual items (items not in the budgetary result but included in the economic result):	28.036.426,06
Adjustments for Accrual Cut-off (reversal 31.12.2012)	-6.630.417,19
Adjustments for Accrual Cut-off (cut- off 31.12.2013)	8.947.019,02
Unpaid invoices at year end but booked in charges	5.736.214,36
Depreciation of intangible and tangible assets	3.041.434,78
Provisions	358.579,61
Recovery Orders issued in 2013 in class 7 and not yet cashed	-314.552,00
Prefinancing given in previous year and cleared in the year	4.687.821,41
Prefinancing received in previous year and cleared in the year	-6.206.132,51
Payments made from carry over of payment appropriations	18.416.458,58
Other	0,00
Adjustment for budgetary items (item included in the budgetary result but not in the economic result):	-39.555.085,26
Asset acquisitions (less unpaid amounts)	-2.426.202,60
New pre-financing paid in the year 2013 and remaining open as at 31.12.2013	-5.821.129,72
New pre-financing received in the year 2013 and remaining open as at 31.12.2013	-3.509.333,97
Budgetary recovery orders issued before 2013 and cashed in the year	1.072,16
Budgetary recovery orders issued in 2013 on balance sheet accounts and cashed	708.589,78
Payment appropriations carried over to 2014	-31.764.775,47
Cancellation of unused carried over payment appropriations from previous year	3.256.694,56
Total	-3.752.878,43
Delta not explained	-243.544,46
Budgetary result	-3.509.333,97

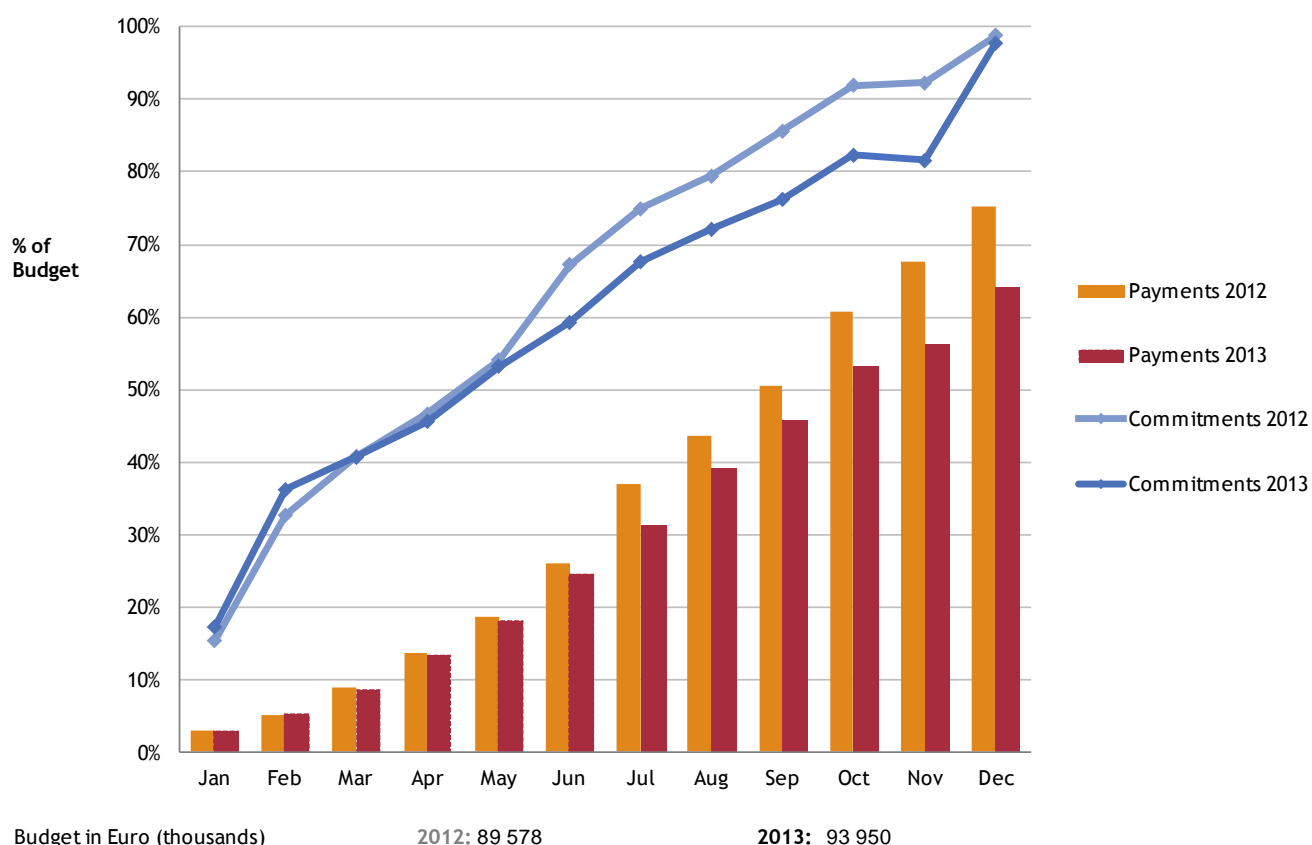
4.6. Current year appropriations C1 - committed in 2013 and paid in 2013

Budget item	Appropriations	Commitments		Payments		Automatic Carry Over to 2014	Cancelled
		Executed	%	Executed	%		
	(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)	(7)=(1)-(4)-(6)
Title 1 Staff related expenditure							
1100 Basic salaries	9.898.310,95	8.595.276,99	86,84%	8.595.276,99	86,84%	0,00	1.303.033,96
1101 Family allowances	1.239.892,75	1.197.414,78	96,57%	1.197.414,78	96,57%	0,00	42.477,97
1102 Expatriation and foreign residence allowances	1.466.402,39	1.409.960,74	96,15%	1.409.960,74	96,15%	0,00	56.441,65
1111 Contracted staff	3.342.198,89	2.971.550,32	88,91%	2.971.550,32	88,91%	0,00	370.648,57
1112 Seconded National Experts	3.910.926,72	3.910.926,72	100,00%	3.906.741,12	99,89%	4.185,60	0,00
1130 Insurance against sickness	403.418,94	388.528,38	96,31%	388.528,38	96,31%	0,00	14.890,56
1131 Insurance against accidents and occupational disease	59.900,86	57.492,12	95,98%	57.492,12	95,98%	0,00	2.408,74
1132 Insurance against unemployment	158.911,04	153.088,18	96,34%	153.088,18	96,34%	0,00	5.822,86
1140 Childbirth and death allowances and grants	1.189,86	1.189,86	100,00%	1.189,86	100,00%	0,00	0,00
1141 Travel expenses for annual leave	256.680,40	252.922,03	98,54%	252.922,03	98,54%	0,00	3.758,37
1150 Overtime	8.773,60	8.773,60	100,00%	8.773,60	100,00%	0,00	0,00
1180 Travel expenses on taking up duties and at end of contract	4.342,76	4.342,76	100,00%	3.815,07	87,85%	527,69	0,00
1181 Installation, resettlement and transfer allowances for temporary agents	96.572,53	93.090,18	96,39%	93.090,18	96,39%	0,00	3.482,35
1182 Removal expenses for temporary agents	64.709,08	64.709,08	100,00%	63.841,93	98,66%	867,15	0,00
1183 Temporary daily subsistence allowances for temporary agents	48.474,98	48.474,98	100,00%	48.474,98	100,00%	0,00	0,00
1200 Translation and publication of notices	4.251,00	4.251,00	100,00%	4.251,00	100,00%	0,00	0,00
1201 Travel and subsistence costs of applicants	80.000,00	80.000,00	100,00%	63.666,19	79,58%	16.333,81	0,00
1202 Medical examinations	9.750,00	9.750,00	100,00%	1.940,50	19,90%	7.809,50	0,00
1203 Other recruitment costs	824,71	824,71	100,00%	824,71	100,00%	0,00	0,00
1300 Administrative missions	532.500,00	531.371,35	99,79%	505.916,62	95,01%	25.454,73	1.128,65

Budget item	Appropriations	Commitments		Payments		Automatic Carry Over to 2014	Cancelled
		Executed	%	Executed	%		
	(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)	(7)=(1)-(4)-(6)
1410 Medical service	3.000,00	3.000,00	100,00%	1.397,67	46,59%	1.602,33	0,00
1500 Training and information of staff	185.925,36	185.889,72	99,98%	148.758,92	80,01%	37.130,80	35,64
1511 Costs of organising stages	94.400,00	94.400,00	100,00%	86.400,00	91,53%	8.000,00	0,00
1512 Supplementary clerical and interim services	233.571,36	233.571,36	100,00%	206.965,13	88,61%	26.606,23	0,00
1513 Other external services including expenses for Commission management costs	155.684,88	155.684,88	100,00%	146.608,88	94,17%	9.076,00	0,00
1600 Special assistance grants	1.667,12	1.667,12	100,00%	1.667,12	100,00%	0,00	0,00
Total Title 1	22.262.280,18	20.458.150,86	91,90%	20.320.557,02	91,28%	137.593,84	1.804.129,32
Title 2 Other Administrative Expenditure							
2000 Rent	3.100.000,00	3.094.592,39	99,83%	3.094.592,39	99,83%	0,00	5.407,61
2010 Insurance	16.000,00	12.827,71	80,17%	12.827,71	80,17%	0,00	3.172,29
2020 Water, gas, electricity and heating	150.000,00	131.897,16	87,93%	117.771,39	78,51%	14.125,77	18.102,84
2030 Cleaning and maintenance	880.000,00	876.738,42	99,63%	798.158,37	90,70%	78.580,05	3.261,58
2040 Furnishing of premises	30.000,00	21.876,01	72,92%	16.573,22	55,24%	5.302,79	8.123,99
2090 Miscellaneous premises expenditure	250.000,00	245.838,68	98,34%	29.140,28	11,66%	216.698,40	4.161,32
2100 Purchase of data-processing equipment	359.500,00	358.997,63	99,86%	29.420,79	8,18%	329.576,84	502,37
2101 Software	215.100,00	211.821,84	98,48%	211.810,55	98,47%	11,29	3.278,16
2102 Maintenance and repair of data-processing equipment	808.100,00	808.016,14	99,99%	317.567,75	39,30%	490.448,39	83,86
2103 Consultancy and studies	1.049.000,00	1.048.706,46	99,97%	214.413,73	20,44%	834.292,73	293,54
2110 Telecommunications subscriptions and charges	375.000,00	364.494,37	97,20%	311.194,14	82,99%	53.300,23	10.505,63
2200 Technical equipment and installations	15.000,00	3.488,56	23,26%	2.838,56	18,92%	650,00	11.511,44
2210 Furniture	20.000,00	8.033,45	40,17%	6.483,45	32,42%	1.550,00	11.966,55
2230 Purchases and long-term lease of transport equipment	70.000,00	67.723,00	96,75%	53.271,00	76,10%	14.452,00	2.277,00

Budget item		Appropriations	Commitments		Payments		Automatic Carry Over to 2014	Cancelled
			Executed	%	Executed	%		
		(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)	(7)=(1)-(4)-(6)
2231	Maintenance, use and repair and other expenditures of transport equipment	5.000,00	2.600,00	52,00%	1.636,77	32,74%	963,23	2.400,00
2232	Car insurance	3.000,00	1.400,00	46,67%	1.245,59	41,52%	154,41	1.600,00
2233	Fuel	13.000,00	10.100,00	77,69%	9.246,73	71,13%	853,27	2.900,00
2250	Documentation and library expenditure	18.100,00	17.058,74	94,25%	16.374,22	90,47%	684,52	1.041,26
2300	Stationery and office supplies	94.000,00	79.075,89	84,12%	70.111,08	74,59%	8.964,81	14.924,11
2310	Translation services	370.000,00	360.000,00	97,30%	358.720,60	96,95%	1.279,40	10.000,00
2311	Petty expenditure	10.000,00	8.928,98	89,29%	6.656,88	66,57%	2.272,10	1.071,02
2313	Health and safety at work	115.000,00	115.000,00	100,00%	51.413,90	44,71%	63.586,10	0,00
2320	Bank charges	12.500,00	12.500,00	100,00%	9.486,47	75,89%	3.013,53	0,00
2330	Legal expenses	30.000,00	29.770,43	99,23%	19.477,23	64,92%	10.293,20	229,57
2340	Auditing	23.769,82	14.550,00	61,21%	14.550,00	61,21%	0,00	9.219,82
2350	Security equipment	20.000,00	20.000,00	100,00%	14.389,83	71,95%	5.610,17	0,00
2351	Security services	55.000,00	51.864,40	94,30%	36.841,73	66,98%	15.022,67	3.135,60
2352	Uniforms and working clothes	28.000,00	28.000,00	100,00%	13.228,26	47,24%	14.771,74	0,00
2360	(D)ED representation & Entertainment	35.000,00	25.028,66	71,51%	20.067,41	57,34%	4.961,25	9.971,34
2400	Postal and delivery charges	40.000,00	40.000,00	100,00%	32.003,32	80,01%	7.996,68	0,00
2500	Interpretation services and equipment	105.000,00	102.358,16	97,48%	102.358,16	97,48%	0,00	2.641,84
2501	Travel and subsistence costs of delegates	155.000,00	154.000,00	99,35%	126.456,74	81,58%	27.543,26	1.000,00
2502	Other expenditure	86.000,00	76.460,52	88,91%	74.115,02	86,18%	2.345,50	9.539,48
2510	Other meetings and visits	172.450,00	150.028,36	87,00%	93.808,60	54,40%	56.219,76	22.421,64
2520	Consultative Forum	20.000,00	19.694,08	98,47%	14.244,61	71,22%	5.449,47	305,92
2600	Corporate Identity	77.000,00	76.634,87	99,53%	53.601,99	69,61%	23.032,88	365,13

Budget item	Appropriations	Commitments		Payments		Automatic Carry Over to 2014	Cancelled
		Executed	%	Executed	%		
	(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)	(7)=(1)-(4)-(6)
2610 Social events	72.000,00	61.819,11	85,86%	59.814,77	83,08%	2.004,34	10.180,89
2620 Communication and information activities	108.300,00	106.744,47	98,56%	71.794,36	66,29%	34.950,11	1.555,53
2630 Official publications/tender publications	131.000,00	130.438,14	99,57%	63.527,14	48,49%	66.911,00	561,86
Total Title 2	9.136.819,82	8.949.106,63	97,95%	6.551.234,74	71,70%	2.397.871,89	187.713,19
Title 3 Operational Activities:							
3000 Operations and projects, land borders	7.641.900,00	7.641.602,42	100,00%	4.926.879,77	64,47%	2.714.722,65	297,58
3010 Operations and projects, sea borders	28.885.000,00	28.885.000,00	100,00%	13.290.305,09	46,01%	15.594.694,91	0,00
3020 Operations and projects, air borders	2.255.000,00	2.252.330,38	99,88%	1.498.799,02	66,47%	753.531,36	2.669,62
3050 Return co-operation	8.350.000,00	8.350.000,00	100,00%	6.160.407,27	73,78%	2.189.592,73	0,00
3100 Risk analysis	1.045.000,00	1.037.733,22	99,30%	792.649,09	75,85%	245.084,13	7.266,78
3110 Frontex Situation Center	4.470.000,00	4.469.451,99	99,99%	1.602.891,89	35,86%	2.866.560,10	548,01
3200 Training	4.965.000,00	4.965.000,00	100,00%	3.167.012,31	63,79%	1.797.987,69	0,00
3300 Research and development	870.000,00	831.865,01	95,62%	427.927,14	49,19%	403.937,87	38.134,99
3310 Eurosur programme	1.680.049,31	1.678.132,86	99,89%	147.484,39	8,78%	1.530.648,47	1.916,45
3400 Pooled Resources network	1.225.000,00	1.219.219,81	99,53%	612.031,71	49,96%	607.188,10	5.780,19
3500 Operational Missions not linked to a project	150.000,00	150.000,00	100,00%	108.757,33	72,50%	41.242,67	0,00
3510 IT services for Operational activities	363.950,69	363.950,69	100,00%	150.000,00	41,21%	213.950,69	0,00
3520 European Day for Border Guards (ED4BG)	340.000,00	309.412,16	91,00%	274.776,53	80,82%	34.635,63	30.587,84
3530 International Border Police Conference	310.000,00	277.749,27	89,60%	82.147,04	26,50%	195.602,23	32.250,73
Total Title 3	62.550.900,00	62.431.447,81	99,81%	33.242.068,58	53,14%	29.189.379,23	119.452,19
Grand total	93.950.000,00	91.838.705,30	97,75%	60.113.860,34	63,98%	31.724.844,96	2.111.294,70

Figure 1. Regular budget (C1) cumulative trend comparison with 2012

The 2013 budget appropriations of € 93.9M are higher when compared with 2012 of € 89.6M. This difference is due to the increase in Frontex 2013 budget by € 8.2M for the reinforcement of Frontex activities in the Mediterranean and along the South Eastern borders of the EU. For 2013 98% of the appropriations have been committed which is similar to 2012 (99%). The payment implementation level of 64% is lower compared with 2012 (75%).

Figure 2. Co-financing of 2013 joint activities

Sector (amounts in Euro)	Specific decisions		Pre financing		Total final payments			
	#	Amount	#	Amount	#	Amount	% ¹	% ²
Land borders	287	5 883 518	110	1 153 106	167	2 556 728	86%	15%
Sea borders	218	22 984 198	76	7 188 819	140	8 156 800	90%	10%
Air borders	270	3 732 050	80	891 203	203	2 252 327	83%	17%
Return ops	186	8 139 770	23	599 525	127	5 206 355	92%	8%
Situation center	12	154 974	7	45 996	5	74 545	94%	6%
Pooled resources	18	193 652	6	32 811	18	135 912	70%	30%
	991	41 088 162	302	9 911 460	660	18 382 667	89%	11%

¹ percentage paid for grants that were finalised.

² percentage decommitted of finalised grants.

4.7. Non-automatic carry over C2 - committed and paid in 2013

Budget item	Carried Over from 2012 (1)	Executed Payments (2)	Cancelled (3)=(1)-(2)
Title 3 Operational Activities:			
3110 Frontex Situation Center	379.230,00	0,00	379.230,00
3300 Research and development	118.300,00	0,00	118.300,00
Total Title 3	497.530,00	0,00	497.530,00

In line with Article 10 of the Financial Regulation, a proposal for a decision on the non-automatic carry over for the amount of € 0.5 was adopted by the Management Board in February 2013.

The non use of appropriations was due to the fact that in one case, a contract signed to purchase aerial border surveillance services could not be implemented due to the lack of necessary import licences to perform the contract; in the other case legal obstacles rendered the signature of a service level agreement impossible between the EU Satellite Center and Frontex.

4.8. Automatic carry over C4 - internal assigned revenue

Budget item	Appropriations	Commitments		Payments		Carried Over to 2014	
		Executed	%	Executed	%	Automatic Carry Over	Carry over commitment appropriation
	(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)=(2)-(4)	(7)=(1)-2
Title 1 Staff related expenditure							
1300 Administrative missions	12.913,89	12.913,89	100,00%	12.913,89	100,00%	0,00	0,00
1513 Other external services including	1.784,26	1.784,26	100,00%	1.784,26	100,00%	0,00	0,00
Total Title 1	14.698,15	14.698,15	100,00%	14.698,15	100,00%	0,00	0,00
Title 2 Other Administrative Expenditure							
2102 Maintenance and repair of data	694,58	0,00	0,00%	0,00	0,00%	0,00	694,58
2110 Telecommunications subscriptions and	62,80	0,00	0,00%	0,00	0,00%	0,00	62,80
2200 Technical equipment and installations	625,65	0,00	0,00%	0,00	0,00%	0,00	625,65
2230 Purchases and long-term lease of	1.700,00	0,00	0,00%	0,00	0,00%	0,00	1.700,00
2250 Documentation and library expenditure	192,03	0,00	0,00%	0,00	0,00%	0,00	192,03
2313 Health and safety at work	1.157,43	0,00	0,00%	0,00	0,00%	0,00	1.157,43
Total Title 2	4.432,49	0,00	0,00%	0,00	0,00%	0,00	4.432,49
Title 3 Operational Activities							
3000 Operations and projects, land borders	3.270,44	1.605,17	49,08%	0,00	0,00%	1.605,17	1.665,27
3010 Operations and projects, sea borders	20.650,47	11.138,47	53,94%	0,00	0,00%	11.138,47	9.512,00
3020 Operations and projects, sea borders	945,42	848,22	89,72%	0,00	0,00%	848,22	97,20
3050 Return co-operation	59.632,16	59.632,16	100,00%	59.632,16	100,00%	0,00	0,00
3100 Risk analysis	1.258,87	1.258,57	99,98%	425,00	33,76%	833,57	0,30
3200 Training	3.875,71	3.875,71	100,00%	606,46	15,65%	3.269,25	0,00
3300 Research and development	1.000,00	1.000,00	100,00%	1.000,00	100,00%	0,00	0,00
3400 Pooled Resources network	2.634,91	0,00	0,00%	0,00	0,00%	0,00	2.634,91
Total Title 3	93.267,98	79.358,30	85,09%	61.663,62	66,11%	17.694,68	13.909,68
Grand total							
	112.398,62	94.056,45	83,68%	76.361,77	67,94%	17.694,68	18.342,17

Internal assigned revenue concerns funds recovered from third parties. These funds are stemming initially from the regular budget (C1) voted by the budgetary authority. Their reuse is not conditioned by specific contracts or agreements with third parties. The sums can be used in the same way as the voted appropriations without further restrictions. Recovery orders amounting to € 112 399 were issued in 2013.

The amount € 18 342 that was not committed as of 31.12.2013 is available for commitments in 2014, i.e. carried over to Fund Source C5. The amount of € 17 694 is available in 2014 only for payments, i.e. carried over to Fund Source C8.

4.9. Automatic carry over C5 - internal assigned revenue carried over

Budget item	Appropriations	Commitments		Payments		Carried Over to 2014	
		Executed	%	Executed	%	Automatic Carry Over	Cancelled
	(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)=(2)-(4)	(7)=(1)-(2)
Title 3 Operational Activities							
3000 Operations and projects, land borders	5.024,07	5.024,07	100,00%	1.814,57	36,12%	3.209,50	0,00
3200 Training	9.759,77	9.759,77	100,00%	9.759,77	100,00%	0,00	0,00
3300 Research and development	684,16	0,00	0,00%	0,00	0,00%	0,00	684,16
Total Title 3	15.468,00	14.783,84	95,58%	11.574,34	74,83%	3.209,50	684,16

Appropriations of funds source C4 available at 31 December of Year N-1 are carried over as Internal Assigned revenue carried over (C5) in the current year. Unused C5 appropriations will not be carried over to the following year.

Of the €15 468 carried over from the 2012 C4 funds, €3 209 still need to be paid and €684 which were not used have been cancelled.

4.10. Automatic carry over C8 - committed in 2012 and paid in 2013

Budget item		Carried Over from 2012	Executed Payments	Cancelled
		(1)	(2)	(3)=(1)-(2)
Title 1 Staff:				
1111	Contracted staff	296,81	0,00	296,81
1112	Seconded National Experts	3.275,90	1.272,45	2.003,45
1180	Travel expenses on taking up duties and at end of	1.200,64	0,00	1.200,64
1182	Removal expenses for temporary agents	7.575,00	1.359,00	6.216,00
1185	Travel expenses at end of contract	1.441,19	0,00	1.441,19
1201	Travel and subsistence costs of applicants	3.896,34	3.896,34	0,00
1202	Medical examinations	6.204,47	4.269,10	1.935,37
1300	Administrative missions	15.634,70	15.556,20	78,50
1410	Medical service	2.000,00	124,12	1.875,88
1500	Training and information of staff	141.369,97	61.602,97	79.767,00
1511	Costs of organising stages	3.600,00	3.300,00	300,00
1512	Supplementary clerical and interim services	20.048,02	15.894,45	4.153,57
1513	Other external services including expenses for Commission management costs	1.866,84	722,24	1.144,60
Total Title 1		208.409,88	107.996,87	100.413,01
Title 2 Other Administrative Expenditure:				
2020	Water, gas, electricity and heating	26.486,99	21.217,34	5.269,65
2030	Cleaning and maintenance of buildings and office installations and equipment	34.835,74	31.935,01	2.900,73
2040	Furnishing of premises	12.823,37	10.667,52	2.155,85
2090	Miscellaneous premises expenditure	16.327,97	15.124,80	1.203,17
2100	Purchase of data-processing equipment	70.953,34	70.405,11	548,23

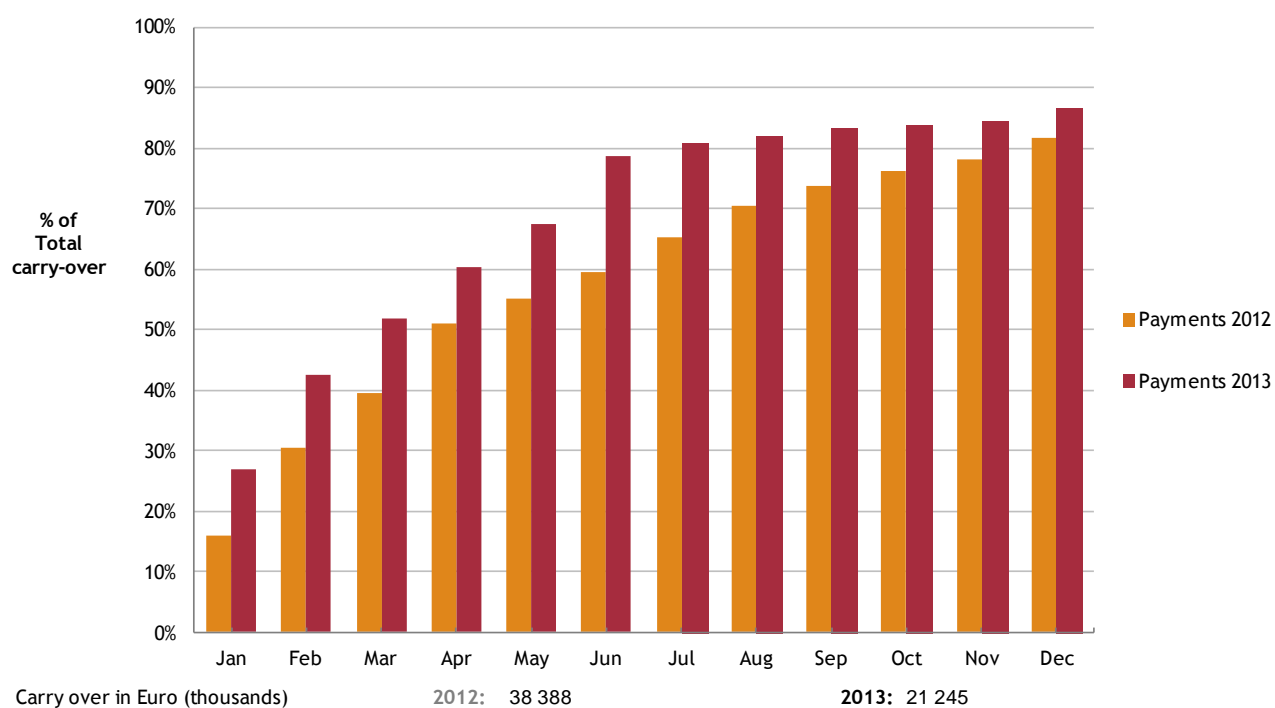
Budget item		Carried Over from 2012	Executed Payments	Cancelled
		(1)	(2)	(3)=(1)-(2)
2101	Software	95.149,83	79.763,93	15.385,90
2102	Maintenance and repair of data-processing equipment	352.683,02	345.960,89	6.722,13
2103	Consultancy and studies	852.755,00	830.706,59	22.048,41
2110	Telecommunications subscriptions and charges	54.535,67	37.312,44	17.223,23
2200	Technical equipment and installations	19.775,00	18.399,97	1.375,03
2210	Furniture	1.671,04	1.598,07	72,97
2230	Purchases and long-term lease of transport equipment	990,00	930,00	60,00
2231	Maintenance, use and repair and other expenditures of transport equipment	868,32	0,00	868,32
2233	Fuel	1.010,97	503,66	507,31
2250	Documentation and library expenditure	77,37	42,61	34,76
2300	Stationery and office supplies	12.585,07	11.002,66	1.582,41
2310	Translation services	13.455,50	0,00	13.455,50
2311	Petty expenditure	526,65	175,02	351,63
2313	Health and safety at work	40.532,38	39.546,00	986,38
2320	Bank charges	1.430,54	1.430,54	0,00
2330	Legal expenses	24.500,00	23.270,95	1.229,05
2340	Auditing	4.200,00	3.868,62	331,38
2350	Security equipment	25.550,00	24.157,26	1.392,74
2351	Security services	630,99	597,91	33,08
2360	(D)ED representation & Entertainment	5.213,64	925,99	4.287,65
2400	Postal and delivery charges	12.445,04	3.335,89	9.109,15
2501	Travel and subsistence costs of delegates	88.749,00	38.102,74	50.646,26
2502	Other expenditure	10.500,00	10.500,00	0,00
2510	Other meetings and visits	14.082,51	8.238,22	5.844,29
2600	Corporate Identity	44.770,41	40.770,15	4.000,26
2610	Social events	34.926,87	26.727,95	8.198,92
2620	Communication and information activities	82.429,95	75.281,76	7.148,19
2630	Official publications/tender publications	65.675,62	35.533,26	30.142,36
Total Title 2		2.023.147,80	1.808.032,86	215.114,94
Title 3 Operational Activities:				
3000	Operations and projects, land borders	3.248.354,53	2.821.372,40	426.982,13
3010	Operations and projects, sea borders	8.321.611,42	7.309.176,07	1.012.435,35
3020	Operations and projects, air borders	437.071,50	386.878,50	50.193,00
3050	Return co-operation	3.438.574,85	3.109.153,47	329.421,38
3100	Risk analysis	590.686,70	556.747,25	33.939,45
3110	Frontex Situation Center	498.158,38	432.893,85	65.264,53
3200	Training	1.721.769,29	1.363.051,72	358.717,57
3300	Research and development	195.718,24	115.129,54	80.588,70
3310	Eurosur programme	278.038,25	273.884,04	4.154,21
3400	Pooled Resources	236.690,95	88.983,90	147.707,05
3410	EBGT	9.246,44	8.344,68	901,76
3500	Miscellaneous operational activities	5.385,70	5.158,94	226,76
3510	Operational IT projects	18.032,78	18.029,00	3,78
3520	European Day for Border Guards (ED4BG)	14.010,57	51,15	13.959,42

Budget item	Carried Over from 2012	Executed Payments	Cancelled
	(1)	(2)	(3)=(1)-(2)
Total Title 3	19.013.349,60	16.488.854,51	2.524.495,09
Grand Total	21.244.907,28	18.404.884,24	2.840.023,04

Automatic carry-overs are appropriations that were committed during 2012 but not paid by 31.12.2012. Payments had to be made before 31 December 2013.

The amount carried over automatically is significantly lower than last year: € 21.2M from 2012 to 2013 compared with € 38.4M from 2011 to 2012, a decrease of 45%.

Figure 3. Automatic carry-overs (C8) cumulative payment trend compared with 2012





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