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COVER NOTE

from:	Mr Vítor CALDEIRA, President of the Court of Auditors
date of receipt:	27 October 2008
to:	Mr Bernard KOUCHNER, President of the Council of the European Union
Subject:	Report on the annual accounts of the Euratom Supply Agency for the financial year 2007 together with the Agency's replies

Sir,

I enclose in all the official languages of the European Communities a copy of the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2007.

This report was adopted by the Court at its meeting on 18 September 2008 and is accompanied by the Agency's replies.

(Complimentary close).

(s.) Vítor CALDEIRA

Encl.: Report on the annual accounts of the Euratom Supply Agency for the financial year 2007 together with the Agency's replies.

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Report on the annual accounts of the Euratom Supply Agency for the financial year 2007

together with the Agency's replies

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1. This Report is addressed to the Commission[1] in accordance with Article XVI(6) of the Agency's Statutes[2].

2. The Agency's accounts[3] for the financial year ended 31 December 2007[4] were drawn up by its Director-General in accordance with Article XVI(5) of the Agency's Statutes and sent to the Court, which examined them pursuant to Article XVI(4) of the same Statutes.

3. The Court conducted its audit in accordance with the IFAC and ISSAI[5] International Auditing Standards and Codes of Ethics, insofar as these are applicable in the European Community context. The audit was planned and performed to obtain reasonable assurance that the accounts are reliable and that the underlying transactions are legal and regular.

4. On the basis of the examinations it carried out, the Court considers that the Agency's accounts for the financial year ended 31 December 2007 are, in all material respects, reliable. The transactions underlying the accounts are, taken as a whole, legal and regular.

The observations which follow do not call the Court's statement into question.

OBSERVATIONS

5. The Agency's 2007 budget amounted to 250 000 euro, as compared with 200 000 euro the previous year. The budget is mainly financed by subsidies from the Commission.

6. The use of appropriations amounted to 191 000 euro, of which 74 000 euro were carried over. The carry-over of appropriations mainly concerns a project for a new database to manage contracts submitted to the Agency.

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1 The provisions in force do not stipulate publication of this report in the *Official Journal of the European Union*.

2 OJ 27, 6.12.1958, p. 534/58.

3 The Agency's staff salaries and office rental expenses are borne by the Commission and are therefore included in the Commission's budget.

4 These accounts were drawn up on 19 June 2008 and received by the Court on 30 June 2008.

5 International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

7. The Commission's 2008 general budget approved by the budgetary authority on the 13 December 2007 did not include any subsidy to the Agency to cover 2008 operations. However, this decision does not endanger the continuity of the Agency's activities in the year to come.

This Report was adopted by the Court of Auditors in Luxembourg at its meeting of 18 September 2008.

For the Court of Auditors

Vítor Manuel da Silva Caldeira
President

Table 1 - Euratom Supply Agency - Implementation of the budget for the financial year 2007

(1 000 euro)

Revenue			Expenditure									
Origin of revenue	Revenue entered in the final budget for the financial year	Revenue collected	Allocation of expenditure	Appropriations in the final budget					Appropriations carried over from the previous financial year		
				entered	committed	paid	carried over	cancelled	available	paid	cancelled
Community subsidies	230	230	Title I - Staff	32	32	30	2	0	2	1	1
Other revenue	20	19	Title II - Administration	218	159	87	72	59	64	62	2
Total	**250**	**249**	**Total**	**250**	**191**	**117**	**74**	**59**	**66**	**63**	**3**

Source : Agency data - This table summarises the data provided by the Agency in its annual accounts.

Table 2 - Economic outturn account of the Euratom Supply Agency for the financial years 2007 and 2006

(1 000 euro)

	2007	2006
Operating revenue		
Community subsidies	169	165
Other subsidies/revenue	0	1
Total (a)	**169**	**166**
Operating expenditure		
Staff	32	29
Fixed asset related expenses	9	8
Other administrative expenses	140	97
Total (b)	**181**	**134**
Operating result (c = a - b)	**-12**	**32**
Other income (d)	19	15
Economic result (f = c + d)	**7**	**47**

Source: Agency data - This table summarises the data provided by the Agency in its annual accounts.

Table 3 - Balance sheet of the Euratom Supply Agency at 31 December 2007 and 2006

(1 000 euro)

ASSETS	2007	2006	LIABILITIES	2007	2006
NON-CURRENT ASSETS	**170**	**174**	**CAPITAL**	**620**	**578**
Fixed assets	23	22	Capital paid in by the Member States	582	544
Securities held	147	152	Revaluation of investments	12	15
			Accumulated surplus/deficit	19	-28
			Economic result for the year	7	47
CURRENT ASSETS	**528**	**512**	**ACCOUNTS PAYABLE**	**78**	**108**
Receivables	5	7	Reciprocal account with the Commission of the European Communities	68	96
Banks	523	505	Other liabilities	10	12
TOTAL	**698**	**686**	**TOTAL**	**698**	**686**

Source: Agency data - This table summarises the data supplied by the Agency in its annual accounts.

RÉPONSES DE L'AGENCE

7. La Commission a accepté de prendre en charge sur son budget propre les dépenses de l'Agence pour l'exercice 2008. Les actions nécessaires sont menées afin de rétablir la ligne budgétaire supportant la subvention à l'Agence pour 2009.