



**Maanweg 174
NL-2516 AB Den Haag
THE NETHERLANDS**

FINAL ACCOUNTS OF EUROJUST 2003

FINANCIAL STATEMENTS 1.1.2003-31.12.2003

BALANCE SHEET BOOK

REPORT ON BUDGET IMPLEMENTATION



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INTRODUCTION

Basis for preparation

Pending the final approval of the Financial Regulation of Eurojust and in accordance with the decision of the College of Eurojust of 23 January 2003 to implement the Eurojust budget on the basis of the Eurojust Decision (Council Decision of 28 February 2002 - see below), the framework Financial Regulation and the general Financial Regulation, the financial statements, which follow, have been prepared in accordance with accrual basis IPSAS (International Public Sector Accounting Standards), Commission Regulation 2343/2002 (framework Financial Regulation), and Commission Regulation 2342/2002 (Implementing Rules to the Financial Regulation).

The accounting policies of IPSAS have been applied consistently throughout the period.

Due to the entering into effect of the new framework Financial Regulation Eurojust has moved from cash basis IPSAS in 2002 to accrual basis IPSAS in 2003 in presenting its financial statements. Year 2002 has been restated to accrual basis and the cumulative effect of the restatement has been recorded against the beginning balance of the retained earnings 2003, in accordance with IPSAS 3 (Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies).

Reporting entity

These financial statements are for Eurojust, a public sector entity established by the European Council Decision 2002/187/JHA of 28 February 2002, amended by Council Decision 2003/659/JHA of 18 June 2003 (hereinafter referred to as "Eurojust Decision").

Eurojust's principal activity is to stimulate and improve the coordination and cooperation between the judicial authorities in the Member States, and to support the judicial authorities in the Member States with a view to reinforcing the fight against serious crime.

Eurojust receives an annual subsidy from the general budget of the European Communities.



COLLEGE AND MANAGEMENT

College

The College of Eurojust is composed of one national member from each European Union Member State. Each National Member is either a prosecutor, judge or police officer of equivalent competence. Each National Member may be assisted by one person. If necessary and with the agreement of the College, several persons may assist the National Member. One of these assistants may replace the National Member.

The President of the College is Michael Kennedy, National Member for the United Kingdom.

The powers of the College are defined in the Eurojust Decision.

On 9 September 2003 the College provided its opinion on the accounts of 2002. It accepted those accounts.

Management

In accordance with the Eurojust Decision the College has appointed the Administrative Director of Eurojust, who is responsible for the implementation of the budget.

Name and Surname	Appointed	Position
Ernst Merz	2002	Administrative Director



PART I:
ECONOMIC RESULT AND FINANCIAL POSITION

PROFIT AND LOSS STATEMENT 1.1.2003-31.12.2003

	2003	2002
Operating income		
Revenues	7,125,000.00	1,478,317.14
Other operating income	<u>12,598.89</u>	<u>0.00</u>
Total operating income	7,137,598.89	1,478,317.14
Operating expenses		
Services and other goods	3,227,966.01	378,182.76
Personnel expenses	2,112,068.09	255,715.57
Depreciation and write offs	<u>211,271.86</u>	<u>29,223.47</u>
Total operating expenses	5,551,305.96	663,121.80
OPERATING PROFIT/LOSS	1,586,292.93	815,195.34
Financial income and expenses	<u>209.68</u>	<u>0.00</u>
PROFIT/LOSS FOR THE PERIOD	1,586,502.61	815,195.34

**BALANCE SHEET 31.12.2003**

	2003	2002
ASSETS		
Non-current assets		
Intangible fixed assets		
Computer software	62,304.69	6,221.94
Tangible fixed assets		
Telecommunications and audiovisual equipment	23,332.28	19,682.71
Technical equipment, long term	81,109.03	0.00
Kitchen, cafeteria and nursery equipment, long term	9,171.10	0.00
Movable furniture	427,594.43	207,291.65
Vehicle fleet	64,069.42	0.00
Computer hardware	460,489.63	450,604.21
Non-current receivables	<u>945.00</u>	<u>0.00</u>
Total non-current assets	1,129,015.58	683,800.51
Current assets		
Other receivables	232,656.75	157,691.60
Prepaid expenses and accrued income	33,807.00	30,285.18
Cash and cash equivalents	<u>1,730,937.00</u>	<u>241,134.73</u>
Total current assets	1,997,400.75	429,111.51
TOTAL ASSETS	3,126,416.33	1,112,912.02

**BALANCE SHEET 31.12.2003**

	2003	2002
EQUITY AND LIABILITIES		
Net assets/equity		
Retained earnings/deficit previous years	815,195.34	0.00
Budgetary outturn	778,487.74	-80,212.23
Adjustments for profit/loss current year	<u>808,014.87</u>	<u>895,407.57</u>
Total net assets/equity	2,401,697.95	815,195.34
Provisions	395,521.05	0.00
Current liabilities		
Other liabilities	24,018.82	173,093.60
Accrued expenses and deferred income	<u>305,178.51</u>	<u>124,623.08</u>
Total current liabilities	329,197.33	297,716.68
TOTAL EQUITY AND LIABILITIES	3,126,416.33	1,112,912.02

CASH FLOW STATEMENT 1.1.2003-31.12.2003

	2003	2002
OPERATING CASH FLOW		
Receipts		
Cash receipts from the Commission	7,125,000.00	1,478,317.14
Cash receipts from other third parties	2,487.85	0.00
Interest received	14,198.58	0.00
Other cash receipts	362.94	0.00
	<u>7,142,049.37</u>	<u>1,478,317.14</u>
Total receipts		
Payments		
Payments for employees	-2,032,872.31	-189,684.87
Payments to suppliers	-2,959,603.43	-334,473.56
Interest paid	-3.17	0.00
Other payments	-153.26	0.00
	<u>-4,992,632.17</u>	<u>-524,158.43</u>
Total payments		
NET OPERATING CASH FLOW	2,149,417.20	954,158.71
CASH FLOW FROM INVESTMENTS		
Purchase of fixed assets	-659,614.93	-713,023.98
	<u>-659,614.93</u>	<u>-713,023.98</u>
NET CASH FLOW FROM INVESTMENTS		
	-659,614.93	-713,023.98
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,489,802.27	241,134.73
CASH AND CASH EQUIVALENTS 1.1	241,134.73	0.00
	<u>241,134.73</u>	<u>0.00</u>
CASH AND CASH EQUIVALENTS 31.12	1,730,937.00	241,134.73
	<u>1,730,937.00</u>	<u>241,134.73</u>

NOTES TO THE GENERAL ACCOUNTS 1.1.2003-31.12.2003

Accounting policies and principles

General

Pending the approval of the Eurojust Financial Regulation, these financial statements have been drawn up in accordance with the accrual basis IPSAS (International Public Sector Accounting Standards), the Eurojust Decision, the Commission Regulation 2343/2002 (hereinafter referred to as the framework Financial Regulation), and the Commission Regulation 2342/2002 (hereinafter referred to as the Implementing Rules).

Going concern basis

The financial statements have been made in accordance with the going concern principle, which means that Eurojust is deemed to have been established for an indefinite duration (IPSAS 1; framework Financial Regulation, Article 78; Implementing Rules, Article 187).

Prudence

Assets and income in these financial statements have not been overstated, and liabilities and expenses have not been understated. No hidden reserves have been created (IPSAS 1; framework Financial Regulation, Article 78; Implementing Rules, Article 188).

Consistency of accounting methods and presentation

According to this principle the accounting methods and valuation rules may not be changed from one year to the next (IPSAS 1; framework Financial Regulation, Article 78; Implementing Rules, Article 189). Due to the new framework Financial Regulation and Implementing Rules, Eurojust has changed its accounting policies in 2003, adopting the accrual basis IPSAS instead of the cash basis used in 2002. This change in accounting policies has had a fundamental impact on the financial statements, and it has been dealt with in accordance with the benchmark treatment provided for by IPSAS 3. The year 2002 has been restated and the cumulative effect of the change in accounting policies has been recorded against the beginning balance of the retained earnings 2003. Concerning the impact on depreciation please also see the note on fixed assets on page 11.

Comparability of information

In accordance with this principle, for each item the financial statements shall show the amount of the corresponding item for the previous year. Where the presentation or the classification of one of the components of the financial statements is changed, the corresponding amounts for the previous year shall be made comparable and reclassified (IPSAS 1; framework Financial Regulation, Article 78; Implementing Rules, Article 190). Due to the fundamental change in accounting policies as stated above, year 2002 has been restated in accordance with the accrual basis and the cumulative effect of the change has been booked against the beginning balance of the retained earnings 2003 (IPSAS 3).

Materiality and aggregation

According to this principle, items that are material by virtue of their nature should be presented separately in the financial statements. Items that are material by virtue of their size but which have the same nature may be aggregated. Immaterial amounts should be aggregated with amounts of a similar nature or function and need not be presented separately (IPSAS 1; framework Financial Regulation, Article 78; Implementing Rules, Article 191). These financial statements have been drawn up in accordance with this principle.

Offsetting/No netting

The offsetting principle means that assets and liabilities may not be offset against each other, nor may revenues and expenses, save where the revenues and expenses derive from the same transaction, from similar transactions or from hedging operations and provided that they are not individually material (IPSAS 1; framework Financial Regulation, Article 78; Implementing Rules, Article 192). The offsetting principle has been complied with in drawing up these financial statements.

Substance over form/Reality over appearance

This principle states that if information is to represent faithfully the transactions and other events that it purports to represent, it is necessary that they are accounted for and presented in accordance with their substance and economic reality and not merely their legal form. The substance of transactions or other events is not always consistent with their legal form (IPSAS 1; framework Financial Regulation, Article 78; Implementing Rules, Article 193). These financial statements are drawn up in accordance with this principle.

Valuation of assets and liabilities

According to this principle assets and liabilities shall be valued at purchase price or production cost, less any accumulated depreciation and any accumulated impairment losses (IPSAS 1 and 17; framework Financial Regulation, Article 79; Implementing Rules, Article 195). Assets and liabilities in these financial statements are valued at purchase price less accumulated depreciation.

Statement of changes in net assets/equity

This statement can be found in the notes to the general accounts.

REVENUES

Revenues for 2003 and 2002 consist solely of the subsidy received from the European Commission.

OTHER OPERATING INCOME

Other operating income consists mainly of amounts actually recovered in 2003 and accrued amounts to be recovered due to over- and double payments.

SERVICES AND OTHER GOODS

	2003	2002
Budget title 3 expenses	910,873.11	279,512.68
Budget title 2 expenses	<u>2,317,092.90</u>	<u>98,670.08</u>
TOTAL SERVICES AND OTHER GOODS	<u>3,227,966.01</u>	<u>378,182.76</u>

Budget title 3 expenses contain the mission, meeting and other operative expenses for the Members of the College, expenses for the European Judicial Network (EJN), as well as the expenses for the Joint Supervisory Body. Budget title 2 expenses contain investments in immovable and movable property, rental of buildings and associated costs. A closer analysis of these expenses can be found in the specifications to the financial statements.

PERSONNEL EXPENSES

	2003	2002
Salaries and related allowances	1,134,773.33	184,121.26
Social security	32,608.61	42,205.58
Other personnel expenses	<u>944,686.15</u>	<u>29,388.73</u>
TOTAL PERSONNEL EXPENSES	<u>2,112,068.09</u>	<u>255,715.57</u>

AVERAGE NUMBER OF EMPLOYEES

	2003	2002
Temporary agents	11	4
Auxiliary staff	<u>1</u>	<u>0</u>
TOTAL	<u>12</u>	<u>4</u>

FIXED ASSETS

Fixed assets are depreciated over their expected useful life in accordance with the new EC accounting rules which are based on IPSAS 17, and require a depreciation done on a monthly basis. Although Commission Regulation 2909/2000 (hereinafter referred to as the "Fixed Assets Regulation"), which stipulates an annual basis depreciation, is still in force, Eurojust has opted to use the monthly basis depreciation of the new coming rules in order to be IPSAS compliant already in 2003. The different types of assets and their straight-line depreciation periods are as follows:

Intangible fixed assets

Computer software 4 years (48 months, 25%)

Tangible fixed assets

Telecommunications and audiovisual equipment 4 years (48 months, 25%)
 Technical equipment, long term 8 years (96 months, 12,5%)
 Kitchen, cafeteria and nursery equipment, long term 8 years (96 months, 12,5%)
 Movable furniture 10 years (120 months, 10%)
 Vehicles 4 years (48 months, 25%)
 Computer hardware 4 years (48 months, 25%)

DEPRECIATION

	2003	2002
Intangible fixed assets		
Computer software	15,179.30	270.52
Tangible fixed assets		
Telecommunications and audiovisual equipment	5,150.43	505.29
Technical equipment, long term	6,995.81	0.00
Kitchen, cafeteria and nursery equipment, long term	611.40	0.00
Movable furniture	38,723.77	1,742.42
Vehicles	6,559.60	0.00
Computer hardware	<u>138,051.55</u>	<u>26,705.24</u>
TOTAL DEPRECIATION	<u>211,271.86</u>	<u>29,223.47</u>

FINANCIAL INCOME AND EXPENSES

	2003	2002
Financial income	362.94	0.00
Financial expenses	<u>-153.26</u>	<u>0.00</u>
TOTAL FINANCIAL INCOME AND EXPENSES	<u>209.68</u>	<u>0.00</u>

NON-CURRENT ASSETS

Intangible fixed assets

Computer software

	2003	2002
Acquisition price 1.1	6,492.46	0.00
Increase 1.1-31.12	71,262.05	6,492.46
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Acquisition price 31.12	77,754.51	6,492.46
Accumulated depreciation 1.1	-270.52	0.00
Depreciation 1.1-31.12	-15,179.30	-270.52
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Accumulated depreciation 31.12	-15,449.82	-270.52
Book value intangible fixed assets 31.12	<u>62,304.69</u>	<u>6,221.94</u>

Tangible fixed assets

Telecommunications and audiovisual equipment

	2003	2002
Acquisition price 1.1	20,188.00	0.00
Increase 1.1-31.12	12,873.00	20,188.00
Decrease 1.1-31.12	<u>-4,073.00</u>	<u>0.00</u>
Acquisition price 31.12	28,988.00	20,188.00
Accumulated depreciation 1.1	-505.29	0.00
Depreciation 1.1-31.12	-5,319.93	-505.29
Decrease 1.1-31.12	<u>169.50</u>	<u>0.00</u>
Accumulated depreciation 31.12	-5,655.72	-505.29
Book value telecom. & audiov. eq. 31.12	<u>23,332.28</u>	<u>19,682.71</u>

Technical equipment, long term

	2003	2002
Acquisition price 1.1	0.00	0.00
Increase 1.1-31.12	88,104.84	0.00
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Acquisition price 31.12	88,104.84	0.00
Accumulated depreciation 1.1	0.00	0.00
Depreciation 1.1-31.12	-6,995.81	0.00
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Accumulated depreciation 31.12	-6,995.81	0.00
Book value tech. eq., long term 31.12	<u><u>81,109.03</u></u>	<u><u>0.00</u></u>

Kitchen, cafeteria and nursery equipment, long term

	2003	2002
Acquisition price 1.1	0.00	0.00
Increase 1.1-31.12	9,782.50	0.00
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Acquisition price 31.12	9,782.50	0.00
Accumulated depreciation 1.1	0.00	0.00
Depreciation 1.1-31.12	-611.40	0.00
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Accumulated depreciation 31.12	-611.40	0.00
Book value kitch., caf. & nurs. eq., long term 31.12	<u><u>9,171.10</u></u>	<u><u>0.00</u></u>

Movable furniture

	2003	2002
Acquisition price 1.1	209,034.07	0.00
Increase 1.1-31.12	259,026.55	209,034.07
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Acquisition price 31.12	468,060.62	209,034.07
Accumulated depreciation 1.1	-1,742.42	0.00
Depreciation 1.1-31.12	-38,723.77	-1,742.42
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Accumulated depreciation 31.12	-40,466.19	-1,742.42
Book value movable furniture 31.12	<u><u>427,594.43</u></u>	<u><u>207,291.65</u></u>

Vehicle fleet

	2003	2002
Acquisition price 1.1	0.00	0.00
Increase 1.1-31.12	70,629.02	0.00
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Acquisition price 31.12	70,629.02	0.00
Accumulated depreciation 1.1	0.00	0.00
Depreciation 1.1-31.12	-6,559.60	0.00
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Accumulated depreciation 31.12	-6,559.60	0.00
Book value vehicle fleet 31.12	<u><u>64,069.42</u></u>	<u><u>0.00</u></u>

Computer hardware

	2003	2002
Acquisition price 1.1	477,309.45	0.00
Increase 1.1-31.12	147,936.97	477,309.45
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Acquisition price 31.12	625,246.42	477,309.45
Accumulated depreciation 1.1	-26,705.24	0.00
Depreciation 1.1-31.12	-138,051.55	-26,705.24
Decrease 1.1-31.12	<u>0.00</u>	<u>0.00</u>
Accumulated depreciation 31.12	-164,756.79	-26,705.24
Book value computer hardware 31.12	<u>460,489.63</u>	<u>450,604.21</u>
Book value tangible fixed assets 31.12	<u>1,065,765.89</u>	<u>677,578.57</u>

NON-CURRENT RECEIVABLES

	2003	2002
Rental deposits	<u>945.00</u>	<u>0.00</u>
TOTAL NON-CURRENT RECEIVABLES	<u>945.00</u>	<u>0.00</u>

OTHER RECEIVABLES

	2003	2002
Receivables - European Commission	434.73	0.00
VAT receivable - Netherlands	230,287.59	153,691.60
Salary advances	0.00	4,000.00
Mission advances	1,458.93	0.00
Others	<u>475.50</u>	<u>0.00</u>
TOTAL OTHER RECEIVABLES	<u>232,656.75</u>	<u>157,691.60</u>

**PREPAID EXPENSES AND ACCRUED INCOME**

	2003	2002
Accrued interest	9,823.41	614.12
Prepaid software maintenance & services	6,009.09	0.00
Prepaid subscriptions	2,042.53	0.00
Prepaid insurance	1,259.18	0.00
Over- and double payments	13,848.89	29,671.06
Others	823.90	0.00
	<u>33,807.00</u>	<u>30,285.18</u>

CASH AND CASH EQUIVALENTS

	2003	2002
Bank accounts	1,730,937.00	241,042.73
Petty cash	0.00	92.00
	<u>1,730,937.00</u>	<u>241,134.73</u>

NET ASSETS/EQUITY

	2003	2002
Retained earnings/deficit		
Beginning balance 1.1 as previously reported	-80,212.23	0.00
Cumulative effect of the change in accounting policies with respect to the accrual basis	<u>895,407.57</u>	<u>0.00</u>
Retained earnings/deficit 31.12	815,195.34	0.00
Profit/loss current year		
Budgetary outturn	778,487.74	-80,212.23
Adjustments for profit/loss current year	<u>808,014.87</u>	<u>895,407.57</u>
Profit/loss current year	1,586,502.61	815,195.34
TOTAL NET ASSETS/EQUITY 31.12	<u>2,401,697.95</u>	<u>815,195.34</u>



**RESTATEMENT OF THE
OPENING BALANCE 2003/
ENDING BALANCE 2002**

	Before restatement	Changes	New balance
ASSETS			
Intangible fixed assets	4,869.34	1,352.60	6,221.94
Tangible fixed assets	561,253.76	116,324.81	677,578.57
Stocks	1,391.00	-1,391.00	0.00
Other receivables	153,691.60	4,000.00	157,691.60
Prepaid expenses and accrued income	29,671.06	614.12	30,285.18
Cash and cash equivalents	<u>241,134.73</u>	<u>0.00</u>	<u>241,134.73</u>
TOTAL ASSETS	992,011.49	120,900.53	1,112,912.02
EQUITY AND LIABILITIES			
Retained earnings	-80,212.23	895,407.57	815,195.34
Fixed capital/fixed assets	566,123.10	-566,123.10	0.00
Fixed capital/stocks	1,391.00	-1,391.00	0.00
Other liabilities	130,273.90	42,819.70	173,093.60
Accrued expenses and deferred income	<u>374,435.72</u>	<u>-249,812.64</u>	<u>124,623.08</u>
TOTAL EQUITY AND LIABILITIES	992,011.49	120,900.53	1,112,912.02

RECONCILIATION BUDGETARY OUTTURN VERSUS ECONOMIC RESULT

	2003	2002
Budgetary revenue outturn	778,487.74	-80,212.23
Purchase of intangible fixed assets	71,262.05	6,492.46
Purchase of tangible fixed assets	588,352.88	706,531.52
Non-current receivables	945.00	0.00
Other receivables	0.00	4,000.00
Prepaid expenses and accrued income	20,245.74	0.00
Carryovers	1,263,276.05	346,709.34
Reversal of other liabilities previous year	42,205.58	0.00
Reversal of accrued expenses previous year	124,623.08	0.00
Reversal of countervalues	0.00	27,726.38
Decrease in tangible fixed assets	-4,073.00	0.00
Depreciation	-211,271.86	-29,223.47
Provisions	-395,521.05	0.00
Other liabilities	-14,195.41	-42,205.58
Accrued expenses	-299,482.20	-124,623.08
Carryovers previous years	-346,709.34	0.00
Recovery of double payments	-31,634.38	0.00
Miscellaneous corrections	-8.27	0.00
Total adjustments	808,014.87	895,407.57
Economic result	<u>1,586,502.61</u>	<u>815,195.34</u>

PROVISIONS

	2003	2002
Other provisions	<u>395,521.05</u>	<u>0.00</u>
TOTAL PROVISIONS	<u>395,521.05</u>	<u>0.00</u>

The negotiations between Eurojust and Rijksgebouwdienst regarding the agreement on the office rent are still ongoing. Rijksgebouwdienst invoiced Eurojust for rental expenses in 2003 in total of 1.555.649,34 euros. Eurojust agreed to pay 1.160.128,29 euros. Thus there is a provision made in total of 395.521,05 euros due to the differences in the estimates made with regard to the office rent.

OTHER LIABILITIES

	2003	2002
Interest liability to the European Commission	24,018.82	614.12
Taxes and social security payable	0.00	42,205.58
Payments in transit	<u>0.00</u>	<u>130,273.90</u>
TOTAL OTHER LIABILITIES	<u>24,018.82</u>	<u>173,093.60</u>

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ACCRUED EXPENSES AND DEFERRED INCOME

	2003	2002
Accrued social security	1,268.32	0.00
Accrued holiday compensation	18,198.20	6,598.44
Accrued salaries	0.00	7,508.58
Accrued other personnel expenses	127,653.62	13,718.10
Accrued expenses title 2	67,021.83	27,371.04
Accrued expenses title 3	86,608.55	69,426.92
Unclear, over- and double refunds	4,263.34	0.00
Others	164.65	0.00
	<u>305,178.51</u>	<u>124,623.08</u>
TOTAL ACCRUED EXP. AND DEFERRED INC.	<u>305,178.51</u>	<u>124,623.08</u>

Budget title 3 expenses contain the mission, meeting and other operative expenses for the Members of the College, expenses for the European Judicial Network (EJN), as well as the expenses for the Joint Supervisory Body. Budget title 2 expenses contain investments in immovable and movable property, rental of buildings and associated costs. A closer analysis of these expenses can be found in the specifications to the financial statements.

CONTINGENT LIABILITIES AND OBLIGATIONS

Leasing obligations

	2003	2002
Payable next financial year	22,129.00	0.00
Payable later	27,363.00	0.00
	<u>49,492.00</u>	<u>0.00</u>
	49,492.00	0.00

Legal obligations

Due to an ongoing case before the Court of Justice (case C-160/03, Kingdom of Spain versus Eurojust), Eurojust has a contingent liability which is estimated at a maximum of 20.000 euros. It is difficult to reliably establish the exact amount of the contingent liability as the case is still ongoing. The estimate in these financial statements has been done with the help of the attorneys at law representing Eurojust before the Court of Justice, and with the help of the Human Resources department of Eurojust.



PART II:
BUDGETARY OUTTURN



REVENUE OUTTURN STATEMENT 1.1.2003-31.12.2003

	2003	2002
INCOME		
Commission subsidy	7,125,000.00	1,478,317.14
Miscellaneous income	34,122.23	0.00
Interest income on Commission subsidy	<u>14,195.41</u>	<u>0.00</u>
TOTAL INCOME	7,173,317.64	1,478,317.14
EXPENSES		
Personnel expenses - Budget title I		
Payments	2,005,592.79	205,423.13
Carryovers	177,342.92	42,205.87
Miscellaneous operative expenses - Budget title II		
Payments	2,279,351.73	792,933.48
Carryovers	1,009,123.23	267,966.89
Operative expenses - Budget title III		
Payments	874,659.96	213,463.42
Carryovers	<u>76,809.90</u>	<u>36,536.58</u>
TOTAL EXPENSES	6,422,880.53	1,558,529.37
REVENUE OUTTURN BEFORE SPECIAL ITEMS		
	750,437.11	-80,212.23
Cancelled carryovers	27,840.95	0.00
Exchange rate differences	<u>209.68</u>	<u>0.00</u>
REVENUE OUTTURN	778,487.74	-80,212.23

**BUDGET IMPLEMENTATION 1.1.2003-31.12.2003**

	2003	2002
TITLE 1		
Budget	2,512,000.00	355,500.00
Committed	2,182,935.71	247,629.00
Paid	2,005,592.79	205,423.13
Automatic carryovers	177,342.92	42,205.87
Non-automatic carryovers	0.00	0.00
Total expenditure	2,182,935.71	247,629.00
Appropriations not utilized	329,064.29	107,871.00
Committed on budget	86.90%	69.66%
TITLE 2		
Budget	3,983,712.00	1,838,500.00
Committed	3,040,957.63	1,060,900.37
Paid	2,279,351.73	792,933.48
Automatic carryovers	761,605.90	267,966.89
Non-automatic carryovers	247,517.33	0.00
Total expenditure	3,288,474.96	1,060,900.37
Appropriations not utilized	695,237.04	777,599.63
Committed on budget	76.33%	57.70%
TITLE 3		
Budget	1,604,500.00	606,000.00
Committed	951,469.86	250,000.00
Paid	874,659.96	213,463.42
Automatic carryovers	76,809.90	36,536.58
Non-automatic carryovers	0.00	0.00
Total expenditure	951,469.86	250,000.00
Appropriations not utilized	653,030.14	356,000.00
Committed on budget	59.30%	41.25%

**TOTAL**

Budget	8,100,212.00	2,800,000.00
Committed	6,175,363.20	1,558,529.37
Paid	5,159,604.48	1,211,820.03
Automatic carryovers	1,015,758.72	346,709.34
Non-automatic carryovers	247,517.33	0.00
Total expenditure	6,422,880.53	1,558,529.37
Appropriations not utilized	1,677,331.47	1,241,470.63
Committed on budget	76.24%	55.66%

All titles are broken down into Chapters, Articles and Items, following the nomenclature and structure used by the European Commission.

The most relevant details and commentary on budget implementation by Title, Chapter and Item are provided in the Notes to the Budgetary Outturn Statements.



NOTES TO THE BUDGET ACCOUNTS 1.1.2003-31.12.2003

Budgetary principles

The budget of Eurojust has been established in compliance with the principles of unity, budgetary accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in Commission Regulation 2343/2002 (framework Financial Regulation), Article 3 and in Commission Regulation 2342/2002 (Implementing Rules), Title II.



REPORT ON BUDGET IMPLEMENTATION 1.1.2003-31.12.2003

In this section the most relevant budget implementation details are disclosed.

Please note that the term "expenditure" means consumed commitment appropriations. Consumed commitment appropriations are commitments paid in 2003 and commitments carried over to 2004. The Eurojust budget for 2003 was drawn up by the respective services of the Council and Commission rather than by staff with an intimate knowledge of the new organisation and its requirements. The budget for 2003 was based on the assumption that Eurojust would move to the Hague by mid-2002 and would start to create its own infrastructure by the same date. For reasons that were beyond the control of Eurojust, Eurojust only moved to the Hague in December 2002. As a consequence, the timetable for the phase to build up the organisation was delayed by 6 months and it was impossible to execute the money allocated to Eurojust and abide by the European Union financial regulations within such a short time period. Nevertheless, Eurojust executed 76% of its commitment appropriations in 2003.

Full budget implementation details are provided in the section Utilization of Appropriations.

Title 1 "PERSONNEL EXPENDITURE"

Chapter 11 "Staff in active employment"

Budget 2003	2,400,000.00
Budget 2003 (After transfers)	2,400,000.00
Expenditure 2003	1,952,944.39
Percentage (Expenditure/budget after transfers)	81.37%

Chapter 11 covers salaries and related expenses, but also expenses for training and further education.

The delayed move to the Hague continued to have an impact on the daily work of recruiting new staff and work concentrated on putting correct procedures and rules in place to deal with this recruitment. The relocation of new staff was also an active sector of the work for the human resources department which had to begin from scratch with all information. 28 people in total were recruited from the forecasted 47 positions. Another 6 recruitment procedures were completed but the final positions could not be recruited.

Chapter 13 "Mission and travel"

Budget 2003	35,000.00
Budget 2003 (After transfers)	35,000.00
Expenditure 2003	23,808.34
Percentage (Expenditure/budget after transfers)	68.02%



Chapter 14 "Socio-medical infrastructure"

Budget 2003	45,000.00
Budget 2003 (After transfers)	45,000.00
Expenditure 2003	22,477.29
Percentage (Expenditure/budget after transfers)	49.95%

Under this Chapter various expenses are covered, such as the medical service and expenses for kitchenettes and canteens.

Eurojust negotiated the renovation of its floors with the host state but it remained unclear until late in 2003 whether the host state would also provide kitchenette and canteen facilities. Eurojust ended up by ordering the refurbishment for the floors' kitchenettes for post-holders from its own budget, but only late in the year.

Chapter 16 "Social welfare"

Budget 2003	20,000.00
Budget 2003 (After transfers)	20,000.00
Expenditure 2003	5,410.46
Percentage (Expenditure/budget after transfers)	27.05%

This Chapter covers expenditure relating the social welfare of the staff, such as staff events.

Chapter 17 "Entertainment and representation"

Budget 2003	12,000.00
Budget 2003 (After transfers)	12,000.00
Expenditure 2003	952.31
Percentage (Expenditure/budget after transfers)	7.94%

Chapter 17 covers funds for the provision of lunches, dinners and other representation costs for guests invited by Eurojust administration.



Title 2 "RENTAL OF BUILDINGS AND ASSOCIATED COSTS"

Chapter 20 "Investments in immovable property, rentals and associated costs"

Budget 2003	2,266,000.00
Budget 2003 (After transfers)	2,495,000.00
Expenditure 2003	1,518,306.76
Percentage (Expenditure/budget after transfers)	60.85%

Chapter 20 covers operational costs such as office rent, general maintenance, cleaning and security. As negotiations with the host state continued until late into 2003, it remained unclear how much the final rental sum for Eurojust would be. A provision for the unpaid part of the rent was made from the 2003 budget so as to cover the missing amounts. This security of the building is also shared with the other two organisations of the building complex and these shared costs had to be defined through mutual agreements during 2003.

Chapter 21 "Data processing equipment"

Budget 2003	352,500.00
Budget 2003 (After transfers)	352,500.00
Expenditure 2003	107,218.33
Percentage (Expenditure/budget after transfers)	30.42%

Appropriations under this chapter are used to cover expenses related to data processing, including maintenance of equipment and subscription fees of software. As the number of users was forecasted to be higher than finally achieved, these expenses were also less than planned.

Chapter 22 "Movable property and associated costs"

Budget 2003	644,000.00
Budget 2003 (After transfers)	634,000.00
Expenditure 2003	288,176.17
Percentage (Expenditure/budget after transfers)	45.45%

This appropriation covers the costs relating to technical installations, furniture, vehicles and library. Many new installations and furniture was ordered during 2003 and the librarian began work in November. The furniture for 2 new meeting rooms was ordered and part of it was delivered during 2003. The remaining furniture had to wait for the host state to deliver the new meeting facilities which was completed in 2004.

Chapter 23 "Current administrative expenditure"

Budget 2003	70,212.00
Budget 2003 (After transfers)	80,212.00
Expenditure 2003	32,650.41
Percentage (Expenditure/budget after transfers)	40.71%

This appropriation covers the costs relating to stationary and office supplies, financial charges, and departmental removals.

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**Chapter 24 "Postal charges, telecommunication and computer infrastructure"**

Budget 2003	422,000.00
Budget 2003 (After transfers)	422,000.00
Expenditure 2003	333,000.06
Percentage (Expenditure/budget after transfers)	78.91%

This appropriation covers the costs relating to postal charges, telephone and internet communication, as well as costs relating to the computer infrastructure.



TITLE 3 "OPERATIONAL COSTS"

Chapter 30 "Meetings, seminars and representation"

Budget 2003	450,000.00
Budget 2003 (After transfers)	450,000.00
Expenditure 2003	347,373.25
Percentage (Expenditure/budget after transfers)	77.19%

Chapter 30 covers the costs for meetings and seminars of the National Members of the College, in addition to representation and entertainment expenses of the National Members. The meetings and seminars of the College members were a very useful tool to help achieve Eurojust's objectives and interpretation facilities played a big role in bringing together the appropriate people from across the member states.

Chapter 31 "Operational and expert missions"

Budget 2003	650,000.00
Budget 2003 (After transfers)	421,000.00
Expenditure 2003	84,083.25
Percentage (Expenditure/budget after transfers)	19.97%

This appropriation covers the costs related to the domestic missions of the National Members, and other missions in relation to their work.

Chapter 32 "Public relations and website"

Budget 2003	213,500.00
Budget 2003 (After transfers)	213,500.00
Expenditure 2003	180,617.96
Percentage (Expenditure/budget after transfers)	84.60%

This chapter covers the costs relating to public relations and maintenance of the website, and other similar costs.

Eurojust held its inauguration at the end of April 2003 which was a major public relations exercise. All preparations were organised and coordinated by Eurojust College and administration.

Chapter 33 "Project and documentation expenditure"

Budget 2003	50,000.00
Budget 2003 (After transfers)	50,000.00
Expenditure 2003	11,511.92
Percentage (Expenditure/budget after transfers)	23.02%

Chapter 33 covers the costs of books and the costs for various consultancies and studies. At the end of 2003, the librarian began to provide the national desks with the books and materials they requested for their daily work.

**Chapter 34 "Translations of case work"**

Budget 2003	150,000.00
Budget 2003 (After transfers)	150,000.00
Expenditure 2003	27,832.07
Percentage (Expenditure/budget after transfers)	18.55%

This chapter covers the costs of translations relating to case work.

Chapter 35 "EJN expenditure"

Budget 2003	250,000.00
Budget 2003 (After transfers)	250,000.00
Expenditure 2003	214,978.44
Percentage (Expenditure/budget after transfers)	85.99%

This appropriation covers the costs for maintaining the EJN (European Judicial Network). Agreements with the EJN were established and implemented.

Chapter 36 "JSB expenditure"

Budget 2003	10,000.00
Budget 2003 (After transfers)	10,000.00
Expenditure 2003	7,355.69
Percentage (Expenditure/budget after transfers)	73.56%

Chapter 36 covers the costs of the JSB (Joint Supervisory Body), an independent body that oversees the work of Eurojust.

Chapter 37 "Contingency reserve"

Budget 2003	60,000.00
Budget 2003 (After transfers)	60,000.00
Expenditure 2003	907.38
Percentage (Expenditure/budget after transfers)	1.51%

This chapter covers costs relating to any contingencies that might arise due to the work performed by Eurojust and its staff.



APPROPRIATIONS CARRIED OVER AUTOMATICALLY

These are appropriations covering the commitments legally contracted at 31 December 2002 but not yet paid at that date.

Taking all items together, these items were as follows:

Appropriations carried over	346,709.34
Expenditure	318,868.39
Percentage (Expenditure/appropriations carried over)	91.97%

For the record these are appropriations covering the commitments legally contracted at 31 December 2002 but not yet paid at that date. The payment rate is 91,97%. The 8,03% difference is explained as follows:

The committed amount of 82.818,00 euros included a sum for VAT of 12.188,98 euros. A Eurojust seminar was held in December in Denmark where the forecasted costs turned out to be more than what was forecasted when the commitment was made (15.651,68 euros).

**EUROJUST STAFF ESTABLISHMENT PLAN 2003**

GRADE	NUMBER
A2	1
A5	6
A7	<u>6</u>
Subtotal A	13
B3	2
B5	<u>2</u>
Subtotal B	4
C3	25
C5	<u>4</u>
Subtotal C	29
D3	<u>7</u>
Subtotal D	7
Total	53



ANNEX TO THE BUDGET ACCOUNTS

LIST OF EUROJUST COLLEGE MEMBERS 2003

President, National Member for the United Kingdom	Michael Kennedy
Vice President, National Member for France	Olivier de Baynast de Septfontaine
Vice President, National Member for Sweden	Björn Blomqvist
National Member for Austria	Ulrike Haberl-Schwarz
National Member for Belgium	Michéle Coninx
National Member for Germany	Hermann von Langsdorff
National Member for Denmark	Anders Linnet
National Member for Spain	Rubén Antonio Jimenez Fernandez
National Member for Finland	Tuomas Oja
National Member for Greece	Stavroula Koutoulakou
National Member for Italy	Cesare Martellino
National Member for Ireland	Michael Mooney
National Member for Luxemburg	Georges Heisbourg
National Member for the Netherlands	Roelof Jan Manschot
National Member for Portugal	José Luis Lopes da Mota
Assistant to the National Member for Germany	Hans-Jürgen Kapplinghaus
Assistant to the National Member for France	Jean-François Bohnert
Assistant to the National Member for France	Anne Delahaie
Assistant to the National Member for Finland	Sanna Palo
Assistant to the National Member for Italy	Paola Fiore
Assistant to the National Member for the Netherlands	Jolien Kuitert



Assistant to the National Member for Sweden

Ola Löfgren

Assistant to the National Member for the United Kingdom

Ann den Bieman

Assistant to the National Member for the United Kingdom

Rajka Vlahovic