



European Securities and
Markets Authority

Date: 1 June 2012
ESMA/2012/718

FINAL ANNUAL ACCOUNTS OF THE EUROPEAN SECURITIES AND MARKETS AUTHORITY

FINANCIAL YEAR 2011

Paris, 1st June 2012

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Statement of the Accounting Officer

The annual accounts of the European Securities and Markets Authority for the year 2011 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Securities and Markets Authority in accordance with art 61 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 European Securities and Markets Authority'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 a true and fair view of the financial position of the European Securities and Markets Authority in all material aspects.

Paris, 1st June 2012



Christine KLEINSASSER
Principal Accounting Officer

PRESENTATION OF THE ORGANISATION

1.1- Introduction

The European Securities and Markets Authority was established by Regulation (EU) n° 1095/2010 of the European Parliament and the Council 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision n° 716/2009/EC and repealing Commission Decision 2009/77/EC.

1.2- Mission in 2011

ESMA is an independent EU Authority. The objective of the Authority is to contribute to safeguarding the stability of the European Union's financial system by ensuring the integrity, transparency, efficiency and orderly functioning of securities markets, as well as enhancing investor protection. In particular, ESMA fosters supervisory convergence both amongst securities regulators, and across financial sectors by working closely with the other European Supervisory Authorities competent in the field of banking (EBA), and insurance and occupational pensions (EIOPA).

The main tasks of the Authority in 2011 were:

- Establishing a single European rulebook – ESMA developed technical standards and provided technical advice to the Commission in order to upgrade and achieve consistent regulation in areas such as alternative investment management, prospectuses and credit rating agencies.
- Promoting supervisory convergence – ESMA issued opinions and guidance & recommendations, conducted peer reviews, coordinated supervisory actions and promoted common supervisory practices to enhance consistent application and supervision of the regulation across the EU.
- Enhancing consumer protection – ESMA monitored new and existing financial activity and the comprehensiveness and clarity of information provided to investors, issued an investor warning and adopted guidelines & recommendations to enhance consumer protection.
- Establish direct supervision – ESMA took on responsibility for registration and day-to-day supervision of credit rating agencies and started executing its supervision in this area.
- Monitor and address financial stability risks – ESMA worked with the ESRB and the other ESAs to analyse trends and identify potential risks and vulnerabilities at a micro-prudential level and to address those risks.
- Build the organisation – in its first year of operation, ESMA developed and implemented key EU financial, HR and procurement procedures and build up the organisation and staffing of the organisation.

1.3- Legal status and principal office

The Authority is a body of the Community as referred to in article 185 of The Financial Regulation (EC, Euratom) n°1605/2002 of the Council of 25 June 2002, amended by Council Regulation (EC, Euratom) n° 1995/2006 of 13 December 2006. It has legal personality. The Authority is represented by its Chair, Mr Steven MAIJOOR, and its management is entrusted to the Executive Director, Mrs Verena ROSS, both appointed by the Authority's Board of Supervisors.

The Authority's headquarters are located in Paris, France, 103, rue de Grenelle.

The Protocol on the Privileges and Immunities of the European Communities applies to the Authority.

1.4- Governing structure

ESMA's governing structure consists of a Board of Supervisors and a Management Board.

The Board of Supervisors is composed of the heads of the 27 national competent authorities from the EU Member States, an observer each from the European Commission, EBA and EIOPA and the ESRB and observer national competent authorities, in 2011 these were Iceland, Norway and Liechtenstein.

The Board of Supervisors gives guidance to the work of the Authority and has key decision making responsibilities.

The Management Board is composed of six members (and alternates) selected from the Board of Supervisors and an observer from the European Commission.

The Management Board deals with the management of the Authority.

Both the Board of Supervisors and the Management Board are chaired by the Chair while the Executive Director is entrusted with the management of the Authority.

1.5- Further information sources

More information on the Authority's administrative and operational activities, organizational chart, applicable legislation, Board of Supervisors and Management Board is available on the Authority's web site <http://www.esma.europa.eu> and in its annual report.

LEGAL BASE FOR DRAWING UP THE ANNUAL ACCOUNTS

The annual accounts of ESMA have been established in accordance with the following legislation.

The Financial Regulation of ESMA as adopted by its Board of Supervisors and Management.

The "Framework Financial Regulation" Commission Regulation (EC, EURATOM) No 652/2008 of July 2008 amending Regulation (EC, EURATOM) No 2343/2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, EURATOM) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

The accounting rules, methods and guidelines as adopted and provided by the Accountant of the Commission.

PART I

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FINANCIAL STATEMENTS

1 - BALANCE SHEET - ASSETS

2 - BALANCE SHEET - LIABILITIES

3 - ECONOMIC OUTTURN ACCOUNT

4 - CASH FLOW TABLE

5 - STATEMENT OF CHANGES IN CAPITAL

6- ANNEX TO THE FINANCIAL STATEMENTS

1 - ESMA-BALANCE SHEET - ASSETS

	Notes n°	31.12.2011	01.01.2011
ASSETS			
A. NON CURRENT ASSETS			
Fixed Assets	A1	1.697.900,60	363.303,00
Intangible fixed assets		616.291,43	
Tangible fixed assets		1.081.609,17	
Land and buildings		614.607,26	
Plant and equipment		625,00	
Computer hardware		246.120,81	
Furniture and vehicles		163.662,10	
Other fixtures and fittings		56.594,00	
Long term receivables	A2	69.845,14	69.845,14
TOTAL NON CURRENT ASSETS		1.767.745,74	433.148,14
B. CURRENT ASSETS	A3		
Short-term receivables			
Current receivables		1.117.407,39	838.003,44
Sundry receivables		8.886,52	
Other			
Deferred charges		71.434,10	
Cash and cash equivalents	A4	6.325.318,37	2.014.966,60
TOTAL CURRENT ASSETS		7.523.046,38	2.852.970,04
TOTAL ASSETS		9.290.792,12	3.286.118,18

2 - ESMA-BALANCE SHEET - LIABILITIES

	Notes n°	31.12.2011	01.01.2011
LIABILITIES			
A. NET ASSETS	L1	2.122.190,73	363.303,00
Fixed Assets transferred from CESR (preceding organisation) After revaluation under EC accounting rules			363.303,00
Accumulated surplus/deficit		0,00	
Economic result of the year – profit+/loss-		2.122.190,73	
B. MINORITY INTERESTS		0,00	0,00
C. NON CURRENT LIABILITIES		0,00	0,00
TOTAL NON CURRENT LIABILITIES		2.122.190,73	363.303,00
D. CURRENT LIABILITIES		7.168.601,39	2.922.815,18
Provisions for risks and charges	L2	318.379,81	0,00
Accounts payable	L3	6.850.221,58	
	Net funds for reimbursement to CESR members		1.174.741,31
	Advance payments received by CESR in 2010 on 2011 ESMA contributions		701.154,78
	Payables to MS NCAs	960.956,08	
	Current & Sundry payables suppliers	199.731,62	1.046.919,09
	Other		
	Accrued charges	1.232.289,06	
	Surplus pre-financing EC (budget outturn)	4.457.244,82	
TOTAL CURRENT LIABILITIES		7.168.601,39	2.922.815,18
TOTAL LIABILITIES		9.290.792,12	3.286.118,18

3 – ESMA – ECONOMIC OUTTURN ACCOUNT

	Notes n°	2011
Recovery of expenses	E1	91.217,77
Revenues from administrative operations	E2	422.954,16
Fixed assets related revenue (fixed assets from 2010)		363.303,00
Other administrative revenue		59.651,16
Operating revenue - Contributions	E3	12.503.955,18
Contributions MS NCAs		9.862.735,96
Contribution EC		2.326.755,18
Contribution observers NCAs		314.464,04
Other operating revenue	E4	5.340,69
Other		5.340,69
TOTAL OPERATING REVENUE		13.023.467,77
Administrative expenses	E5	-
Staff expenses		-6.285.311,34
Fixed asset related expenses		-219.958,62
Other administrative expenses		-4.151.883,10
Operational expenses	E6	-220.769,84
Other operational expenses		-220.769,84
TOTAL OPERATING EXPENSES		-
		10.877.922,90
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		2.145.544,87
Financial revenues		0,00
Financial expenses	E7	-23.354,14
SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES		-23.354,14
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		2.122.190,73
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS		0,00
ECONOMIC RESULT OF THE YEAR	E8	2.122.190,73

4 – ESMA – CASH FLOW TABLE (indirect method)

	2011
Cash Flows from ordinary activities	
Surplus/(deficit) from ordinary activities	2.122.190,73
Operating activities	
<u>Adjustments</u>	
Amortization (intangible fixed assets) +	74.695,08
Depreciation (tangible fixed assets) +	413.912,61
Increase/(decrease) in Provisions for risks and liabilities	318.379,81
Increase/(decrease) in Value reduction for doubtful debts	0,00
(Increase)/decrease in Stock	0,00
(Increase)/decrease in Long term Pre-financing	0,00
(Increase)/decrease in Short term Pre-financing	0,00
(Increase)/decrease in Long term Receivables	-69.845,14
(Increase)/decrease in Short term Receivables	-1.197.728,01
(Increase)/decrease in Receivables related to consolidated EC entities	0,00
Increase/(decrease) in Other Long term liabilities	0,00
Increase/(decrease) in Accounts payable	2.359.002,32
Increase/(decrease) in Liabilities related to consolidated EC entities	4.491.219,26
(Gains)/losses on sale of Property, plant and equipment	
Net cash Flow from operating activities	8.511.826,66
Cash Flows from investing activities	
Increase of tangible and intangible fixed assets (-)	-2.186.508,29
Proceeds from tangible and intangible fixed assets (+)	0,00
Net cash flow from investing activities	-2.186.508,29
Cash flow from CECA specific transactions	
(Increase)/decrease in Other Investments (281000)	0,00
(Increase)/decrease in Long term Loans (290000)	0,00
(Increase)/decrease in Short term Investments (501000)	0,00
Increase/(decrease) in Long term Financial Liabilities (170000)	0,00
Increase/(decrease) in Short term Financial Liabilities (430000)	0,00
Other CECA	
Net Cash Flow from CECA specific transactions	0,00
Increase/(decrease) in Employee benefits	0,00
Net increase/(decrease) in cash and cash equivalents	6.325.318,37

<i>Cash and cash equivalents at the beginning of the period</i>	
<i>Cash and cash equivalents at the end of the period</i>	6.325.318,37

5 – ESMA – STATEMENT OF CHANGES IN CAPITAL

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Net assets (total)
	Fair value reserve	Other reserves			
Balance as of 1 January 2011 (if restated)	0,00	0,00	0,00	0,00	0,00
Other					
Fair value movements					
Movement in Guarantee Fund reserve					
Allocation of the Economic Result of Previous Year					
Amounts credited to Member States					
Economic result of the year includes: transfer of fixed assets from CESR				2.122.190,73	2.122.190,73
Balance as of 31 December 2011	0,00	0,00	0,00	2.122.190,73	2.122.190,73

6 – ANNEX TO THE FINANCIAL STATEMENTS

6.1 Accounting principles (summary)

Generally accepted accounting principles as defined by the Authority's Financial Regulation are

6.1.1 Going-concern principle

The going-concern principle means that the Authority is deemed to be established for an indefinite duration. Would there be objective indications that the Authority is to cease its activities, the accounting officer shall present this information in the annex, indicating the reasons. She shall apply the accounting rules with a view to determining its liquidation value.

6.1.2 Principle of prudence

The principle of prudence means that assets and income shall not be overstated and liabilities and charges shall not be understated. However, the principle of prudence does not allow the creation of hidden reserves or undue provisions.

6.1.3 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 may not be changed from one year to the next.

The Authority's accounting officer may not depart from the principle of consistent accounting methods other than in exceptional circumstances, in particular:

- (a) in the event of a significant change in the nature of the entity's operations,
- (b) where the change made is for the sake of a more appropriate presentation of the accounting operations.

6.1.4 Principle of comparability of information

The principle of comparability of information means that for each item the financial statements shall also show the amount of the corresponding item in 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. Where it is impossible to reclassify items, this shall be explained in the annex to the financial statements.

6.1.5 Principle of Materiality

The materiality principle means that all operations which are of significance for the information sought shall be taken into account in the financial statements. Materiality shall be 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.

6.1.6 Principle of No-netting

The no-netting principle means that receivables and debts may not be offset 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.

6.1.7 Principle of reality over appearance

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

6.1.8 Accrual-based accounting Principle

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

The accounts are set up in EURO.

Exceptions to the accounting principles

Where, in a specific case, the accounting officer considers that an exception should be made to the content of one of the accounting principles defined above this exception must be duly substantiated and reported in the annex to the financial statements.

6.2 Notes to the Balance Sheet

6.2.1 FIXED ASSETS: A1

In compliance with the accounting rules, fixed assets are considered as such when their nominal value is equal or above 420 €. The assets are reflected in the balance sheet at year end for their net value. The depreciation method used is the straight-line method and prorata temporis from the month of first use or delivery of the asset in the Authority premises.

The assets registration system, integrated in the Authority's accounting systems, is identical to the one used by the European Commission (ABAC Assets). It is operational since July 2011.

TABLE OF DEPRECIATION RATES

Intangible assets

Software for personal computers and servers **25%**

Other intangible fixed assets **25%**

Tangible assets

Buildings **4%**

Plant and equipment

Tools for industry and workshops **12,5%**

Specific electric equipment **25%**

Furniture and vehicles

Office, laboratory and workshop furniture **10%**

Electrical office equipment, printing and mailing equipment **25%**

Printshop and postroom equipment **12,5%**

Equipment and decorations for garden, kitchen, canteen, restaurant, crèche and school **12,5%**

Furniture for restaurant/cafeteria/bar area	10% / 12,5%
Cash registers and card acceptor devices	25%
Antiques, artistic works, collectors' items	0%
Transport equipment (vehicles and accessories)	25%
<u>Computer hardware</u>	
Computers, servers, accessories, data transfer equipment, printers, screens	25%
Copying equipment, digitising and scanning equipment	25%
<u>Other fixtures and fittings</u>	
Telecommunications equipment	25%
Audiovisual equipment	25%
Computer, scientific and general books, documentation	
Computer books, CDs, DVDs	33%
Scientific books, general books, CDs, DVDs	25%
Health, safety and protective equipment, medical equipment, fire-fighting, surveillance, security, Medical and nursing equipment	12,5% 25%
other	10%
<u>Tangible fixed assets under construction</u>	0%

The net value of the Authority's fixed assets at year end is **1.697.900,60 €**.

These consist of

- 534.862,06 € Internally generated computer software: applications developed in 2011 to carry out specific ESMA tasks (CEREP, SOCRAT, website including various specific functions)
- 81.429,37 € other computer software: licenses and other externally acquired applications
- 614.607,26 € investments in the new premises at rue de Grenelle
- 246.120,81 € computer hardware: new acquisitions and the residual values of hardware taken over from CESR
- 163.662,10 € mainly furniture acquired for the new premises and the residual values of furniture taken over from CESR
- 57.619,00 € other fixtures and fitting

Details are listed in the table overleaf.

TABLE OF ASSETS

		Computer Software Internally generated	Other Computer Software	Buildings	Plant and Equipment	Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	Total
Gross carrying amounts 01.01.2011	+	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Additions (including assets transferred from CESR)	+	555.267,85	135.718,66	652.680,28	658,86	421.868,20	337.669,16	82.645,28	2.186.508,29
Disposals	-								0
Transfer between headings	+/-								0
Other changes	+/-								0
Gross carrying amounts 31.12.2011		555.267,85	135.718,66	652.680,28	658,86	421.868,20	337.669,16	82.645,28	2.186.508,29
Accumulated amortization and impairment 01.01.2011	-	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Amortization (including accumulated amortization of assets transferred from CESR)	-	-20.405,79	-54.289,29	-38.073,02	-33,86	-175.747,39	-174.007,06	-26.051,28	-488.604,69
Write-back of amortization	+								0
Disposals	+								0
Impairment	-								0
Write-back of impairment	+								0
Transfer between headings	+/-								0
Other changes	+/-								0
Accumulated amortization and impairment 31.12.2011		-20.405,79	-54.289,29	-38.073,02	-33,86	-175.747,39	174.007,06	-26.051,28	-488.604,69
Net carrying amounts 31.12.2011		534.862,06	81.429,37	614.607,26	625,00	246.120,81	163.662,10	56.594,00	1.697.900,60

6.2.2 LONG TERM RECEIVABLES: A2

These receivables of 69.845,14 € relate to a guarantee given for the rent of the former premises at avenue de Friedland.

A provision has been established as the reimbursement of this amount could not be achieved so far.

6.2.3 CURRENT ASSETS: A3

The main categories of current assets are:

- **Current Receivables:**

Current Receivables amount to **1.117.407,39 €**, thereof:

- 670.339,67 € VAT to be reimbursed, mainly by France as host country where most business takes place
- 269.618,83 € outstanding payment from the European Commission
- 89.847,89 € outstanding payments on 2011 contributions
- 1.900,00 € outstanding payments on 2011 seminars
- 85.701,00 € outstanding payments on a reimbursement for works at the new premises

- **Sundry Receivables:**

- 8.886,52 € for mission advances

- **Deferred Charges:**

- 71.434,10 € prepaid expenses for data services and other subscriptions

- **Cash and cash equivalents: A4**

The Cash and Cash equivalents position of the Authority at 31st December 2011 amounts to **6.325.318,37 €** consisting of:

- 5.790.108,57 € on the current account of ESMA with CitiBank
- 447.213,79 € on the current account of ESMA with Soci t  Generale
- 87.996,01 € of securities held at Soci t  Generale stemming from an additional guarantee for the previous premises

For the execution of payments the Authority makes use of bank transfers from the current account with CitiBank which are processed by the centralised ABAC/SAP system .

6.2.3 NON CURRENT LIABILITIES

- **Capital: L1**

The capital of ESMA at year end amounts to **2.122.190,73 €**.

It consists of:

- 363.303,00 € income from value of fixed assets transferred from the preceding organisation CESR at 01/01/2011.

In the closing balance 2010 of CESR, fixed assets amounted to 463.099,00 €. All asset items were revaluated under EC accounting rules which led to a reduction of their overall value (mainly due to differing depreciation rules and revaluation of assets related to works in the former CESR premises and intangible assets) by 99.796,00 € resulting in a total value of 363.303,00 € at 01/01/2011.

- 1.758.887,73 € additional result of the year 2011 mainly consisting of further fixed assets acquisitions.

6.2.4 CURRENT LIABILITIES

- **Provisions for risks and charges: L2**

Provisions for risks have been established with an amount of 318.379,81 € consisting of:

- 69.845,14 € for the above mentioned guarantee given for the previous premises
- 248.534,67 € for staff related payments; salary increase refused by the Council and contested compensation claims

- **Accounts payable: L3**

Accounts payables amount to 6.850.221,58 € and consist of:

- 960.956,08 € advances received on 2012 ESMA contributions and other funds belonging to the NCAs
- 199.731,62 € invoices received from the suppliers of goods and services provided to the Authority
- 1.232.289,06 € accrued charges for goods and services provided to the Authority in 2011 but not registered as invoiced at year end including an amount of 114.403,44 € for untaken leave
- 4.457.244,82 € surplus pre-financing European Commission

The last item - surplus pre-financing European Commission - is calculated as the total of the budget outturn (budgetary revenues received in 2011 reduced by budgetary expenditure for 2011) which shall be reimbursed to the European Commission up to the amount contributed by the European Commission as stipulated in article 16 of the ESMA financial regulation.

6.3 Notes to the Economic Outturn Account

6.3.1 OPERATING REVENUE

- **Recovery of expenses: E1**

The revenue under this heading is **91.217,77 €** for reimbursement of works at the new premises of ESMA

- **Revenue from administrative operations: E2**

The revenue under this heading is **422.954,16 €** and consists of:

- 363.303,00 € fixed assets that have been transferred from the preceding organisation CESR (see additional explanation under point 6.2.3/L1)
- 59.651,16 € other administrative revenue for services provided by the Accounting Officer

- **Operating revenue – Contributions: E3**

The operating revenue from Contributions to the Authority for the financial year 2011 is **12.503.955,18 €** composed of:

- 9.862.735,96 € contributions from MS NCAs
- 2.326.755,18 € effective contribution from the European Commission (pre-financing received from the EC reduced by the foreseen reimbursement of the budget outturn for 2011)
- 314.464,04 € contributions from observer NCAs

- **Other operating revenue: E4**

The other operating for the financial year 2011 is **5.340,69 €** composed of:

- 3.000,00 € fees for seminars
- 2.340,69 € exchange rate gains on operating activities

6.3.2 OPERATING EXPENSES:

- **Administrative expenses: E5**

Administrative expenses amount to **10.657.153,06 €** and include:

- 6.285.311,34 € staff expenses which mainly consist of staff salaries and allowances
- 219.958,62 € depreciation of fixed assets which for 2011 include only normal depreciation, no extraordinary impairment or similar
- 4.151.883,10 € Other administrative expenses, thereof:
 - 2.241.482,26 € for the rent, maintenance, security, insurance and other costs related to the office premises
 - 88.980,03 € expenditures for training and recruitment costs
 - 427.206,10 € expenditure for staff missions
 - 131.487,30 € expenditure related to reimbursement of experts and other costs related to external expert
 - 784.488,08 € for IT related expenditure, thereof 17.435 € research costs
 - 478.239,34 € expenditure for office supplies, communications, publicity, legal expenses, insurances and several service level agreements with other EU bodies (e.g. personnel administration services, translation, IT services)

- **Operational expenses, other: E6**

Expenses for operational activities amount to 220.769,84 € and include mainly costs for supervision activities and expert related costs.

6.3.3 NON OPERATING EXPENSES: E7

Non operating expenses of **23.354,14** consist of bank charges and interests for late payments.

6.3.4 ECONOMIC RESULT OF THE YEAR: E8

The economic result of the year is **2.122.190,73 €**.

Due to the application of the EC accounting rules consisting

- on the one hand, in a calculation based on a cash principle and on the budgetary outturn for the determination of the revenue from the Communities (EC subsidy) to inscribe in the Economic Outturn Account,

- and, on the other hand, the calculation of the expenditures in the Economic Outturn Account on a full accrual-based accounting principle.

6.4 Notes to the Cash Flow Table

The cash flow provides a basis to assess the ability of the Authority to generate cash and cash equivalents, and the needs of the entity to utilise those cash flows.

The cash flows are classified by operating, investing and financing activities.

The cash flow table is prepared using the indirect method. The economic outturn for the financial year is adjusted for the effects of transactions of a non-cash nature (e.g. deferrals, accruals, depreciation).

6.5 Notes to the Statement of changes in capital

For financial year 2011, the statement of changes in capital of the Authority comprises the

- 363.303,00 € value of fixed assets transferred from the preceding organisation CESR at 01.01.2011
- 1.758.887,73 € further additions to the economic result during 2011
- 2.122.190,73 € is the resulting capital at 31.12. 2011.

6.6 Contingent liabilities and commitments for future funding

Unconsumed budgetary commitments for future funding have been registered by the Authority with an amount of 1.901.218,61 € at year end.

These commitments correspond in principle to an amount of 1.232.289,06 € accrued charges for 2011 already registered in liabilities 2011 and additional expenditure expected for 2012 with an estimated amount of 668.929,55 € for which budgetary commitments have been registered but which do not impact the 2011 accruals based accounting.

An additional contingent liability relates to potential costs which might be incurred if and when ESMA

would leave its present premises. An exact amount cannot be calculated as there are variable factors laid down in the rent agreement. At present no change of premises is foreseen and the going-concern for ESMA's activity applies. Therefore the probability of such expenditure in the near future is very low.

In addition ESMA provided the landlord of its premises with a bank guarantee for the lease contracts providing for potential reimbursements to be made to the landlord.

6.7 Related Party disclosure

Key management personnel hold positions of responsibility within the Authority. They are responsible for the strategic direction and operational management of the entity and are entrusted with significant authority to execute their mandate.

Highest grade description	Grade	Number of persons of this grade
Chair	AD15	1
Executive Director	AD14	1

The balance position of the Authority with the key management personnel for its activity period as autonomous entity during financial year 2011 is composed of the salary and allowances as determined for grade AD 14 and AD 15 by the Staff Regulations of the Officials of the European Communities.

6.8 Events after the balance sheet date

All events after balance sheet date with any material impact are recorded in the final annual accounts.

PART II

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BUDGET IMPLEMENTATION REPORTS

<p>1 – BUDGET OUTTURN ACCOUNT</p> <p>2 a – BUDGET IMPLEMENTATION CREDIT OF THE YEAR – C1</p> <p>3 – RECONCILIATION OF THE ACCRUAL BASED WITH THE BUDGET RESULT</p> <p>4 – ANNEX TO THE BUDGET IMPLEMENTATION REPORTS</p>
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1 – BUDGET OUTTURN ACCOUNT

			2011
REVENUE			
	Contributions from MS NCAs	+	9.857.457,23
	Commission subsidy received by the Authority for 2011	+	6.784.000,00
	Contributions from Observer NCAs	+	257.288,76
	Other donors	+	
	Fee income	+	
	Other revenue	+	66.167,93
	TOTAL REVENUE (a)		16.964.913,92
EXPENDITURE			
	Title I: Staff		
	Payments	-	6.127.954,46
	Appropriations carried over	-	508.656,58
	Title II: Administrative Expenses		
	Payments	-	3.407.809,71
	Appropriations carried over	-	675.478,73

	Title III: Operating Expenditure		
	Payments	-	1.066.037,76
	Appropriations carried over	-	717.083,30
	TOTAL EXPENDITURE (b)		12.503.023,54
	OUTTURN FOR THE FINANCIAL YEAR (a-b)		4.461.890,38
	Cancellation of unused payment appropriations carried over from previous year	+	0,00
	Adjustment for carry-over from the previous year of appropriations available at 31.12 arising	+	0,00
	Exchange differences for the year (gain +/-loss -)	+/-	-4.645,56
	BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		4.457.244,82
	Balance year N-1	+/-	0,00
	Positive balance from year N-1 reimbursed in year N to the Commission	-	0,00
	Result used for determining amounts in general accounting		4.457.244,82
	Commission subsidy - Authority registers accrued revenue and Commission accrued expense		2.326.755,18
	Pre-financing remaining open to be reimbursed by Authority to Commission in year N+1		4.457.244,82
	Not included in the budget outturn		
	Interests generated by 31/12/2011 on the EC subsidy and to be reimbursed to the Com ^o (liability) (amounts related to EC subsidy PF only)	+	6.372,89

2 - BUDGET IMPLEMENTATION CREDIT OF THE YEAR:

2 a BUDGET IMPLEMENTATION CREDIT OF THE YEAR – Fund Source : C1

Fund Source: C1

Title I: Staff Expenditure

BL	Description	Commitment & Payment Appropriations (1)	Commitment (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	R A L (2-3)
A-1100	Basic salaries	2.476.000,00	2.314.927,41	93,49 %	2.276.937,12	91,96 %	37.990,29
A-1101	Family allowances	220.000,00	220.000,00	100,00 %	187.190,94	85,09 %	32.809,06
A-1102	Expatriation and foreign residence allowances	292.000,00	292.000,00	100,00 %	280.272,98	95,98 %	11.727,02
A-1110	Seconded national experts	224.000,00	175.000,00	78,13 %	9.028,42	4,03 %	165.971,58
A-1111	Contract agents	169.000,00	130.000,00	76,92 %	114.972,47	68,03 %	15.027,53
A-1112	Trainees	12.000,00	6.000,00	50,00 %	4.430,53	36,92 %	1.569,47
A-1120	Salaries	1.445.000,00	1.423.868,53	98,54 %	1.367.147,86	94,61 %	56.720,67
A-1121	Contributions to French Social Security System	902.000,00	901.669,22	99,96 %	671.558,22	74,45 %	230.111,00
A-1122	Taxes/French system	0,00	0,00		0,00		
A-1130	Insurance against sickness	211.250,00	133.000,00	62,96 %	112.440,55	53,23 %	20.559,45
A-1131	Insurance against accidents and occupational disease	42.250,00	25.264,67	59,80 %	18.878,25	44,68 %	6.386,42
A-1132	Insurance against unemployment	71.500,00	40.000,00	55,94 %	29.228,56	40,88 %	10.771,44
A-1133	Contribution to the Community pension scheme	200.000,00	0,00	0,00 %	0,00	0,00 %	
A-1140	Birth and death grants	1.000,00	0,00	0,00 %	0,00	0,00 %	
A-1141	Travel expenses for annual leave	100.000,00	43.000,00	43,00 %	24.078,94	24,08 %	18.921,06
A-1142	Other allowances and repayments	624.000,00	210.000,00	33,65 %	187.836,51	30,10 %	22.163,49
A-1160	Salary weighting	495.000,00	420.000,00	84,85 %	405.186,88	81,86 %	14.813,12

A-1200	Expenditure relating to staff management and recruitment	86.000,00	80.916,98	94,09 %	68.770,18	79,97 %	12.146,80
A-1300	Administrative mission expenses	479.000,00	477.340,79	99,65 %	302.338,78	63,12 %	175.002,01
A-1400	Medical service	28.000,00	5.465,43	19,52 %	0,00	0,00 %	5.465,43
A-1410	Schools and Kindergartens	0,00	0,00		0,00		
A-1420	Canteen	50.000,00	46.834,53	93,67 %	44.657,58	89,32 %	2.176,95
A-1600	Training	72.000,00	28.300,51	39,31 %	21.501,51	29,86 %	6.799,00
A-1700	Representation expenses, receptions and events	10.000,00	2.000,00	20,00 %	1.501,18	15,01 %	498,82
Title I: Staff Expenditure		8.210.000,00	6.975.588,07	84,96%	6.127.957,46	74,64%	847.630,61

Title II: Infrastructure and Administrative Expenditure

BL	Description	Commitment & Payment Appropriations (1)	Commitment (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	R A L (2-3)
A-2000	Rental of building	1.635.000,00	1.554.205,16	95,06 %	1.554.205,16	95,06 %	0,00
A-2010	Taxes	190.000,00	189.626,64	99,80 %	189.626,64	99,80 %	0,00
A-2020	Maintenance	298.000,00	275.908,55	92,59 %	186.701,56	62,65 %	89.206,99
A-2030	Works - refurbishment	1.050.000,00	995.265,08	94,79 %	840.387,83	80,04 %	154.877,25
A-2090	Other expenditure on buildings	110.000,00	61.674,80	56,07 %	56.228,75	51,12 %	5.446,05
A-2100	Licences and software	130.000,00	108.947,41	83,81 %	105.002,41	80,77 %	3.945,00
A-2101	Maintenance contracts	80.000,00	20.300,00	25,38 %	12.800,00	16,00 %	7.500,00
A-2102	Services	227.000,00	116.182,41	51,18 %	70.992,41	31,27 %	45.190,00
A-2103	Hardware	100.000,00	92.998,36	93,00 %	59.776,47	59,78 %	33.221,89
A-2200	Movable property and associated costs	90.000,00	75.374,09	83,75 %	31.323,56	34,80 %	44.050,53
A-2300	Stationery	40.000,00	23.401,00	58,50 %	16.375,25	40,94 %	7.025,75
A-2301	Printing and photocopying	50.000,00	35.499,09	71,00 %	1.355,95	2,71 %	34.143,14
A-2302	Banking and financial charges	19.000,00	18.850,37	99,21 %	1.507,07	7,93 %	17.343,30
A-2303	Insurances	5.000,00	2.827,39	56,55 %	2.827,39	56,55 %	0,00
A-2304	Services	87.000,00	85.127,20	97,85 %	61.017,40	70,13 %	24.109,80
A-2305	Newspapers subscriptions	25.000,00	6.687,15	26,75 %	5.268,61	21,07 %	1.418,54
A-2306	Other administrative expenditure	22.000,00	18.486,76	84,03 %	11.658,14	52,99 %	6.828,62

A-2400	Postal charges	1.000,00	965,25	96,53 %	876,92	87,69 %	88,33
A-2401	Telephones	60.000,00	45.256,35	75,43 %	28.244,17	47,07 %	17.012,18
A-2402	Conference calls	30.000,00	24.024,84	80,08 %	14.600,53	48,67 %	9.424,31
A-2403	Internet	40.000,00	25.793,87	64,48 %	19.793,87	49,48 %	6.000,00
A-2404	Videoconferences	30.000,00	0,00	0,00 %	0,00	0,00 %	
A-2500	Translation and interpretation	126.000,00	126.000,00	100,00 %	31.620,00	25,10 %	94.380,00
A-2501	ESMA publications	50.000,00	32.148,55	64,30 %	29.198,55	58,40 %	2.950,00
A-2502	Library expenditure	50.000,00	1.251,04	2,50 %	631,04	1,26 %	620,00
A-2503	Studies	0,00	0,00		0,00		
A-2600	General meeting expenses	160.000,00	77.946,26	48,72 %	33.673,46	21,05 %	44.272,80
A-2610	Stakeholder groups - Consultations	108.000,00	28.000,00	25,93 %	19.640,65	18,19 %	8.359,35
A-2620	Management Board meetings	26.000,00	0,00	0,00 %	0,00	0,00 %	
A-2630	Board of Supervisors meetings	83.000,00	40.540,82	48,84 %	22.475,92	27,08 %	18.064,90
A-2640	Board of Appeal costs	30.000,00	0,00	0,00 %	0,00	0,00 %	
Title II: Infrastructure and Administrative Expenditure		4.952.000,00	4.083.288,44	82,46%	3.407.809,71	68,82%	675.478,73

Title III: Operating Expenditure

BL	Description	Commitment & Payment Appropriations (1)	Commitment (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	R A L (2-3)
B3-100	Training costs	450.000,00	89.072,66	19,79 %	19.519,27	4,34 %	69.553,39
B3-110	Operational missions of staff	50.000,00	0,00	0,00 %	0,00	0,00 %	
B3-200	Meeting costs	50.000,00	2.000,00	4,00 %	160,10	0,32 %	1.839,90
B3-210	Software development	1.000.000,00	271.757,62	27,18 %	173.391,81	17,34 %	98.365,81
B3-220	Hardware services	350.000,00	25.352,88	7,24 %	25.352,88	7,24 %	0,00
B3-230	Maintenance	250.000,00	206.140,74	82,46 %	145.629,32	58,25 %	60.511,42
B3-240	Services	1.500.000,00	1.148.797,16	76,59 %	701.984,38	46,80 %	446.812,78
B3-300	On site inspections CRA	50.000,00	0,00	0,00 %	0,00	0,00 %	
B3-310	Operational mission expenses CRA	100.000,00	40.000,00	40,00 %	0,00	0,00 %	40.000,00
Title III: Operating Expenditure		3.800.000,00	1.783.121,06	46,92%	1.066.037,76	28,05%	717.083,30
C1	TOTAL FUND SOURCE C1	16.962.000,00	12.841.997,57	75,71 %	10.601.804,93	62,50 %	2.240.192,64

3 – RECONCILIATION OF THE ACCRUAL BASED RESULT WITH THE BUDGET RESULT

	+/-	amount
Economic result (- for loss) of the consolidation reporting package including table M2	+/-	2.122.190,73
<i>Ajustment for accrual items (items not in the budgetary result but included in the economic result)</i>		
A Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-	0,00
B Adjustments for Accrual Cut-off (cut- off 31.12.N)	+	1.160.920,82
C Amount from liaison account with Commission booked in the Economic Outturn Account	-	0,00
D Unpaid invoices at year end but booked in charges (class 6)	+	873.209,62
E Depreciation of intangible and tangible fixed assets (1)	+	219.958,62
F Provisions (1)	+	318.379,81
G Value reductions (1)	+	0,00
H Recovery Orders issued in 2009 in class 7 and not yet cashed	-	-447.067,72
Ia Prefinancing given in previous year and cleared in the year	+	0,00
Ib Prefinancing received in previous year and cleared in the year	-	0,00
J Payments made from carry over of payment appropriations	+	0,00
K Other (adjustment for income from fixed assets at no cost)	+/-	-363.303,00
L Exchange rate differences (2) (3)	+/-	-4.645,56

<i>Ajustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
M	Asset acquisitions (less unpaid amounts)	- 2.027.582,35
N	New pre-financing paid in the year 2011 and remaining open as at 31.12.2011	- 0,00
O	New pre-financing received in the year 2011 and remaining open as at 31.12.2011	+ 4.457.244,82
P	Budgetary recovery orders issued before 2011 and cashed in the year	+ 0,00
Q	Budgetary recovery orders issued in 2011 on balance sheet accounts (not 7 or 6 accounts) and cashed	+ 0,00
R	Capital payments on financial leasing (they are budgetary payments but not in the economic result)	- 0,00
S	Payment appropriations carried over to 2011	- 1.901.218,61
T	Cancellation of unused carried over payment appropriations from previous year	+ 0,00
U	Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+ 0,00
V	Payments for pensions (they are budgetary payments but booked against provisions)	- 0,00
W	Paiements for stocks of leave and supplementary hours (they are budgetary payments but booked against provisions)	- 0,00
X	Other	+/- 55.898,41
total		4.463.985,59
Budgetary result (+ for surplus) (4)		4.457.244,82
Delta		-6.740,77

4 – ANNEX TO THE BUDGET IMPLEMENTATION REPORT

4.1 Budgetary principles (summary)

The establishment and implementation of the Authority's budget shall comply with the principles of unity and budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as provided for in the Authority Financial Regulation.

4.1.1 Principle of unity and budget accuracy

The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the Authority's activities.

No revenue shall be collected and no expenditure effected unless booked to a line in the 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.

4.1.2 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, inclusive.

Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December.

Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the accounting officer by 31 December of that year at the latest.

4.1.3 Principle of equilibrium

The Authority's budget revenue and payment appropriations must be in balance.

Commitment appropriations may not exceed the amount of the voted budget, plus own revenue and any other revenue. The Authority may not raise loans.

4.1.4 Principle of unit of account

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

4.1.5 Principle of universality

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

4.1.6 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.

The Executive Director may authorise transfers from one article to another within each chapter.

4.1.7 Principle of sound financial management

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

The principle of economy requires that the resources used by the Authority for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency is concerned with the best relationship between resources employed and results achieved.

The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

4.1.8 Principle of transparency

The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency. The budget, as finally adopted, shall be published in the Official Journal of the European Communities and amending budgets shall be published in an appropriate way within two months of their adoption.

4.2 Types of appropriations

The Authority makes use of non-differentiated appropriations for both its administrative (title I & II) and operational expenditure (title III).

4.3 Description of the budget accounts

Following the provisions of the Financial Rules and Implementing Rules of the Authority, budget accounts shall provide a detailed record of budget implementation and shall record all budget revenue and expenditure operations (voted appropriations, commitments and payments of the financial year, entitlements established, etc).

The content of the budget accounts – also called budget lines - is adopted annually by the Board of Supervisors, taking into account the general budgetary nomenclature and the Authority Implementing Rules on the structure and presentation of the statement of expenditure.

Title I budget lines are related to staff expenditure: salaries and allowances of the staff members working for the Authority and all other entitlements such as removal expenditures, installation costs. Title I includes also recruitment costs incurred by the Authority. Interim, training, staff perquisites and administrative mission costs are incorporated also under Title I.

Title II budget lines relate to all buildings, equipment and miscellaneous operating administrative expenditure.

Title III budget lines provide the implementation of all the activities carried out in the frame of the missions and tasks assigned to the Authority by its establishing Regulation. The accounts under this title are grouped per operational activity group and sub-divided into the main activities performed in each area such as organisation of meetings, trainings, coordination missions, supervisory activities etc.

PART III

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BUDGETARY AND FINANCIAL MANAGEMENT REPORT

1 – FINANCIAL SYSTEMS AND MANAGEMENT

2 - BUDGET EXECUTION 2011

1 - Legal framework – Financial Regulation

The presentation of this report on budgetary and financial management has been prepared in accordance with article 31 and 81 of the Financial Regulation of ESMA.

2 - Financial Systems and Management

The budget accounts are managed by the ABAC system and the general accounts are maintained by the SAP system, which has a direct interface with the General Accounting System of the European Commission. The various budgetary and financial reports are produced using the Business Objects reporting tool.

During a transitional period at the beginning of 2011 a system based on spreadsheets was used and in April converted in the final ABAC/SAP system of the Commission.

For the first months in 2011 Mr Olivier SALLES was appointed as interim Executive Director and Authorizing Officer of ESMA until Mrs Verena ROSS was appointed as Executive Director and Authorizing Officer and took up duties at the end of May 2011.

3 - Transition from CESR to ESMA

ESMA was created on 1 January 2011. ESMA was the legal successor of CESR, the Committee of European Securities Regulators - a French association. The political decision to transform CESR into ESMA on January 2011 was taken in September 2010, which allowed four months to set up the Authority whereas the usual time for such task is estimated at two years.

The first quarter of the year was dedicated to the transfer of assets from CESR to ESMA and the implementation of, as well as training on, EU rules in terms of financial circuits, recruitments and procurements. The change from the French legislation to the EU legislation was very demanding in terms of resources. ABAC, the accounting system of ESMA, was installed in April 2011; this required implementing a transitional spreadsheet-based accounting system for the first quarter of the year and run a second transfer of accounts a few months' later.

The second quarter was marked by the move of ESMA into its new premises, following the signature (in December 2010) of a new lease contract and works executed from March to June 2011 in the new premises.

It was only in the third and fourth quarters, following a revision of ESMA's organogram and recruitment and arrival of new managers (including a new Chair's arrival in April 2011 and a new

Executive Director's arrival in June 2011), that the operations started to build up to full speed. This, together with the limited preparation time setting up the operations of ESMA, explains the under-spend of the budget in 2011.

4 – Budget Execution ESMA 2011

The ESMA budget was adopted by ESMA's Management Board at their first formal meeting on 11 January 2011. €6,784,800 was set as contribution to ESMA from the total subsidy of the European Union and €10,177,200 was set as contributions from the National Competent Authorities of the Member States of the EU and observers to ESMA's Board of Supervisors. No amendments were proposed for ESMA's 2011 budget. All budget transfers were within the same title apart from €250,000 net transfer that were moved from title I to title II to help to cover the costs of the renovation of the new premises.

By the end of the year ESMA had committed 75,7 % of the total budget and had paid out 62.5 % of the total available payment appropriations. ESMA is still in its initial growth period; therefore, the budget for salaries was higher than needed as not all staff could be recruited at the beginning of the year. Having a smaller staff than originally budgeted for had a corresponding effect on title II execution.

€1.9m of commitments were carried forward, of this approximately €250,000 may need to be decommitted later. The commitments where it was particularly difficult to judge expenditure were related to taxes due to the French authorities, travel agent fees and training for supervisors not run by ESMA directly. Approximately €1m of commitments on title III were carried forward to cover IT projects that were part of the 2011 work programme but, due to delays in the legislative process for these regulations, had their start dates delayed.

Learning lessons from the expenditure pattern in 2011, the 2012 budget has been reprofiled and for the 2013 budget, for both titles I and II, we have taken account of the fact that, during a growth period, not all posts on the establishment plan will be filled at the beginning of the year.

	VOTED BUDGET 2011	COMMITMENTS		PAYMENTS	
TITLE	BUDGET 2011	Consumed (Euro)	% exec¹	Consumed (Euro)	% exec²
TITLE I	8.210.000,00	6.975.588,07	84,96%	5683.188,23	76,01%
TITLE II	4.952.000,00	4.083.288,44	82,46%	3.407.809,71	68,82%
TITLE III	3.800.000,00	1.783.121,06	46,92%	1.066.037,76	28,05%
Common Supervisory Culture	500.000,00	89.072,66	17,81 %	19.519,27	3,90 %
Central European database	3.150.000,00	1.654.048,40	52,51 %	1.046.518,49	33,22 %
On site inspections CRA	150.000,00	40.000,00	26,67 %	0,00	0,00 %
TOTAL	16.962.000,00	12.841.997,57	75,71 %	10.601.804,93	62,50 %

¹ = Consumed in commitments / voted budget

² = Paid/ payment appropriations after transfers

The total automatic and non automatic carry over amounts are presented below:

	Automatic Carry Forward 2011-2012 to C8		Non automatic Carry over
	Commitments RAL	Payment Credit	Payment appropriations
TITLE I - Staff Expenditure	508.656,58	508.656,58	
TITLE II - Administrative Expenditure	675.478,73	675.478,73	
TITLE III - Operational Expenditure	717.083,30	717.083,30	
TOTAL	1.901.218,61	1.901.218,61	n/a

Additional details on activities of the ESMA and its performance during year 2011 can be found in the Annual Report 2011 of ESMA.

ANNEX I: BUDGET EXECUTION 2011

B.L.	Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)
C1	TITLE I: STAFF EXPENDITURE					
11	Staff in active employment	7.485.000,00	6.334.729,83	84,63 %	5.683.188,23	76,01 %
12	Expenditure related to recruitment	86.000,00	80.916,98	94,09 %	68.770,18	79,97 %
13	Administrative Missions and duty travel	479.000,00	477.340,79	99,65 %	302.338,78	63,12 %
14	Socio Medical Infrastructure	78.000,00	52.299,96	67,05 %	44.657,58	57,25 %
17	Representation costs	72.000,00	28.300,51	39,31 %	21.501,51	29,86 %
17	Representation costs	10.000,00	2.000,00	20,00 %	1.501,18	15,01 %
C1	TOTAL TITLE I	8.210.000,00	6.975.588,07	84,96 %	6.127.957,46	74,64 %

B.L.	Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)
C1	TITLE II: ADMINISTRATIVE EXPENDITURE					
20	Rental of building and associated costs	3.283.000,00	3.076.680,23	93,72 %	2.827.149,94	86,11 %
21	Information and communication technology	537.000,00	338.428,18	63,02 %	248.571,29	46,29 %
22	Movable property and associated costs	90.000,00	75.374,09	83,75 %	31.323,56	34,80 %
23	Current administrative expenditure	248.000,00	190.878,96	76,97 %	100.009,81	40,33 %
24	Postage and telecommunications	161.000,00	96.040,31	59,65 %	63.515,49	39,45 %
25	Information and publishing	226.000,00	159.399,59	70,53 %	61.449,59	27,19 %

26	Meeting expenses	407.000,00	146.487,08	35,99 %	75.790,03	18,62 %
C1	TOTAL TITLE II	4.952.000,00	4.083.288,44	82,46%	3.407.809,71	68,82%

B.L.	Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)
C1	TILE III: OPERATIONAL EXPENDITURE					
31	Common Supervisory Culture: training for national supervisors and staff exchanges and secondments	500.000,00	89.072,66	17,81 %	19.519,27	3,90 %
32	Collection of information: developing and maintenance of a central European database	3.150.000,00	1.654.048,40	52,51 %	1.046.518,49	33,22 %
33	On site inspections CRA	150.000,00	40.000,00	26,67 %	0,00	0,00 %
C1	TOTAL TITLE III	3.800.000,00	1.783.121,06	46,92%	1.066.037,76	28,05%

TOTAL FIGURES BUDGET EXECUTION 2011 (In €)

Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)
TOTAL BUDGET 2011	16.962.000,00	12.841.997,57	75,71 %	10.601.804,93	62,50 %

ANNEX II: Automatic Carry Forward 2011-2012 – C8 credit

The commitment and payment credits carried forward in the change of the year 2011-2012 are detailed in the following table:

		Automatic Carry Forward 2011-2012	
CHAPTER/ TITLE	DESCRIPTION	Commitments RAL	Payment Credit
11	Staff in active employment	307.391,12	307.391,12
12	Expenditure related to recruitment	12.146,80	12.146,80
13	Administrative missions and duty travel	174.301,49	174.301,49
14	Socio-medical infrastructure, training	7.519,35	7.519,35
16	Training	6.799,00	6.799,00
17	Reception and representation expenses	498,82	498,82
TITLE I	STAFF EXPENDITURE	508.656,58	508.656,58
20	Rental of building and associated costs	249.530,29	249.530,29
21	Data processing expenditure and associated costs	44.050,53	44.050,53
22	Movable property and associated costs	89.856,89	89.856,89
23	Current administrative expenditure	90.869,15	90.869,15
24	Postal charges and telecommunications	32.524,82	32.524,82
25	Information and publishing	97.950,00	97.950,00
26	Meeting expenses	70.697,05	70.697,05
TITLE II	ADMINISTRATIVE EXPENDITURE	675.478,73	675.478,73
31	Common Supervisory Culture: training for national supervisors and staff exchanges and secondments	69.553,39	69.553,39
32	Collection of information: developing and maintenance of a central European database	607.529,91	607.529,91
33	On site inspections CRA	40.000,00	40.000,00
TITLE III	OPERATIONAL EXPENDITURE	717.083,30	717.083,30
TOTAL		1.901.218,61	1.901.218,61

ANNEX III: Budget Transfers

BUDGET TRANSFERS 2011 (BALANCE PER BUDGET LINE)

BL	BUDGET CHAPTER / LINE	BUDGET 2011 (€)	Transferred (€)	Amount after Transfer (€)
TITLE I - STAFF EXPENDITURE				

	11. Staff in active employment	7.423.000	62.000	7.485.000
1100	Basic salaries	3.086.000	-610.000	2.476.000
1101	Family allowances	500.000	-280.000	220.000
1102	Expatriation and foreign residence allowances	700.000	-408.000	292.000
1110	Seconded national experts	696.000	-472.000	224.000
1111	Contract agents	290.000	-121.000	169.000
1112	Trainees	-	12.000	12.000
1120	Salaries	600.000	845.000	1.445.000
1121	Contributions to French Social Security System	200.000	702.000	902.000
1122	Taxes / French system	400.000	-400.000	-
1130	Insurance against sickness	211.250	0	211.250
1131	Insurance against accidents and occupational disease	42.250	0	42.250
1132	Insurance against unemployment	71.500	0	71.500
1133	Contribution to the Community pension scheme	-	200.000	200.000
1140	Birth and death grants	1.000	0	1.000
1141	Travel expenses for annual leave	100.000	0	100.000
1142	Other allowances and repayments	30.000	594.000	624.000
1160	Salary weighting	495.000	0	495.000
	12. Expenditure relating to staff management and recruitment	86.000	0	86.000
1200	Expenditure relating to staff management and recruitment	86.000	0	86.000
	13. Mission expenses, travel and incidental expenses	829.000	-350.000	479.000
1300	Administrative mission expenses	829.000	-350.000	479.000
	14. Socio-medical infrastructure	40.000	38.000	78.000
1400	Medical service	28.000	0	28.000
1410	Schools and kindergartens	-	0	-
1420	Canteen	12.000	38.000	50.000
	16. Training	72.000	0	72.000
1600	Training	72.000	0	72.000
	17. Representation expenses, receptions and events	10.000	0	10.000
1700	Representation expenses, receptions and events	10.000	0	10.000
	TOTAL TITLE 1	8.460.000	-250.000	8.210.000

BL	BUDGET CHAPTER / LINE	BUDGET 2011 (€)	Transferred (€)	Amount after Transfer (€)
TITLE II - INFRASTRUCTURE AND ADMINISTRATIVE EXPENDITURE				
	20. Rental of building and associated costs	2.800.000	483.000	3.283.000
2000	Rental of building	1.590.000	45.000	1.635.000
2010	Taxes	140.000	50.000	190.000
2020	Maintenance	240.000	58.000	298.000
2030	Works - refurbishment	800.000	250.000	1.050.000
2090	Other expenditure on buildings	30.000	80.000	110.000
	21. Information and communication technology	567.000	-30.000	537.000
2100	Licences and software	100.000	30.000	130.000
2101	Maintenance contracts	80.000	0	80.000
2102	Services	337.000	-110.000	227.000
2103	Hardware	50.000	50.000	100.000
	22. Movable property and associated costs	90.000	0	90.000
2200	Movable property and associated costs	90.000	0	90.000
	23. Current administrative expenditure	222.000	26.000	248.000
2300	Stationery	40.000	0	40.000
2301	Printing and photocopying	50.000	0	50.000
2302	Banking and financial charges	5.000	14.000	19.000
2303	Insurances	5.000	0	5.000
2304	Services	50.000	37.000	87.000
2305	Newspapers subscriptions	50.000	-25.000	25.000
2306	Other administrative expenditure	22.000	0	22.000
	24. Postage and telecommunications	166.000	-5.000	161.000
2400	Postal charges	6.000	-5.000	1.000
2401	Telephones	60.000	0	60.000
2402	Conference calls	30.000	0	30.000
2403	Internet	40.000	0	40.000
2404	Videoconferences	30.000	0	30.000
	25. Information and publishing	450.000	-224.000	226.000
2500	Translation and interpretation	250.000	-124.000	126.000
2501	ESMA publications	50.000	0	50.000
2502	Library expenditure	50.000	0	50.000
2503	Studies	100.000	-100.000	-
	26. Meeting expenses	407.000	0	407.000
260	<i>General meeting expenses</i>		0	
2600	General meeting expenses	160.000	0	160.000
2610	Stakeholder groups - Consultations	108.000	0	108.000
2620	Management Board meetings	26.000	0	26.000
2630	Board of Supervisors meetings	83.000	0	83.000
2640	Board of Appeal costs	30.000	0	30.000
	TOTAL TITLE II	4.702.000	250.000	4.952.000

BL	BUDGET CHAPTER / LINE	BUDGET 2011 (€)	Transferred (€)	Amount after Transfer (€)
TITLE III - OPERATING EXPENDITURE				
	31. Common Supervisory Culture: training for national supervisors and staff exchanges and secondments	500.000	0	500.000
3100	Training costs	450.000	0	450.000
3110	Operational missions of staff	50.000	0	50.000
	32. Collection of information; developing and maintenance of a central European database	3.150.000	0	3.150.000
3200	Meeting costs	50.000	0	50.000
3210	Software development	1.000.000	0	1.000.000
3220	Hardware services	350.000	0	350.000
3230	Maintenance	250.000	0	250.000
3240	Services	1.500.000	0	1.500.000
	33. On site inspections CRA	150.000	0	150.000
3300	On site inspections CRA	50.000	0	50.000
3310	Operational mission expenses CRA	100.000	0	100.000
	TOTAL TITLE III	3.800.000	0	3.800.000
	TOTAL BUDGET 2011	16.962.000	0	16.962.000

ANNEX IV: Establishment Plan

ESTABLISHMENT PLAN OF THE EUROPEAN SECURITIES AND MARKETS AUTHORITY						
POSITIONS/ CATEGORY AND GRADE	2010 FILLED AS AT 31.12.2010		2011 FINAL BUDGET		2011 FILLED AS AT 31.12.2011	
	Permanen t	Temporar y	Permanen t	Temporar y	Permanent	Temporary
AD16						
AD15				1		1
AD14				1		1
AD13						
AD12				3		2
AD11				4		1
AD10				4		2
AD9				3		1
AD8				7		11
AD7				9		11
AD6				9		4
AD5				8		7
Total AD				49		41
AST11				1		
AST10				1		
AST9				2		
AST8						1
AST7				1		
AST6						
AST5						2
AST4						1
AST3				2		2
AST2				1		
AST1				1		3
Total AST				9		9
Total AD + AST				58		50
GRAND TOTAL	N/A		58		50	

In addition to the above mentioned personnel ESMA had 3 staff members employed under French contracts taken over from the preceding organisation, 5 contractual agents, 2 SNEs (seconded national experts) and 2 trainees.
