

CONSOLIDATED ANNUAL ACTIVITY REPORT 2018

Administrative Council analysis and assessment.....	3
1. Executive Summary - Achievements of the year	4
1.1. Introduction.....	4
1.2. Achievement of CPVO Work Programme Objectives	5
2. Management Report	13
2.1. Administrative Council	13
2.2. Major Events.....	16
2.3. Budgetary and Financial Management.....	22
2.4. Human Resources	25
2.5. Assessment by Management	26
2.6. Budget Implementation tasks entrusted to other services and entities	26
2.7. Assessment of audit results during the year.....	26
2.8. Follow-up of audits and recommendations.....	27
2.9. External Evaluations	29
3. Assessment of the effectiveness of internal control systems	30
3.1. Risk Management.....	30
3.2. Compliance and effectiveness of internal control systems	30
4. Management Assurance	31
5. Declaration of assurance	31
Annex I. 2018 Core Business Statistics	32
Annex II. Provisional accounts	35
Annex III. Social Report of the CPVO 2018	70
Annex IV. Report of the Court of Auditors	81
Annex V. Declaration of Assurance.....	86
Annex VI. Mission Summary.....	90
Annex VII. Board of Appeal Statistics.....	91



Administrative Council analysis and assessment

The President of the Community Plant Variety Office presented the Annual Activity Report for the year 2018 to the Administrative Council (AC) at its meeting in Angers on 19 March 2019.

It was noted that CPVO applications remained strong in 2018, with 3554 applications in total. The processing of 65 067 applications since 1995 underlining the stability and sustainability of the system.

The number of applications continues to be at a very high level and the finances of the CPVO are robust. This shows that the creation of a self-financed agency to implement a well-defined EU policy area is a winning concept.

In 2018, the CPVO successfully increased its free reserve from a record low level in 2017 after having had a negative outturn for some years for the purpose of reducing the reserve. The CPVO appears on course to attain its long term goal of maintaining stable application and annual fees, whilst the fees for technical examinations must be adjusted to the costs of performing the DUS tests. This development further underlines the CPVO's commitment to providing plant variety rights at as low a cost as possible.

In 2018 the CPVO participated in a call SFS-29-2018 "Innovations in plant variety testing" which is part of the Horizon 2020 program and fits in the Societal Challenge 2 on 'Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bioeconomy'. The bid was successful and the consortium formed by the CPVO with others will be granted around 8 million euros. The project will be implemented during a period of five years.

The CPVO has also supported OAPI in a successful request for funds from the EU Commission to implement its Roadmap on Plant Variety Rights. In 2018 the CPVO participated in the successful implementation of IPKey projects in China, South-East Asia and Latin America in close cooperation with EUIPO and UPOV.

The indicators, provided in this report, show that the objectives set in the 2018 Work Programme were satisfactorily achieved.

The AC takes note of the Management Report, and especially the part related to Budget and Financial Management. It also takes note of the Assessment by the Management and the Declaration of Assurance.

The AC is satisfied with the declaration of the authorising officer that his report gives a true reflection of the situation on the ground and that he has reasonable assurance that the resources assigned to the activities described in his report have been used for their intended purpose. The AC also accepts that such activities were carried out in accordance with the principles of sound financial management. The AC is satisfied that the control procedures in place, provide an adequate guarantee as to the legality and regularity of the affairs of the CPVO.

The AC is satisfied that the President of the CPVO is unaware of any matter not reported which could harm the interests of the CPVO.

Chair of the CPVO Administrative Council



1. Executive Summary - Achievements of the year

1.1. Introduction

In 2018 the CPVO received 3554 applications, the second highest number of applications received in the history of the Office (3626 in 2014) and an increase of 4 % compared to 2017. The number of applications for agricultural varieties increased while the number of applications for ornamentals decreased. Furthermore, the number of grants was slightly below last year (2757), and the number of titles in force reached 26,896 by the end of 2018. The number of surrenders decreased in 2018 to a level very similar to 2015 and 2016 following the peak of 2017.

The net outturn for 2018 was EUR 1,3 million which is comparable to the outturn in 2017. The free reserve increased from almost zero to EUR 1,4 million. The Office will continue with a prudent approach to discretionary spending in future, as the high level of commitments for technical examinations made in 2018 is likely to contribute to the Free Reserve remaining low before a revision of the fees in 2020.

In October 2017, the CPVO Administrative Council adopted the Strategic Plan for 2017-2021 in which it is established that the CPVO mission is to deliver and promote an efficient Intellectual Property Rights system that supports the creation of new plant varieties for the benefit of Society. Strategic goals and objectives are identified in the Strategic Plan. The work program for 2019 and the single programming document 2020-2022 set out the more detailed objectives and the key performance indicators for the period.

Technical examinations of new varieties is one of the key elements of the EU plant variety right system. Investments need to be made to ensure that new technologies are developed to meet this challenge. IT tools and databases will continue to be key to manage this increase in data. To develop new technologies and IT tools is expensive. For this reason, the CPVO joined in 2017 a consortium, which is named INVITE, to make a bid to acquire funds from EU H2020 with the aim to improve plant variety testing in the EU. In December 2018 the Commission decided to award 8 million euros to INVITE for a period of five years. This will have an impact on the technical work of the CPVO in the years to come.

In 2018 some important IT projects were implemented. The CPVO online application system was updated. In addition, the online system was adapted in order to make it compatible with the UPOV PRISMA application system.

The United Kingdom has decided to withdraw from the EU. This means that, unless a ratified withdrawal agreement establishes another date, EU law will cease to apply in the UK from 30 March 2019. Together with DG SANTE the CPVO has analysed the effects of Brexit and information on the consequences has been published on the CPVO and Commission websites.

The co-operation with the European Patent Office (EPO) and the European Union Intellectual Property Office (EUIPO) continued in 2018. The Administrative Arrangement with EPO was prolonged for a period of 3 years starting February 2019 when the present one expires. The CPVO has entered into an agreement with EUIPO under which the two Agencies share the function of Data Protection Officer. The CPVO already share the Internal Audit service with EUIPO and these arrangements are put into place with the aim to reduce the allocation of human resources for administrative tasks.

In 2018 the CPVO participated in the implementation of IPKey projects funded by DG Trade and EUIPO. Activities in China, South-East Asia and Latin America¹ were organised and the co-operation between EUIPO, UPOV, CPVO and EU Examination Offices was very successful. These projects face the challenge of improving the protection and enforcement of IPRs in the above regions, while raising public awareness of the economic and other impacts of IPR-infringing goods and their detriment to innovation and also on health and safety, and safeguarding the common interest of promoting a sustainable and healthy development of trade relationships. The CPVO has also supported OAPI in a successful request for funds from the EU Commission to implement its Roadmap on Plant Variety Rights. The Commission will sign an

¹ <https://ipkey.eu/en>

agreement with OAPI in 2019 and the activities will then be implemented during a period of two years. Other partners to this project is GNIS, GEVES, Naktuinbouw and UPOV.

A procedure to recruit a communication officer in line with the recommendations of an external evaluation was initiated by the end of 2018. The selection procedure has been finalized and it is envisaged that the person will start at the CPVO in the second quarter of 2019.

The details of the projects described above and other activities are elaborated in this report which should give an overview of the activities carried out in 2018. The report demonstrates that almost all objectives set out were achieved.

1.2. Achievement of CPVO Work Programme Objectives

The CPVO Work programme for 2018 outlined a number of objectives and indicators for each major activity defined for the year. What follows is an analysis of the state of play for the achievement of each of these objectives.

1.2.1. Managing the Community Plant Variety Rights (CPVR) System

Managing the CPVO system entails amongst others, work as regards processing applications, managing appeals to any decisions taken, and providing access to documents to the public when requested. Below are the detailed results for each of these activities in 2018.

Figure 1 Achievement of objectives – Processing of applications:

Objectives 2018: <ul style="list-style-type: none"> • Rapid processing of applications • High level of online application processing • Paperless Processing 		
Key Indicators	2018 Target	Result 2018
Number of applications received in relation to the number of staff indicated in the establishment plan	3200/45	3554/45
Operational indicators		
Ratio of applications in relation to the number of staff indicated in the establishment plan	70	79
% of acknowledgements of receipt of an application within 5 working days	≥ 95%	96%
% of online applications	≥ 95%	94%
Average number of processing days between receipt of final report and grant	< 106 for technical examinations < 112 for take-overs	102 for technical examinations, 46 for take-overs

Values refer to working days, target was defined as the 10 year average; the week days would also include the weekends and give a better reflection of the delay noted by clients.

The Board of Appeal took two decisions in 2018. All appeals have been dismissed as unfounded. Against decisions of the Board of Appeal in 2018, one further action was lodged with the General Court. One new judgment has been rendered by the General Court. One new Order has been rendered by the Court of Justice of the EU in 2018. All actions have been dismissed (See Board of Appeal statistics in Annex VII)

Figure 2 Achievement of objectives – Appeals

Objectives 2018: <ul style="list-style-type: none"> Present clearly and convincingly the position of the CPVO before the Board of Appeal, the Court of Justice of the European Union and ensure the deadlines are met. 		
Key Indicators	2018 Target	Result 2018
% of legal decisions maintained	100%	100%
Operational indicators		
% of appeals won by the CPVO in all instances	≥90%	100%
Before the Board of Appeal		2 of 2 won
Before the General Court		1 of 1 won
Before the Court of Justice of the EU		1 of 1 won
% of deadlines met	100%	100%

In 2018 the Office has received 120 requests for public access to documents and 2 confirmatory requests.

Figure 3 Achievement of objectives – Public access to documents

Objectives 2018: <p>Ensure the deadlines for response to initial applications and confirmatory requests are duly respected. Ensure that the provisions of Regulation 1049/2001, and in particular Article 4 thereof, are fully complied with. Make available to the public the largest number of documents on the website of the CPVO.</p>		
Operational Indicator	2018 Target	Result 2018
% of public access requests dealt within the deadlines	100%	100%

1.2.2. Quality Audit System

Figure 4 Achievement of objectives – Quality Audit System

Objective 2018: <ul style="list-style-type: none"> Carry out the foreseen number of audit visits, while applying the risk based audit strategy Ensure availability of technical experts 		
Key Indicators	2018 Target	Result 2018
Number of surveillance procedures initiated	Zero procedure	Zero procedure
Number of Audit Advisory Board consultations/objections	None	None
Operational Indicators		

Number of unsolved issues in the cooperation reports	None	1
Number of Technical experts for next assessment	At least 25 experts appointed for 2019-21 and trained	36 experts approved by AC in September 2018

1.2.3. Development of the system

Figure 5 Achievement of objectives – Technical developments

Objective 2018: <ul style="list-style-type: none"> • Organisation of the annual EO meeting • Organisation of one crop sector expert meeting per crop sector • Elaboration of new and/or revised Technical Protocols 		
Key Indicators	2018 Target	Result 2018
Number of new and revised Technical Protocols	10	13
Operational Indicators		
% of satisfaction of examination offices present to meetings	≥85%	99%
% of examination offices present	100%	82%
% of late reports	<5%	6%

Figure 6 Achievement of objectives - Regulatory developments

Objective 2018: Complete the revision of the Guidelines with explanatory notes on variety denominations		
Indicators	2018 Target	Result 2018
Revision of the Guidelines with Explanatory Notes	Adoption in 2018	100%

1.2.4. Research and Development Projects

Figure 7 Achievement of objectives – Research and Development Projects

Objectives 2018: <ul style="list-style-type: none"> • Continue the monitoring and the potential implementation of the results of the following projects: "Construction of a European potato database as centralized collection of varieties of common knowledge" • "Harmonization of resistance tests to diseases for DUS testing – 3" • "Ring tests for strawberry" (this list might increase depending on the candidatures received and approved) • Continue the follow up of the following finalised projects: "Test of the potential use of SNP markers in oilseed rape varieties" • Organize meetings of the ad hoc WG IMODDUS 	
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Strategic Indicator	2018 Target	Result 2018
% of R&D projects that lead to implementation	50%	100%
Operational Indicators		
% of projects delivered on time	100%	100%
% of R&D budget consumption	Close to 100%	39%

1.2.5. Information Technology

During 2018, the IT recruited a new contract agent and was at full capacity. The key objectives for the year in terms of implementation of the planning have been achieved. Some major projects in the pipeline, such as the enhancements to the client portal MyPVR.

Figure 8 Achievement of objectives – Information Technology

Objective 2018: <ul style="list-style-type: none"> Integration of support tools with inter-institutional solutions Electronic communications with clients from Application to Title and for post decision legal interaction Cloud based backup infrastructure 		
Key Indicator	2018 Target	Result 2018
% of implementation of the annual IT master plan	100%	Upgrade of Online Application system June, Links with UPOV PRISMA September

1.2.6. Promotion of the system

In 2018 the CPVO has continued its activities to strengthen its international cooperation with various international partners on technical and administrative level. In particular it has participated to the implementation of the IP Key projects in China, Latin America and South-East Asia.

Figure 9 Achievement of objectives – Promotion of the system

Objective 2018: <ul style="list-style-type: none"> Reinforce and maintain a strong Intellectual Property Network, in the EU and internationally Implement the adopted strategy on cooperation with third countries on PVR matters Develop new cooperation by seizing opportunities with new partners 		
Key Indicators	2018 Target	Result 2018
Number of participation to meetings and trainings / collaboration with other strong IP actors (UPOV, EPO, EUIPO...)	12	20

Number of projects with IP actors in third countries, especially in Asia and Africa	4	7
Number of Open Office days, public seminars, contribution to events with the "Maison de l'Europe", etc...	6	6
Operational Indicators		
Number of meetings with OAPI during the year contributing to the implementation of the OAPI roadmap	2	1 meeting 1 telephone conference
Number of collaboration over projects that are funded by the EU	1	4
Number of lectures hold in collaboration with universities (ex. participation in specialized Master programs, conferences, etc.)	6	11
Number of projects elaborated in partnership with universities (symposium, research project, PhD, etc.)	2	3
Number of visits to key stakeholders (Breeders, breeders' organisations, entrusted EOs, CPVO AC members, EU institutions, Farmers and plant producers, National authorities outside EU, International organisations,...)	12	37
Number of visits from key stakeholders (Breeders, breeders' organisations, entrusted EOs, CPVO AC members, EU institutions, Farmers and plant producers, National authorities outside EU, International organisations,...)	8	10
Reputation barometer regarding stakeholders satisfaction and expectations	75%	N/A this year

1.2.7. Enforcement and interface PVR/Patents

In 2018 the CPVO has continued its cooperation with the Observatory on the infringement of Intellectual Property Rights. The CPVO has contributed to the up-date of the Observatory national case-law database. The CPVO has also continued the update of its own case-law database.

As regards the interface between patents and PVRs on 25 October 2018 the CPVO signed the renewal of the Administrative Arrangement with the EPO for a further period of three years. The CPVO-EPO working group set up to investigate the making available to patent examiners of technical questionnaires and variety descriptions in a searchable format for the purpose of prior art's searches, has completed its objectives during 2018. On 24 August 2018 an agreement has been signed to implement the exchange of data that has been implemented.

Figure 10 Achievement of objectives – Enforcement and interface PVR/Patents



Objectives 2018: <ul style="list-style-type: none"> • Support breeders with actions related to the enforcement of CPVRs in cooperation with the Observatory and other Institutions active in the field of enforcement of Intellectual Property Rights. • Continue cooperating with the EPO 		
Key Indicator	2018 Target	Result 2018
Total number of initiatives carried out	At least 5	5
Operational indicators		
% of participation to the meeting with the observatory, WG Enforcement	100%	100%
Number of seminars / presentations of issues on enforcement	3	2
Number of participation to meetings with the EPO during the year	3	3

1.2.8. Horizontal activities

The year 2018 was one of extremely high workload in the CPVO for horizontal support activities. This ranged from a record number of recruitments, to very high levels of receipts and payments managed in the accounting sector.

The CPVO is committed to keeping a low level of Free Reserve and to do so requires adjustments to the budget in the medium term, through setting fees at an appropriate level. This year saw the return to a positive budget outturn, as forecast, in order to stabilise the free reserve, which is now at an historical low.

Figure 11 Achievement of objectives – Budget

Objectives 2018: <ul style="list-style-type: none"> • Balanced budget • Stable Free Reserve 		
Key Indicators	2018 Target	Result 2018
Ratio of invoices received, processed and paid per staff member (accounts payable)	(6 100/45=) 135	(5917/44) = 134
Ratio of debit and credit notes issued, processed, sent and recognized in the accounts receivable per staff indicated in the establishment plan	(37 000/45=) 822	(41 902/45) = 931
Operational Indicators		
Number of budget revisions and/or transfers	2 or less	1 budget revision and 3 transfers
% of cancellations of carry forward commitments	≤15% of total carry forward commitments	23% cancellation due mainly to unclaimed mission expenses
Level of free reserve vs. total budget for payment appropriations	50%	8%

Figure 12 Achievement of objectives – Accounting and treasury operations

Objectives	Results (indicators)
90% payments under 30 days	79.5% invoices paid in less than 30 days. Average payment delay 19.3 days. This was done while there were 256 (31%) additional invoices as compared to the previous year.
No comments from the Court of Auditors related to final accounts	Achieved.
Client satisfaction	No negative feedback.

Figure 13 Achievement of objectives - human resources

Objectives 2018: <ul style="list-style-type: none"> Recruit, train, assess, (motivate and retain) high quality staff so that effective and efficient operation of the CPVO is ensured. Assist the Management in the implementation of the traineeship programme. Give an expertise in the domain of HR to the Management and the Staff. Draft and implement clear rules for all HR aspects. Prepare salaries on due time. Processing missions reimbursements in due time. Give access to a wide choice of trainings in line with the needs expressed. 		
Key Indicators	2018 Target	Result 2018
% of satisfactory probationary period reports	100%	100%
% of completion of the mandatory training program (or % of staff who attended a mandatory training during the year)	100%	100%
% of positive feedbacks on training	100%	100%
% of staff satisfaction regarding job description quality and work responsibilities (question included in the staff survey)	>80%	85.7%
Number of internal mobility experiences	>2	5
Engagement rate (composite indicator: I would recommend CPVO as employer, I am proud to work at CPVO, I am satisfied with my work environment...) measured through surveys	80%	84.6%

Figure 14 Achievement of objectives – General Services

Objectives 2018: <ul style="list-style-type: none"> □ Implement the various services and equipment allowing the staff to work in good conditions and in full security. Manage efficiently the purchase and delivery of goods and services. Maintain the buildings in a good state. Manage the contracts linked to all these activities. 		
Key Indicators	2018 Target	Result 2018

n/a	n/a	
Operational Indicators		
% of procurement procedures launched from Work plan of relevant year	85%	87,50%
Average length of procurement procedures processing	3 months	3 months

Figure 15 Achievement of objectives – Internal Control, Audits and Evaluations

Objectives 2018: <ul style="list-style-type: none"> Design and organise, together with the Internal Auditor, internal audit programmes based on the CPVO list of risks and regularly reviews on the implementation of the audit recommendations made in the past. Assist the CPVO management in the implementation of internal control activities by writing ex-post control reports, organising regular assessments of the internal control and coordinate all reports linked to the internal control, the programming documents and the annual activity reports. 		
Key Indicators	2018 Target	Result 2018
n/a	n/a	
Operational indicators	2018 Target	
% of BPR action plans implemented	85%	58%
Number of exceptions recorded into the exception register	Max. 10/year	2
% of recommendations of the Internal Auditor closed	>75%	51%

Not all activities of the Office have been described in the Business Process Review, and therefore it is not possible to implement action plans for them. As for the recommendations of the Internal Auditor, quite a few are in progress and will be followed up within shortly and the recommendations concerning the communication policy will be implemented once the new Communication Officer is engaged.

Figure 16 Achievement of objectives – Internal Communication

Objectives 2018: Measure the satisfaction of the staff regarding the internal communication and take corrective actions		
Key Indicators	2018 Target	Result 2018
% of satisfaction of the staff regarding the internal communication (through the staff survey)	90% of staff satisfied	87,5%
Operational indicators		
Number of issues / problems raised by the staff to the staff committee	5	0

Number of reviews and updates of the internal communication policy	1	ongoing
% of staff members who attended an internal communication training over the last 3 years	50%	2%

1.2.9. Cost of activities

The table below shows the breakdown of real costs (actual commitments 2018) for the activities defined above. This is based on a total of EUR 17.4 million commitments. Staff is based on staff in service at year-end.

Table 1 - Breakdown of cost of activities

Activity	HR (fte)	% of total	Operational budget	Staff and overhead	Total	% of total
Managing the system: Processing applications	18.3	37%	8,554,239	2,957,073	11,511,312	66%
QAS	1	2%	30,000	161,589	191,589	1%
Development of the system	2.5	5%	-	403,972	403,972	2%
R&D Projects	0.5	1%	240,752	80,794	321,546	2%
Information Technology	9.4	19%	574,044	1,518,934	2,092,978	12%
External Relations	3.5	7%	-	565,560	565,560	3%
Enforcement and interface PVR/Patents	0.1	0%	-	16,159	16,159	0%
Total Core Activities	35.3	72%	9,399,035	5,704,080	15,103,115	87%
Budget	0.3	0.61%	-	48,477	48,477	0%
Accounts	3.7	7.55%	-	597,878	597,878	3%
Total Neutral Activities	4	8%	-	646,355	646,355	4%
HR	1.6	3%	-	258,542	258,542	1%
General Services	7.1	14%	-	1,147,280	1,147,280	7%
Internal Control, Audit, other	1	2%	60,000	161,589	221,589	1%
Total Horizontal support	9.7	20%	60,000	1,567,410	1,627,410	9%
Grand total	49	100.0%	9,459,035	7,917,845	17,376,880	100%

2. Management Report

2.1. Administrative Council

2.1.1. Spring meeting

At the meeting on 21-22 March, the AC gave its (confidential) opinion in respect of a Compulsory License.

During that meeting, the members of the AC **adopted the following**:

- the Consolidated Annual Activity Report –CAAR – 2017 providing a complete overview of the CPVO activities for 2017 and including the AC analysis and Assessment adopted by the AC and the discharge of the President of the CPVO for implementation of the 2016 budget;
- the entrustment of the following examination offices:

(a) TystofteFoundation (Denmark);



(b) Instituut voor Landbouw-en Visserijonderzoek ILVO eenheid Plant (Belgium);

(c) Oficina Española de Variedades Vegetales (OEVV) (Spain)

(d) NAKTUINBOUW (The Netherlands)

- three new and height partial revised technical protocols presented for:

(new) *Cichorium intybus* L. var. *foliosum* Hegi (leaf chicory) (CPVO-TP/154/1), *Hibiscus syriacus* L. (CPVO-TP/274/1) and *Eucalyptus* L'Hér. (CPVO-TP/296/1).; and

(revised) *Lactuca sativa* L. (CPVO-TP/013/6), *Brassica oleracea* L. convar. *botrytis* (L.) Alef. var. *botrytis* L. (CPVO-TP/045/2 Rev.2), *Cucumis sativus* L. (CPVO-TP/061/2 Rev), *Cichorium intybus* L. (Witloof chicory L. (CPVO-TP/173/2), *Lavendula* L. (CPVO-TP/194/1 Rev), *Cannabis sativa* L. (CPVO-TP/276/1 Rev), *Beta vulgaris* L. ssp. *vulgaris* var. *saccharifera* Alef. (syn. *Beta vulgaris* L. ssp. *vulgaris* var. *altissima* Döll (CPVO-TP/sugarbeet/1 Rev)

Solanum lycopersicum L. (CPVO-TP/044/4 Rev.3) and *Solanum habrochaites* S. Knapp & D.M. Spooner; *Solanum lycopersicum* L. x *Solanum habrochaites* S. Knapp & D.M. Spooner; *Solanum lycopersicum* L. x *Solanum peruvianum* (L.) Mill.; *Solanum lycopersicum* L. x *Solanum cheesmaniae* (L. Ridley) Fosberg *Solanum pimpinellifolium* L. x *Solanum habrochaites* S. Knapp & D.M. Spooner (CPVO-TP/294/1/Rev.3) without the additional method of observation (alternative DNA marker test for *Fusarium oxysporum* f.sp. *lycopersici* (Fol))

- CPVO GUIDELINES on Variety Denominations with EXPLANATORY NOTES on Article 63 of Council Regulation (EC) 2100/94 of 27 July 1994 on Community plant variety rights
- the "CPVO policy on prevention and management of conflict of interest" as modified. In addition, the declarations on the absence of conflict from the AC members will be signed annually and published on the CPVO web site together with the adopted policy.
- Implementing rules of the Staff Regulations
 - a) European Commission model decision on "Learning and Development"
 - b) the European Commission decision on the Guide to missions and authorised travel to apply mutatis mutandis to the CPVO pending the availability of European Commission IT Applications.

- Decision on Seconded National Experts (SNEs)

- Quality Audit Service review report for 2017

The members of the AC also **took note of:**

- the update on the fulfilment of the International Relations Strategy of the CPVO;
- the draft programming document 2019-2021, including the preliminary draft budget for 2019;
- the update on Brexit related issues;
- The participation of the CPVO in the « INVITE » consortium in the framework of the Horizon 2020 project financed by the European Commission and aiming at improving variety testing in the EU;
- The Update on the joint CPVO-Commission IT project;
- Update on Client Payments (SEPA Direct Debit);
- the update on the cooperation between CPVO and EPO;
- the State of affairs on AC request to extend the duration of protection for certain species;
- EU/Switzerland bilateral agreement including PVRs;

They furthermore:

- appointed Mrs Mathilde CAUSSE as member of the R&D Advisory Group;



- agreed that the CPVO would sign an agreement with the Israeli Office - Plant Breeders' Rights Unit of the Israeli Ministry of Agriculture - to take over reports for *Jacaranda mimosifolia* D. Don and *Mangifera indica* L. for 3 years;
- agreed that the CPVO would sign an agreement with the New-Zealand Office – MBIE / PVR Office - to take over reports for *Grevillea alpine* Lindl. X *G. rosmarinifolia* A. Cunn for 3 years;
- asked the Vegetable Experts to discuss the additional biomolecular method of observation for tomato (CPVO-TP/044/4 Rev.3) and tomato rootstock (CPVO-TP/094/1 Rev.)³ at its next VEM meeting;
- appointed Ms Céline GAUER, new Deputy Director General of DG Santé, as Reporting Officer for the appraisal of the President of the CPVO;
- expressed their opinions on the online application system – applyfor.plantvarieties.eu;

2.1.2. Autumn meeting

At the meeting on 19 September,

The members of the AC **adopted the following:**

- the draft budget for 2019 as proposed by the CPVO;
- The decision to cap the increase in costs for Examination Offices to a maximum of +3% overall;
- The single Programming document;
- The list of QAS Technical Experts for the 2019-2021 cycle;
- The procedure on Career Development Review (CDR) of the CPVO accountant;
- The revised procedure for R&D projects;
- the entrustment of the following Examination Offices:
 - (a) Consiglio per la Ricerca in Agricoltura e l'analisi dell'economia agraria (CREA-DC) (Italy);
 - (b) GEVES (France);
 - (c) Swedish Board of Agriculture (Sweden);
 - (d) University of Aarhus – Aarslev (Denmark);
 - (e) Finnish Food Safety Authority (Evira) (Finland);
- One technical protocol presented for CPVO-TP/021/1 *Populus* L.

The members of the AC gave their consent to the following:

- A written agreement with the Taiwan Seed Improvement and Propagation Station (TSIPS) for *Phalenopsis* and *Doritaenopsis*;
- A written agreement with the Servicio Nacional de Inspeccion y certificacion de Semillas (SNICS) in Mexico for *Carica papaya*.

The members of the AC also **took note** of the following:

- the President's report and the statistics;
- The CPVO sharing of costs to EOs for non-examination services;
- The Final Accounts for 2017;
- The Internal Audit Activity Report;



- The state of play of the R&D ongoing projects and upcoming ones;
- The revision of CPVO Technical Protocol template;
- The CPVO International Relations Strategy;
- the state of affairs of the CPVO-EPO and CPVO-EUIPO cooperation;
- The state of play of the IT projects;
- CPVO report on the classification of Onion and Shallot;
- Brexit state of play;
- The satisfaction survey on the AC meeting of March 2018;
- The state of play on AC request to extend the duration of protection for certain species;
- EU/Switzerland bilateral agreement including PVRs;
- The discussions of the WG on a United Nations declaration on the Rights of people working in rural areas.

2.2. Major Events

2.2.1. The state of the system

In 2018 the CPVO received 3554 applications which is the second highest number of applications received in one year, an increase of 4 % compared to 2017. It can be noted that in absolute figures the number of applications for agricultural and fruit species increased whilst the number of applications for ornamentals decreased. Also the number of grants was the fourth highest ever (2757) and the number of titles in force is 26,896 by the end of 2018. The number of surrenders has decreased in 2018 (minus 17 % compared to 2017).

The net outturn in 2018 was positive, and at just almost EUR 1.3 million, fully in line with forecasts. The net outturn for 2018 was EUR 1,3 million which is comparable to the outturn in 2017. The free reserve increased from almost zero to EUR 1,4 million. The Office will continue with a prudent approach to discretionary spending in future, as the high level of commitments for technical examinations made in 2018 is likely to contribute to the Free Reserve remaining low before a revision of the fees in 2020.

In October 2017 the CPVO Administrative Council adopted the Strategic Plan for 2017-2021 in which it is established that the CPVO mission is to deliver and promote an efficient Intellectual Property Rights system that supports the creation of new plant varieties for the benefit of Society. Strategic goals and objectives are identified in the Strategic Plan. The work program 2018 and the single programming document 2019-2021 sets out the more detailed objectives and the key performance indicators for the period. In 2017, a project to fully integrate the global CPVO objectives into the Career Development Reports of all CPVO staff was initiated and applied for the CDR procedure 2018.

The CPVO continues to make IT a priority. During 2018 the project to make the CPVO online application system compatible with the UPOV PRISMA application system was put into place for all but the agricultural species.

On 11 December 2018 the Commission communicated its decision to grant funds in relation to the call SFS-29-2018 "Innovations in plant variety testing" of the Horizon 2020 program to the consortium **INVITE** (INnovations in plant VarIety Testing in Europe). CPVO together with 26 partners across Europe from various sectors ranging from research, breeding, DUS examination to performance testing for both conventional and organic farming, participate in INVITE. INVITE is coordinated by the French research organization INRA. The amount awarded is about 8 million euros to be spent in a period of 5 years. The project aims at improving efficiency of variety testing and availability of information to stakeholders on variety performance under



diversified production conditions and on biotic and abiotic stresses. It addresses DUS and performance testing in a balanced way and intends to maximize synergies between them through related activities based on phenotyping, genotyping, modelling and database management. INVITE will focus on 10 crops. The identification of the research needs and main challenges to be addressed for each of the crops was based on main end-users needs (Examination Offices, CPVO, breeders, farmers), taking into account existing knowledge and projects. One expected impact is the introduction of plant traits into the testing protocols that respond to new challenges and demands in the conventional and organic sectors, while also taking into account the economic return of growers. Agriculture and food systems sectors are at the very heart of the key challenges to be addressed for the years to come, including adaptation to climate change, ensure food security and safeguarding natural resources. The Horizon 2020 Work Program aims at addressing such challenges and the EU has included plant variety testing as an important element. In our minds the CPVO and its partners working at examining facilities across the EU as well as all the other partners to INVITE will contribute to a successful project from which the sector and in the end the citizens will benefit.

The United Kingdom has decided to withdraw from the EU. This means that, unless a ratified withdrawal agreement establishes another date, EU law will cease to apply in the UK from 30 March 2019. Together with DG SANTE the CPVO has continuously analysed the effects of Brexit and information on the consequences has been published on the CPVO and Commission website.

An external evaluation of the CPVO Communication strategy was finalised and a report delivered in May 2017. Following this report the CPVO will update its policy on external communications and recruit a communication officer. The recruitment procedure was launched in 2018 but the actual engagement of the officer will be in 2019.

The details of the projects described above and other activities are elaborated in this report which should give an overview of the activities carried out in 2018. The report demonstrates that almost all objectives set out were achieved.

2.2.2. Universities

In 2018, the CPVO continued to cooperate with a network of universities with the aim of spreading awareness of PVRs among students and academics. In this respect, the CPVO continued being one of the partner institutions of the European Intellectual Property Institutes Network (EIPIN) Innovation Society joint doctorate to foster research in the field of intellectual property. This has led to the awarding of several doctoral degrees, one of which is in the domain of plant varieties. The project is entirely funded under the Marie Skłodowska-Curie actions of the European Commission. Moreover, for the fifth year, the CPVO is continuing its collaboration with the universities of Alicante and Strasbourg. The CPVO has renewed its collaboration with the university of Strasbourg and has entered into a new cooperation agreement with the Munich Intellectual Property Law Center (MIPLC). Several successful internships have been granted to former students of both universities' master in IP Law. In particular, the CPVO supports the Magister Lvcentinvs, the master in intellectual property of the University of Alicante that continues implementing a special intensive course dedicated to plant variety rights. The CPVO continues to collaborate with the ESSCA school of management based in Angers in the framework of the European Sustainability Policies course and the Wageningen University.

2.2.3. The EUIPO

In 2018, the CPVO and EUIPO continued the cooperation by way of services reciprocally provided. In particular, one staff of the CPVO dealing with the assessment of variety denominations has attended a training at EUIPO dealing with the assessment of the new absolute ground for refusal of EUTM applications under Article 7(1)(m) of Regulation (EU) 2017/1001 (EUTMR) as well as opposition and revocation proceedings in respect of variety denominations and trademarks. The training also focused on the use of the Variety Finder database and the assessment of variety denominations in particular in relation to the interpretation of the notion of closely related species. A trademark examiner of EUIPO has attended a training at CPVO on variety denominations and the use of Variety Finder. As regards the human resources' field the CPVO has continued offering internship opportunities to a trainee within the joined internship program with the EPO and the EUIPO 'Pan-European Seal'. Moreover, in 2018, the CPVO continued to participate in the enforcement and legal working groups of the European Observatory on Infringements of Intellectual Property Rights, as well as in the plenary session. In this area the CPVO contributed to the update of the Observatory



national case-law database in the domain of enforcement of plant variety rights by national courts. The CPVO has further cooperated with the Observatory to support the Virtual Training Center ("VTC") with material in the domain of plant variety rights. As regards the EUIPO Academy, the CPVO has jointly organized a webinar on the testing of variety denominations. In the area of international cooperation, the CPVO has jointly implemented the IPKey China, Latin America and South-East Asia projects. In the area of data protection, the DPO of the EUIPO has become also the DPO of the CPVO. In the IT area, the two Offices has agreed to intensify their cooperation with a view to strengthen synergies in the development of IT projects.

2.2.4. The European Patent Office

On 25 October 2018 the Administrative Arrangement, signed on 11 February 2016 by the CPVO with the EPO, has been renewed for a further period of three years. A new Implementation Plan has been agreed with activities to be jointly implemented continuing with the knowledge sharing among technical experts. Moreover, in 2018 the CPVO and the EPO have finalized the activities of the Working Group established to study how to make available to patent examiners variety descriptions and technical questionnaires in a searchable format for the purpose of prior art's searches. An agreement has been signed on 24 August 2018 by which the implementation of data sending has started.

2.2.5. Activities outside the EU

On 4 October 2017, the CPVO Administrative Council adopted a revised international relations strategy. The CPVO, together with the Commission services, the Member States and other international organisations, are working outside the EU to strengthen plant variety systems. The key elements of this cooperation are an exchange of knowledge and support for EU users on registration and enforcement overseas. For EU breeders doing business outside the borders of the Union, being able to access and secure their IP rights is a key strategic advantage, particularly for SMEs.

Asian countries

East Asia Plant Variety Protection Forum - Philippines

The CPVO participated in the 11th EAPVP Forum meeting and PVP Awareness seminar in the Philippines, on 1 and 2 August 2018. The Vice-President of the CPVO gave a presentation on the CPVR system in the European Union.

China

At the occasion of the 9th National Forum on Agricultural Intellectual Property in Qingdao, PRC, on 15 November 2017, I signed administrative arrangements (AA) with the two Chinese PVP authorities. The AA focusses on exchange and cooperation in administrative and technical matters in the context of increasing demand for plant variety protection in China. The number of applications that are close to the ones received by the CPVO and the increasing number of botanical taxa covered by the protection system require the creation of additional DUS test capacity. Therefore many of the activities planned under the administrative arrangements aim to increase the throughput by enhancing the efficiency and qualifying new DUS centers. EU Examination Offices will be involved in the implementation of this project. The activities under the AA have been funded by the EU IPKey project as well as by the Chinese authorities. In 2018, the first year of implementation of the new IPKey China project has been implemented.

IPKey China

IP Key China together with the CPVO, the Ministry of Agriculture and Rural Affairs of the People's Republic of China (MOARA), the State Forestry and Grassland Administration of China (SGFA) and the International Union for the Protection of New Varieties of Plants (UPOV) organised a training to four Chinese experts from the Ministry of Agriculture and Rural Affairs, Development Center of Science and Technology (MOA-DCST), on 25 to 29 of June 2018.

The training consisted of two parts, a four day training at CPVO Headquarters in Angers, included a visit to GEVES, and afterwards one day training at the UPOV Headquarters in Geneva.

The training at CPVO addressed different aspects of the registration of plant varieties, such as on-line application system, administration of applications, database demonstration, denominations,



communication and transparency, etc. This was a good opportunity for the participants to work on a practical case study.

To end, in Geneva, UPOV presented an overview of developments in UPOV and in China, UPOV training and assistance strategy in China, as well as an update on UPOV PRISMA application tool and on the experience of China using the tool.

The objectives of this activity were to strengthen skills and knowledge of the Plant Variety Rights procedure aspects and to promote EU best practices, as well as to reinforce information-sharing among EU and Chinese authorities.

On 15 September 2018 a [Seminar took place in Shanghai, China on designing and conducting Distinctness, Uniformity and Stability \(DUS\) trials in vegetables and ornamentals](#).

This seminar was conducted with the active contributions of EU and Chinese DUS examiners. IP Key China, supporting the CPVO, co-organised the seminar with the Ministry of Agriculture and Rural Affairs (MOARA) and the State Forestry and Grassland Administration (SFGA, through their PVP agency Development Centre of Science and Technology (DCST). The seminar, which was followed by technical field missions, was held over 5 days, starting on 11 September. More than 50 Chinese DUS examiners participated to two days classroom training, followed by three days of practical exchanges at various DUS test stations in Shanghai and Hangzhou.

On 25 November to 4 December 2018, IP Key China travelled with a delegation from the Supreme People's Court (SPC) and IP courts in China, for judicial exchanges in Brussels, Luxembourg and Munich. During the visits, the Chinese delegates met with top officials and judges from the European Commission, the European Court of Justice (ECJ) of the EU and the European Patent Office. The delegation had an opportunity to discuss judicial and legislative mechanisms including court procedure, usage of technology and solutions to the growing number of IP cases in the EU and China. The CPVR system was presented to the SPC and IP Chinese Courts delegation in Brussels.

IPKey South-East Asia

IP Key SEA organised a study visit on plant variety protection (PVP) in Viet Nam on 5-6 November 2018 for high-level officials from Indonesia, Malaysia, Philippines and Thailand. Co-organised by the Plant Variety Protection Office (PVPO), Ministry of Agriculture and Rural Development of Viet Nam, the activity provided a practical understanding of the benefits of a strong PVP system and of membership in the International Convention for the Protection of New Varieties of Plants (UPOV Convention).

Representatives from IP Key SEA, the CPVO, UPOV, Ministry of Agriculture, Forestry and Fisheries (MAFF) of Japan, the United States Patent and Trademark Office (USPTO), and the PVPO advised on PVP best practices and benefits. A representative from the private sector in Viet Nam also shared how they have benefited from a strong PVP regime. Meetings with several plant breeders on site demonstrated how best practices are applied to maximise the benefits of PVP.

High-level officials from Indonesia, Malaysia, Thailand, and Viet Nam attended an IP Key SEA conference in Yogyakarta, Indonesia, on 8-9 November 2018 to discuss plant variety protection (PVP) within the international framework. Immediately following a study visit on PVP in Vietnam, the conference highlighted the benefits and opportunities of PVP and of membership to the International Convention for the Protection of New Varieties of Plants (UPOV Convention).

Representatives from IP Key SEA, UPOV, CPVO, Ministry of Agriculture, Forestry and Fisheries (MAFF) of Japan and the United States Patent and Trademark Office (USPTO) made presentations on the key features of the UPOV Convention, as well as its implementation in the EU, Japan and the US. As Viet Nam is already a member of the UPOV Convention, the conference also provided an opportunity to share the country's experience in acceding to the Convention and the resulting benefits.

IPKey Latin America

From 23 until 31 August 2018 IPKey LA activities have been organized with the collaboration of CPVO, UPOV, INDECOPI and SENADI as a regional seminar of two and a half days that has taken place in Lima and a two-day national seminar in Quito. Two workshops on licence strategies has been organized in Lima and Quito with the cooperation of the University of California, UC Davis and the Public Intellectual Property Resource for Agriculture (PIPRA).

These seminars aimed to sensitize policy makers on the social and economic impact of plant variety protection; enhance knowledge of Plant Varieties and its challenges; diffuse the scope and content of UPOV 1991 and increase the negotiation capacity of local stakeholders in the conclusion of license agreements. More importantly, this aims to create an international network of IP experts in PVP in the region that allows for ongoing exchange and cooperation.



Participants in the Lima and Quito seminars have been policy makers as well as local representatives of the examination authority in PVP, local breeders and the academia. Presentations have been delivered by representatives from CPVO, UPOV, INDECOPI, INIAP, INTA (Argentina), INRA (France) and SENADI, as well as local experts and stakeholders.

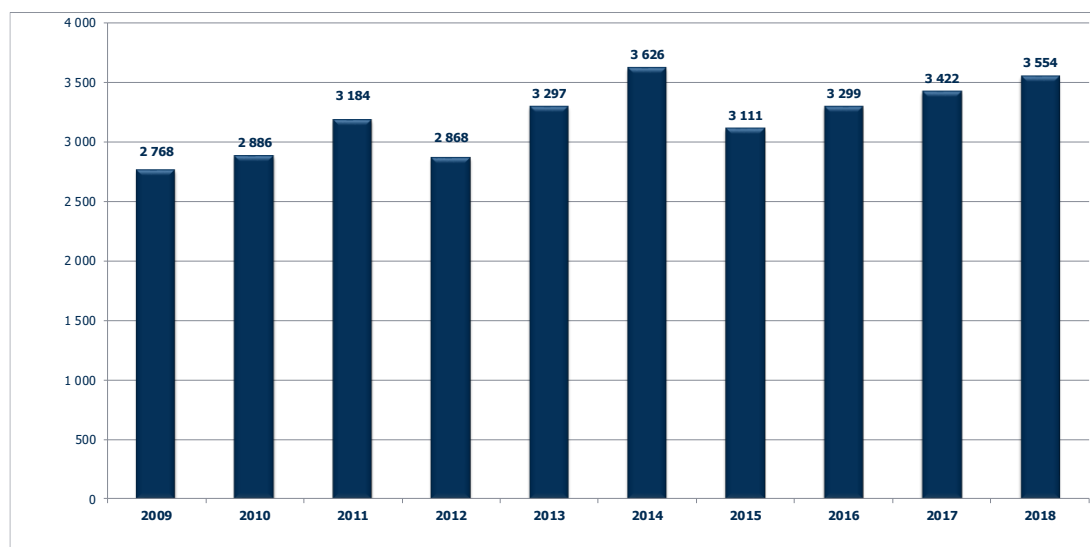
Moreover, a workshop has been conducted in Lima to promote discussions of best practices among the authorities in charge of conducting the examination of plant varieties and train technical examiners on the conduct of the examination, to bring partner countries to the same standards of IP protection. Presentations have been delivered by representatives from CPVO, UPOV, INDECOPI, GEVES as well as technical examiners of Bolivia, Chile, Colombia, Ecuador and Peru.

India

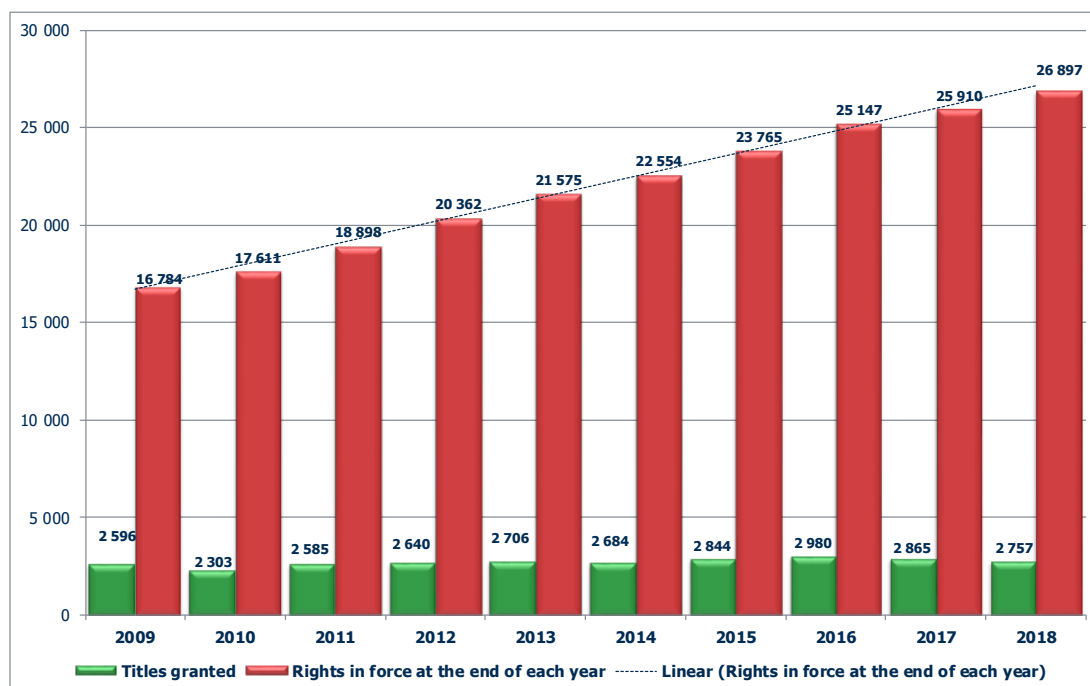
On 22 and 23 February 2018 an international workshop took place in New Delhi, on India-EU collaboration in the seed sector development and PVP in partnership with the Protection of Plant Varieties & Farmers Right Authority, (Department of Agriculture, Co-operation and Farmers Welfare; Ministry of Agriculture and Farmer's Welfare, Govt. of India), the Department of Industrial Policy & Promotion, (Ministry of Commerce & Industry, Govt. of India), the German Federal Ministry of Food and Agriculture, the Ministry of Agriculture, Nature and Food Quality, The Netherlands. The project has been funded under the IPC-EUI programme (the EU-India Intellectual Property Cooperation) approved by the EU and the Government of India in an addendum to the Financing Agreement in 2014, with the aim of reformulating the capacity building initiative for trade development (CITD) and attribute its implementation to the European Union Intellectual Property Office (EUIPO).

2.2.6. Key statistics (*see Annex I for more details*)

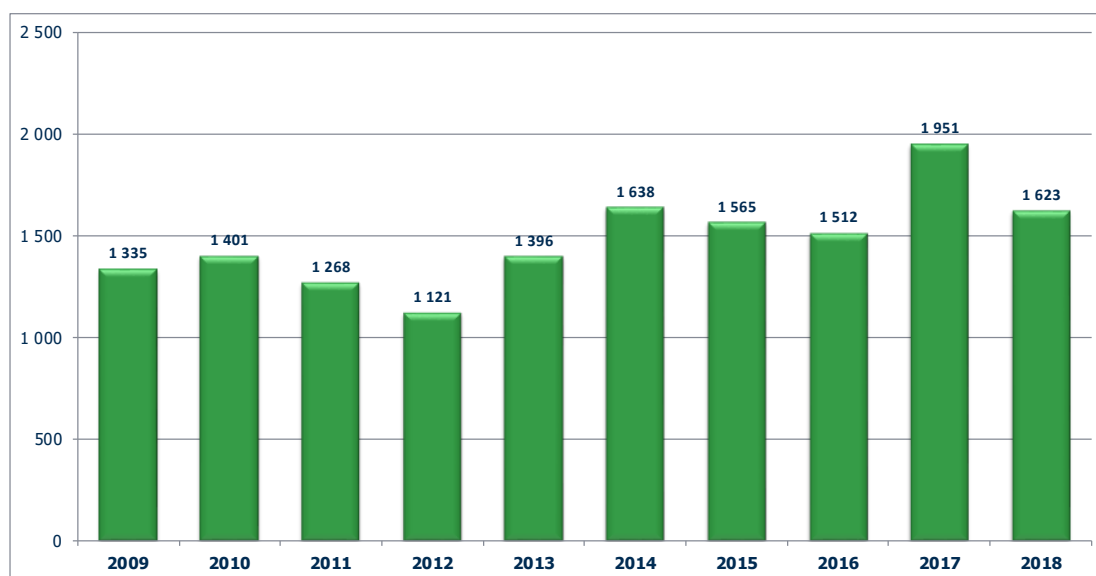
Evolution of number of applications received over the last 10 years



Evolution of CPVR granted rights and rights in force at the end of each year



Evolution of number of surrenders of CPVR over the last 10 years



2.3. Budgetary and Financial Management

2.3.1. Overview of the budget and financial year

In accordance with the financial regulations of the Community Plant Variety Office, the Provisional Budgetary and Financial Accounts for the year 2018 are provided in **Annex II**. These reports shall be subject to audit by the European Court of Auditors. The key figures related to these accounts are explained hereafter.

2.3.2. Budgetary Accounts

Table 2 - Budget Outturn

Desc.	Title	2018	2017	Variation 2017	% var
Income	Fee revenue	17 499 839.00	15 988 423.50	1 511 415.50	9.45%
	Other revenue	133 915.89	192 378.33	(58 462.44)	(30.39%)
	Total	17 633 754.89	16 180 801.83	1 452 953.06	8.98%
Expenditure	Title 1: Staff expenditure	7 062 334.39	6 550 983.90	511 350.49	7.81%
	Title 2: Admin expenditure	1 304 132.68	1 382 643.07	(78 510.39)	(5.68%)
	Title 3: Operational expenditure	8 062 122.89	7 001 546.63	1 060 576.26	15.15%
	Total	16 428 589.96	14 935 173.60	1 493 416.36	10.00%
Budget Outturn for the year		1 205 164.93	1 245 628.23	(40 463.30)	(3.25%)
Non-budgetary Income		97,038.38	123 856.77	(26,818.39)	(21.65%)
Net Outturn for the year		1,302,203.31	1 369 485.00	(67,281.69)	(4.91%)

As can be seen above, the outturn has been relatively stable from 2017 to 2018.

2.3.3. Revenue

Table 3 - Fees 2018/2017

	2018	2017	% variation 2018
Annual fees	9,120,600.00	8,452,620.00	7.90%
Application fees	1,632,350.00	1,559,350.00	4.68%
Examination fees	6,061,000.00	5,427,864.50	11.66%
Other fees	685,889.00	548,589.00	25.03%
Grand Total	17,499,839.00	15,988,423.50	9.45%

The increase in annual fees is due to an increase in the number of titles in force. Application fees reflect the actual number of applications per year. Other fees include *inter alia* report fees from applicants as well as report fees for non-applicants.

2.3.4. Expenditure

Table 4 - Budget Execution Levels

Title	Final appropriation	Budget execution	Execution %	Cancelled appropriations	Cancelled %
Title 1: Staff Expenditure	7,445,000.00	7,062,334.39	94.9%	382,665.61	5.1%
Title 2: Administrative expenditure	1,675,000.00	1,304,132.68	77.9%	370,867.32	22.1%
Title 3: Operational expenditure	8,120,000.00	8,062,122.89	99.3%	57,877.11	0.7%
Grand Total	17,240,000.00	16,428,589.96	95.3%	811,410.04	4.7%

The levels of execution were very high in 2018 (over 95%).

Table 5 Budget execution comparison

Title	Budget execution 2018	Budget execution 2017	% Difference
Title 1: Staff Expenditure	7,062,334.39	6,550,984	7.24 %
Title 2: Administrative expenditure	1,304,132.68	1,382,643	-6.02 %
Title 3: Operational expenditure	8,062,122.89	7,001,547	13.16%
Grand Total	16,428,589.96	14,935,174	9.09%

The overall increase of 9% is mainly due to operational expenditure increases (examinations) but also through the normal increases in staff costs (inflation, career advancement).

Table 6 - Staff expenditure comparison

Budget article	Description	Budget execution 2018	Budget execution 2017	% Change
E1100	Staff	6,653,443.25	6,009,209.63	10.7%
E1200	Training	71,122.06	75,753.04	-6.1%
E1300	Travel	257,390.57	254,000.00	1.3%
E1400	Interim staff	52,208.18	173,027.84	-69.8%
E1500	Assistance	23,574.65	28,761.86	-18.0%
E1700	Representation	4,595.68	10,231.53	-55.1%
Grand Total		7,062,334.39	6,550,983.90	7.8%

The increase in staffing costs is due to a number of issues. Statutory increases (for inflation and country correction coefficients) was over 3.5% for 2018. Additional staff were in place as the CPVO closed all but one vacant post, and finally the CPVO applied promotion and career advancement in line with institutional guidelines

Table 7 - Administrative expenditure comparison

Budget article	Description	Budget execution 2018	Budget execution 2017	% Change
E2000	Property	261,525.57	268,555.49	-2.6%
E2100	IT expenses	574,044.77	605,368.02	-5.2%
E2200	Other equipment	29,971.29	65,275.41	-54.1%
E2300	General admin.	37,414.78	39,770.51	-5.9%
E2400	Postage and telecom	77,394.89	62,526.55	23.8%
E2500	Meetings and notices	219,450.38	246,798.07	-11.1%
E2600	Audit and evaluation	104,331.00	94,349.02	10.6%
Grand Total		1,304,132.59	1,382,643.07	-5.7%

Table 8 - Operational expenditure comparison

Budget article	Description	Budget execution 2018	Budget execution 2017	% Change
E3000	Examination office fees	7,251,535.74	6,293,996.61	15.2%
E3200	Examination reports	409,040.00	341,040.00	19.9%
E3400	Publications	48,051.60	71,659.24	-32.9%
E3500	Studies	206,294.05	194,419.66	6.1%
E3600	Special advisors	147,201.50	100,431.12	46.6%
Grand Total		8,062,122.89	7,001,546.63	15.1%

2.3.5. Budget transfers and revisions

There only one revision to the budget in 2018 to increase amounts available for examinations and reports. A number of transfers were made at the end of the year as there was a higher than expected number of invoices received for examinations.

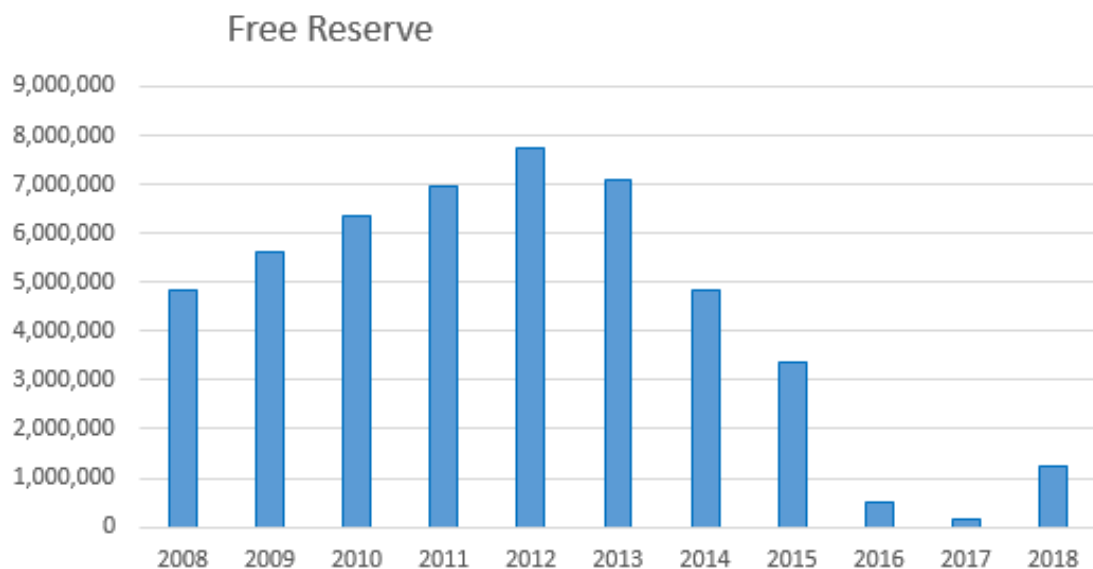
The following table shows the revisions and transfers for the payment budget:

Budget article	Description	Initial payment budget	Budget amendments	Payment budget transfers	Final appropriation
E1100	Staff	7,020,000.00	-	-55,000.00	6,965,000.00
E2600	Audit and evaluation	90,000.00	-	15,000.00	105,000.00
E3000	Examination office fees	6,400,000.00	320,000.00	551,614.35	7,271,614.35
E3200	Examination reports	480,000.00	-	-70,960.00	409,040.00
E3400	Publications	150,000.00	-	-101,948.40	48,051.60
E3500	Studies	530,000.00	-	-323,705.95	206,294.05
E3600	Special advisors	200,000.00	-	-15,000.00	185,000.00
Grand Total		14,870,000.00	320,000.00	-	15,190,000.00

2.3.6. Free Reserve

The so-called free reserve is the difference between total treasury in the CPVO and the outstanding commitments open. The graph below shows the evolution of the free reserve since its high point in 2003.

Graph 1 - Free reserve



2.3.7. Financial Accounts

Economic Outturn Account 2018 (comparison with 2017)

		2018	2017
Income	Income from fees	16 938 125,96	14 484 760,35
	Income from administrative operations	105 994,89	101 259,64
	Total	17 044 120,85	14 586 019,99
Expenditure	Operational expenses	(8 424 493,94)	(7 435 688,64)
	Salaries and social taxes	(6 818 284,88)	(6 343 588,28)
	Overheads	(1 510 943,98)	(1 649 783,24)
	Depreciation	(270 110,18)	(257 188,85)
	Total	(17 023 832,98)	(15 686 249,01)
Result		20 287,87	(1 100 229,02)
Financial revenue	Interest income	66 533,88	66 882,38
	Total	66 533,88	66 882,38
Financial expenditure	Bank charges & exchange differences	(3 579,91)	(2 963,69)
	Total	(3 579,91)	(2 963,69)
Result		62 953,97	63 918,69
Economic outturn for the year		83 241,84	(1 036 310,33)

The financial accounts differ from the budgetary accounts in that it takes non-cash transactions into consideration. For example, in the budgetary accounts, asset purchases are shown as expenses for the full amount of the purchase in the year, whereas in the financial accounts, only the yearly depreciation is shown as an expense.

2.4. Human Resources

The human resources sector of the CPVO had its busiest year as regards recruitments and mobility with 2 temporary agents and 2 contract agents joining in 2018. Furthermore, 2 recruitments have been launched for posts to be filled in 2019. These developments are particularly welcome given that there has been a very high workload in certain sectors of the Office for a number of years.

2018 has also seen the highest level of internal staff mobility in the history of the CPVO: 5 staff members have taken over new responsibilities internally in key sectors: Head of Technical Unit, QAS Team Leader, Senior Adviser to the Presidency, Internal Control Coordinator and HR Officer. Internal mobility gives an opportunity to revitalise a staff member career or a sector by bringing some novelty. The CPVO also recorded four departures, for resignation, non-renewal of definite period contract, retirement and invalidity.

The CPVO has counted up to 6 internships in 2018.

The staff of the CPVO have also been identified in the Strategic Plan as being of central importance to the achievement of the mission of the Office, and in this regard, efforts on training and efficiency gains have been re-doubled while a number of campaigns to improve work-life balance and health have been implemented.

Challenges remain in the years to come as an ageing workforce will progressively be renewed in the coming 5 to 10 years and the Human Resource sector will play a pivotal part in ensuring a smooth transition, retention of knowledge and development of staff.

A complete report on the state of play for human resources can be found in Annex III (Social Report)

2.5. Assessment by Management

The CPVO checks regularly the efficiency of its internal control system through regular ex post controls and through immediate mitigating actions when needed.

Significant improvements were made on the level of “late commitments” and “saisine a posteriori”, although some cases were still reported in the exception report. A constant vigilance should be kept to prevent this type of problem. Training and information/reminder to the staff could also be an efficient prevention tool.

The system is globally working well. The Court of Auditors’ final report on 2017 accounts and financial management is positive with no remarks of a serious nature.

Based on the above, the Management assesses that the internal control system is working well, that all measures were taken to prevent irregularities and fraud and that the underlying transactions were legal and regular and complied with sound financial management

2.6. Budget Implementation tasks entrusted to other services and entities

There were no tasks implementing budget funds with other services and entities in 2018.

2.7. Assessment of audit results during the year

Internal audit

Internal Audit assists management by providing independent, objective assurance and consulting services designed to add value and improve the organisation’s operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Approved audit plan

Audit activities were based on the Audit Plan 2018, which was approved by the President of the Office in December 2017.

The selection of audits for 2018 was based on the annual risk assessment exercise, the audit universe coverage as well as on Internal Audit’s professional judgment.

The Audit Plan 2018 included 2 audits:

- Missions
- Procurement

The mission audit was launched in July 2018, and was carried out on site in the CPVO. The procurement audit was launched in October 2018 and was carried out remotely from Alicante. The mission audit has been finalised and an action plan is adopted. The procurement audit is in the termination stage.

Improvements in Internal Audit Methodology, Processes and Systems

Like other Office units, IA operates in an environment of continuous change. To meet the challenges of new emerging risks and changes to the Office’s internal and external environment, IA must continue to adapt and improve its methodology and subject matter expertise. This section outlines some of the actions taken in these areas:

Methodology — the work instruction detailing the internal audit process was revised and updated. Templates were also revised and updated and, where necessary, new ones were created. Improvements introduced since 2016 are now a solid part of the IA methodology. These improvements also had a positive impact on the interactions with IA clients, which show a satisfactory responsiveness throughout the audit process.

The new Internal Audit Charter was approved by the President in June 2017.

Continuing Education — IA members continued their training programme. The most important training activities were on Ethics, Integrity and Anti-Fraud, Management Modes and Pagoda 2, and language courses.

IA members also followed online Auditor's forums on various topics organised by the IAS of the European Commission.

Finally, the audit plan 2019 setting the course of IA work for 2019, was established and approved in December 2018.

2.7.1. European Court of Auditors (*See full report with CPVO answer in Annex IV*)

The main conclusions to be found in paragraphs 3.33.4 to 3.33.6 of the report of the Court of Auditors adopted in Luxembourg at the Court meeting on 18 September 2018 reads:

Opinion on the reliability of the accounts

In our opinion, the accounts of the Office for the year ended 31 December 2017 present fairly, in all material respects, the financial position of the Office at 31 December 2017, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer. These are based on internationally accepted accounting standards for the public sector.

Opinion on the legality and the regularity of the transactions underlying the accounts

Revenue

In our opinion, revenue underlying the accounts for the year ended 31 December 2017 is legal and regular in all material respects.

Payments

In our opinion, payments underlying the accounts for the year ended 31 December 2017 are legal and regular in all material respects.

2.8. Follow-up of audits and recommendations

The 2017 Audit work programme has been finalised in 2018. This programme included two main topics: Core Business Processes and Quality Audit Service. For some of the points raised by the Internal Auditor, the CPVO could agree on the substance but the actual implementation is sometimes put into question because of the small size of the agency and a lack of resources.

Core Business Processes

The Internal Auditor analysed most of the working processes: register of applications, establish DUS, Plant Variety Rights decisions, process post-decisions legal procedures, manage fees. The following related risks identified were also included in the scope of the audit: internal organisation/segregation of duties, monitoring and controlling, quality of CPVO to users (examinations).

Recommendations were proposed for the following elements:

- Preliminary report date in PVR system -
Align this specific provision in the designation agreements and the dates managed in *PVR* either through modification of the Designation Agreements or through changes in *PVR*. According to the information received a proposal in this direction has been included in the 2018 review of the Designation Agreements.
- Documentation – Apply document management rules and ensure consistency of information , Establish a process map inventory with all valid processes
- PVR a MyPVR – Plan the application's life cycle and make sure system documentation is up to date and maintained, Benchmark front and back office core business systems (MyPVR / PVR) with systems of comparable organisations, - Manage the adaptive evolution of MyPVR to reach full functionality, Consider the involvement of users at an early stage to gather input and obtain

acceptance (e.g. through Focus Groups), Apply usability techniques to enhance the usability and user-friendliness, Consider possible further standardisation of procedures and work practice in order to facilitate automation of tasks.

Quality Audit Service

- The Internal Auditor analysed mainly the following aspect: perform QAS audits. The following related risk identified was also included in the scope of the audit: Quality of CPVO services to users (examinations).

Recommendations were proposed for the following elements:

- Follow-up on 2014 IA report:
 - Audit programme (related to CAC 46): close the recommendation,
 - Assignment of a permanent TE to QAS (related to CAC 51): maintain the recommendation open and consider training a Caseholder or other staff member in audit and QAS matters to become the backup of the QAS leader in case of emergency or long term unavailability,
 - Information Technology (IT) issues (related to CAC 54): close the recommendation (no additional actions are expected)
- Documentation:
 - Map the QAS process in order for it to form part of the Office's business process inventory;
 - Apply consistently document management rules. Make sure that information is consistent in all cases by applying a uniform structure in Docman and using *PVR* as the principal tool for managing the QAS missions.
 - Use *PVR* as the master application for all QAS data and enhance the available functionality for QAS in *PVR*.
- Data Protection: Establish clear procedures about DP matters, such as data notification and privacy statement and make sure all data subjects are adequately informed about their rights, Make sure data is stored and kept as specified in the QAS Entrustment Procedure.
- Assessment scope: Assure that any possible alteration of the assessment scope is correctly reflected in the assessment report and the entrustment decision in order to guarantee transparency about the actually assessed species and the scope of entrustment in question.
- Audit Team composition: Re-evaluate if the QAS policy regarding the appointment of TEs and if the current separation between QAS and TU regarding EO's monitoring and assessment is actually the most beneficial setup for the CPVO and if the combination of QAS visits and monitoring visits or the participation of CHs in assessments visits would be of advantage for the CPVO and, in particular, for the continuous improvement of the examination process, and provide training in audit matters to TEs participating in assessments.

The following tables show some statistics on IA recommendations for the last three years. The column "Not applicable" show the recommendations which the President of the CPVO decided not to follow.

Statistics on audit recommendations status – Years 2015 to 2017

	Not started		In progress		Completed		Not applicable		Grand Total	
Year	Rec.s	%	Rec.s	%	Rec.s	%	Rec.s	%	Rec.s	%
2015			8	23.5%	26	76.5%			34	100.00%
2016			2	16.7%	9	75.0%	1	8.33%	12	100.00%
2017	6	40.00%	8	53.3%	1	6.7%			15	100.00%
Grand Total	6	9.84%	16	29.5%	36	59.0%	1	1.64%	61	100.00%



The table below shows a high number of audit recommendations for the Administration. This unit deals with human resources, finances and IT. These processes are often audited, by the Internal Auditor and by the Court of Auditors.

Audit recommendations status per unit – Years 2015 to 2017

Unit	Not started		In progress		Completed		Not applicable		Grand Total	
	Rec.s	%	Rec.s	%	Rec.s	%	Rec.s	%	Rec.s	%
President	4	44.4%	2	22.2%	2	22.2%	1	11.1%	9	100.0%
Technical			5	62.5%	3	37.5%			8	100.0%
Legal			6	33.3%	12	66.7%			18	100.0%
Administration	1	5.0%	3	15.0%	16	80.0%			20	100.0%
QAS	1	16.7%	2	33.3%	3	50.0%			6	100.0%
Grand Total	6	9.8%	18	29.5%	36	59.0%	1	1.6%	61	100.0%

The 6 recommendations not started relate mainly to issues identified in the Evaluation of Communication in 2017. For reasons of prudence, the recruitment of a new Communication Officer was postponed to 2018 and the procedure to appoint the person should be complete by mid-2019. All recommendations shall be tackled by this new appointee.

2.9. External Evaluations

No external evaluation was carried out in 2018.



3. Assessment of the effectiveness of internal control systems

3.1. Risk Management

Risk assessment and risk management, as mentioned under 2.7.1 Internal Audit, is an integral part of the internal audit process.

The list of risks, reviewed in depth in 2015 by the CPVO management team, was reviewed in August 2018, according to the outcome of the 2017 Annual Audit Report. The list itself remained mostly unchanged, only the likelihood and the impact values were slightly changed.

Risks, and especially their ratings, are updated on a regular basis, when needed, through regular meetings with top and middle management but also according to the conclusions of internal audit reports.

3.2. Compliance and effectiveness of internal control systems

The compliance and effectiveness of internal control systems are regularly assessed: the Court of Auditors systematically includes these aspects in its mission in the CPVO.

The CPVO makes regular controls on these aspects through ex-post controls on budgetary operations or through business process reviews.

In 2018, no Business Process Review (BPR) has been done, to avoid adding a supplementary workload to the CPVO staff on top of normal activities. The CPVO will now take some time to finalise the implementation of the conclusions of the previous BPR activities. The action plans requires the creation of new IT tools and the re-organisation of work within the teams and sectors concerned.

Training was organised in 2018 to raise awareness about the new Internal Control principles, the CPVO Anti-Fraud policy and the practical implementation of the CPVO Financial Regulation.

4. Management Assurance

On the basis of the facts in his possession, the President of the CPVO declares that the information contained in this report gives a true view. He has reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. He is unaware of any matter not reported which could harm the interests of the CPVO.

5. Declaration of assurance

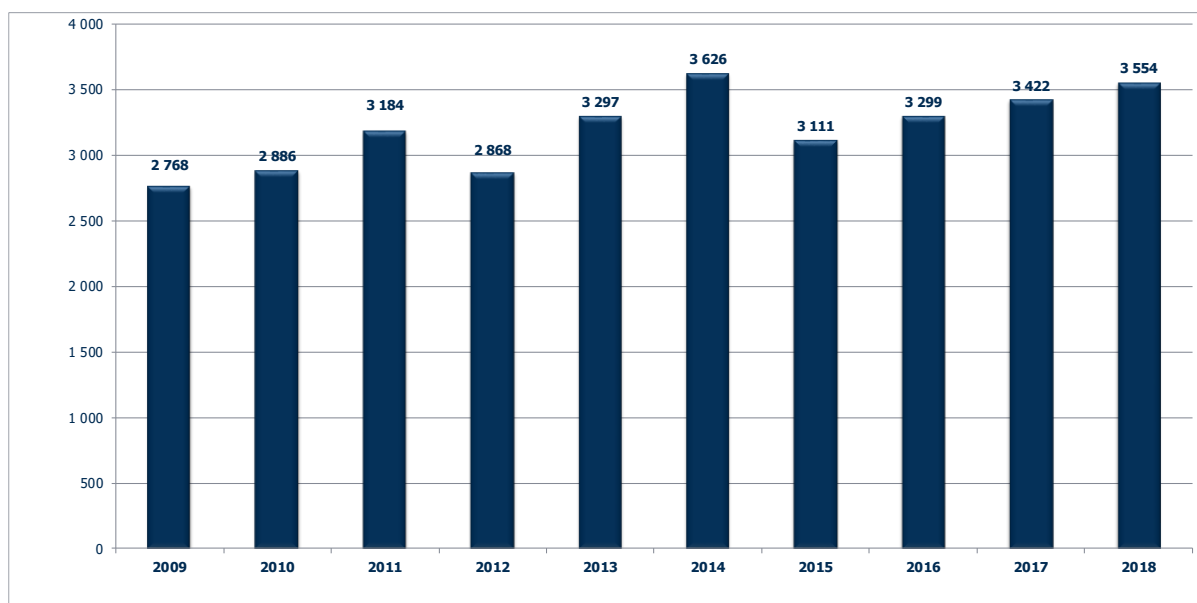
This document is a declaration signed by the President, as Authorising Officer and representing the CPVO, together with the Accountant giving their assurance on the accounts of the Office, according to the provisions of the Financial Regulations of the CPVO. The original document was sent to the President of the Court of Auditors (Annex V).



Annex I. 2018 Core Business Statistics

In 2018 the CPVO received 3 554 applications for Community PVP, which represents an increase of 3.9 % compared to the previous year. Graph 1 shows the evolution of the number of applications received by the CPVO (all figures are based on the date of arrival of the application documents at the CPVO). This is the second highest number in the history of the Office. During the first 10 years, the CPVO observed a growing number of applications each year (figures not shown). Since then, the application numbers seem to have stabilised; the annual changes are probably not to be understood as a trend but rather as chance fluctuations.

Graph 1: Evolution of the annual number of applications for Community plant variety protection (2009-2018)



Graph 2: Shares of application numbers per crop sector in 2018

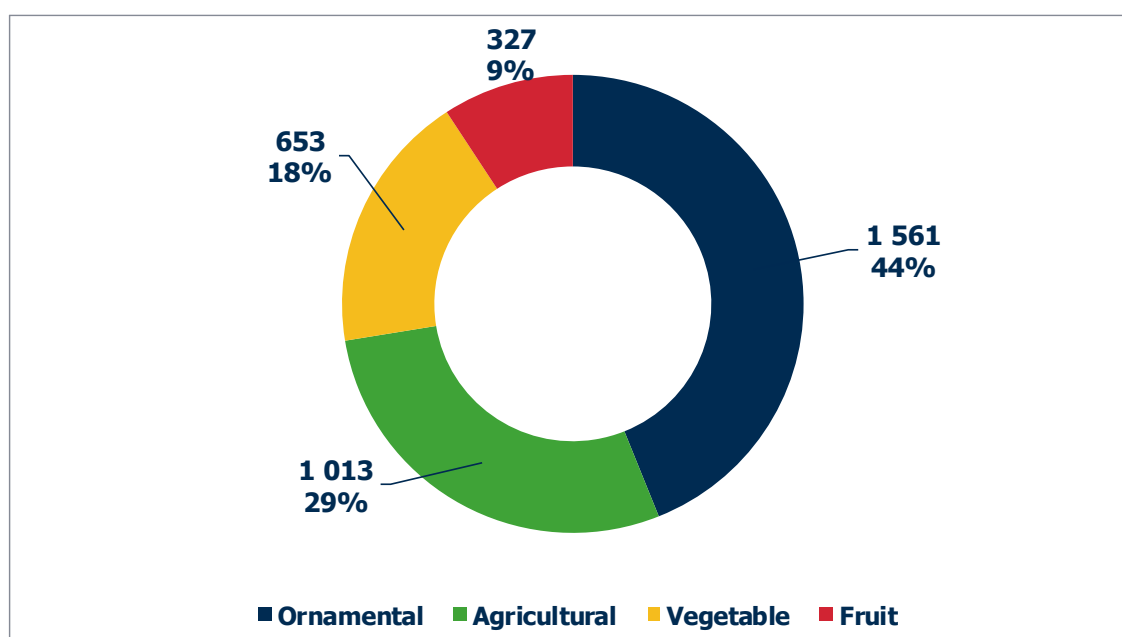


Table 1: Member States from which CPVR applications were filed in 2018

Member State of main applicant	Number of applications received in 2018
Netherlands	1341
Germany	436
France	433
Spain	136
Italy	123
Denmark	102
United Kingdom	84
Belgium	57
Poland	38
Austria	22
Czech Republic	22
Hungary	11
Ireland	7
Slovenia	6
Sweden	4
Estonia	2
Portugal	2
Slovak Republic	2
Finland	1
Greece	1
Luxembourg	1
Total	2 831

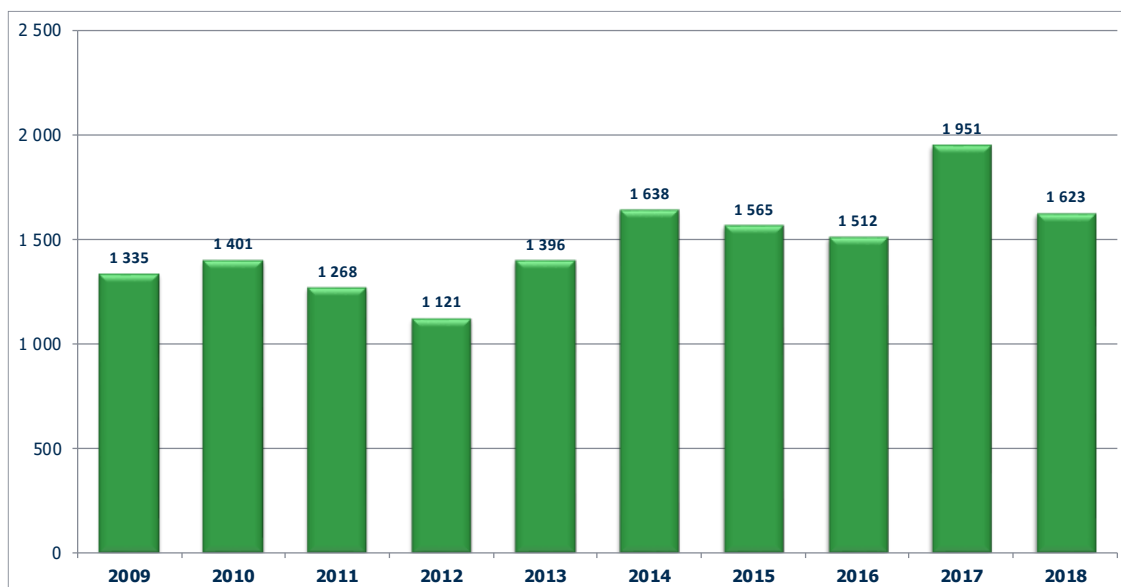
Table 2: Non-EU countries from which CPVR applications were filed in 2018

Country of main applicant	Number of applications received in 2018
United States	331
Switzerland	161
Japan	75
Israel	37
Australia	30
Thailand	27
Canada	14
New Zealand	13
Serbia	10
South Africa	7
Taiwan	3
China	2
Costa Rica	2
Ecuador	2
Sri Lanka	2
Argentina	1
Brazil	1

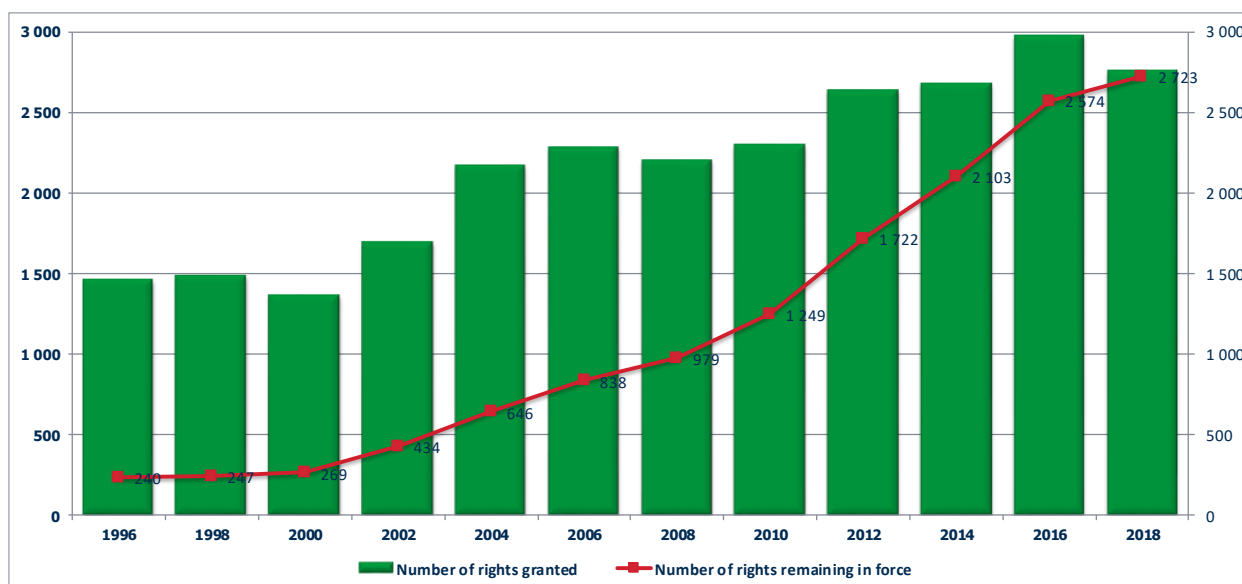


Colombia	1
South Korea	1
Mexico	1
Norway	1
Panama	1
Total	723

Graph 3: Number of surrenders of CPVRs (2009-2018)



Graph 4: Number of rights granted each year from 1996 to 2018 and those remaining in force on 31 December 2018 from those granted per year (every other year shown)



At the end of 2018, of the 50 394 rights granted in total, 26 897 (53.37 %) were still in force.



Annex II. Provisional accounts

Provisional Accounts 2018

1.	The CPVO	37
2.	Mission of the CPVO	37
3.	Structure of the CPVO and the actors involved	38
4.	Overview Budget Implementation 2018	39
4.1	Introduction	39
4.2	Overview	39
4.3	Budgetary Accounts	39
4.4	Financial Accounts	39
4.5	Budgetary Outturn	39
5.	Revenue	41
6.	Expenditure	42
7.	Budget amendments and transfers	46
8.	Management of Carry-Over credits (C8)	47
9.	Treasury reserve	48
10.	Budgetary Principles	49
11.	Budgetary Accounts	50
11.1	Budget Outturn Account – Detailed	50
11.2	Budget income	50
11.3	Budget Outturn – detailed reports	51
12.	Financial Accounts:	54
12.1	Balance sheet	54
12.2	Statement of financial performance	54
12.3	Cash-flow (Indirect method)	55
12.4	Reconciliation between the economic result and the budgetary result	56
12.5	Notes to the financial accounts	57
12.6	Other Disclosures	61
12.7	Statement of financial risk	62
12.8	Summary of main accounting principles	66



THE CPVO



1. The CPVO

A system for the protection of plant variety rights has been established by Community legislation. The system allows intellectual property rights, valid throughout the Community, to be granted for plant varieties.

The Community Plant Variety Office (CPVO) implements and applies this scheme. The CPVO has been operating since 27 April 1995. On 6 December 1996, the Intergovernmental Conference of representatives of the Member States (IGC) decided that the seat of the CPVO would be in Angers (France). The CPVO, which is a decentralised Community agency, has its own legal status. It is self-financing, mainly on the basis of the various fees paid.

2. Mission of the CPVO

The CPVO was established by Council Regulation (EC) No 2100/94 of 27 July 1994 on Community plant variety rights (OJ L 227 of 01.09.94 p.1). It was established with a view to creating a system of industrial property rights for plants, with uniform effect in the territory of the European Union.

The mission statement below, which is broadly in line with the one defined for the period 2010-2015, provides a clear *raison d'être* for the CPVO. It is on this solid basis, that the Strategic Vision is developed and the objectives and actions over the period 2017-2021 are derived.

The mission is to deliver and promote an efficient Intellectual Property Rights system that supports the creation of new plant varieties for the benefit of Society.

The mission of the CPVO provides an incentive to create new varieties. By protecting new varieties return of investments to the breeder is ensured and opens the door for re-investments in the creation of new plant varieties. This will lead to higher and more sustainable agricultural outputs and job creation as outlined above in the introduction. This mission has many implications for how the CPVO works and develops over time. Achieving this means we will implement high quality, robust and defensible decisions which maintain the confidence of breeders and society as a whole. This in turn requires recruiting and developing staff with access to cutting-edge IT tools, maintaining excellent relations with all our stakeholders while taking our responsibility as a worldwide player in Intellectual Property Rights for plants.



3. Structure of the CPVO and the actors involved

- **The Administrative Council:** The CPVO is supervised by its Administrative Council, comprising a representative of each Member State and a representative of the European Commission, and their alternates. The Administrative Council advises the CPVO, formulates its general guidelines, provides opinions, constitutes the budgetary authority of the CPVO, examines and controls both its activities and those of its President.
- **CPVO management:** the management of the CPVO is ensured by its President, nominated by the Council of the European Union. The President takes all the necessary measures in order to produce the budget of the CPVO and to ensure its correct implementation in the framework of the powers conferred on him under the Community Regulations. He is assisted by a Vice-President who ensures his replacement in case of impediment. The President has delegated some of his duties to the Vice-President.
- **Internal organisation of the CPVO:** The CPVO is organised internally into three units: Technical, Administration and Legal units. There is also a service responsible for the quality auditing of examination offices. This service is under the administrative responsibility of the President while being independent with regard to its audit operations.
- **The Board of Appeal:** a Board of Appeal has been established which is responsible for deciding on appeals made against certain kinds of decisions taken by the CPVO. The Board is made up of a Chairman and alternate, and members chosen by the Chairman from a list (drawn up on the basis of a strict regulatory procedure) depending on the cases under consideration. The members of the Board of Appeal are independent.

The decisions of the Board of Appeal can be appealed against at the Court of Justice of the European Union in Luxembourg.
- **Other institutions:** Various Community institutions such as the Council of the European Union, the Court of Auditors (control of income and expenditure accounts), the European Parliament and the European Commission interact directly or indirectly with the activities of the CPVO.



4. Overview Budget Implementation 2018

4.1 Introduction

In accordance with the financial regulations of the Community Plant Variety Office, the present report provides an overview and analysis of the execution of the budget of the CPVO in 2018 as well as an indication of the key events and developments which impact on the financial situation of the Office.

The reports shall be subject to audit by the European Court of Auditors, after which the final accounts shall be drawn up.

4.2 Overview

The Community Plant Variety Office received 3554 applications in 2018 compared to 2017 (3422 applications). In 2018, 2756 new titles were granted. Taking into account the surrenders of older titles, the total number of titles in force rose 26896.

4.3 Budgetary Accounts

The budgetary accounts, which are more or less a reflection of the cash receipts and expenditure for the year, are sensitive to the timing of receipts and payments. Receipts of € 17.63 million and expenses of € 16.43 million meant a budget outturn of € 1.2 million positive (€ 1.25 positive in 2017). Non-budgetary income of € 97 K lead to a net outturn of € 1.30 million positive.

The outturn slightly decreased compared to 2017. The free reserve increased in line with an important increase of the total of the treasury of € 1.4, million with a small increase of € 0.23 K of the total of the open commitment for operational expenses).

4.4 Financial Accounts

The financial accounts show an economic result of € 95 K positive. This figure takes into account *inter alia* invoices not yet received at year-end.

4.5 Budgetary Outturn

The budgetary outturn is the difference between the budgetary receipts and budgetary payments.

The net out-turn for the year was approximately EUR 1.30 million positive and stable compared to the previous year showing a net out-turn of EUR 1.37 million.



Table 9 Budgetary outturn 2018

		2018	2017	% variation 2018
Income	Fees revenue	17 499 839,00	15 988 423,50	9,45%
	Other revenue	133 915,89	192 378,33	-30,39%
	Total	17 633 754,89	16 180 801,83	8,98%
Expenditure	Title 1 Staff expenditure	-7 062 334,39	-6 550 983,90	7,81%
	Title 2 Administrative expenditure	-1 304 132,68	-1 382 643,07	-5,68%
	Title 3 Operational expenditure	-8 062 122,89	-7 001 546,63	15,15%
	Total	-16 428 589,96	-14 935 173,60	10,00%
Grand Total		1 205 164,93	1 245 628,23	-3,25%
Non budgetary income		97 038,38	123 856,77	-21,65%
Net outturn for the year		1 302 203,31	1 369 485,00	-4,91%

The budget out-turn for 2018 remains rather stable (with a slight difference of EUR 0.07 million compared to 2017), thanks to the rise of the level of the annual fee in 2017. A slight decrease in administrative expenditure also contributed to the stability of the budget out-turn. Operational spending significantly increased due to the high number of examinations carried out.

5. Revenue

Table 10 Revenue breakdown

	2018	2017	% variation 2018
Fees	17 499 839,00	15 988 423,50	9,45%
Administrative operations	98 994,89	127 966,86	-22,64%
Interest	34 921,00	64 411,47	-45,78%
Grand Total	17 633 754,89	16 180 801,83	8,98%

Table 11 Breakdown of fee income

	2018	2017	% variation 2018
Annual fees	9 120 600,00	8 452 620,00	7,90%
Application fees	1 632 350,00	1 559 350,00	4,68%
Examination fees	6 061 000,00	5 427 864,50	11,66%
Other fees	685 889,00	548 589,00	25,03%
Grand Total	17 499 839,00	15 988 423,50	9,45%

The total fees received in 2018 amounted to EUR 17.5 million, representing an increase of 9.45 % in comparison with the previous year. Due to the rise in the level of the annual fee (€330 in 2017 and €250 for 2016), annual fees increased compared to previous years, with a slightly higher number of titles in force. The income increased for all fee types.

6. Expenditure

Execution of expenses is made using budgetary appropriations for commitments and appropriations for payments.

For staff costs and administrative expenditure (Title 1 and Title 2) the commitment and payment budgets are equal. This means that the amounts committed in a given year equal the amounts paid in that year (or carried forward to be paid early in the following year as C8 Credits).

For operational expenses (Title 3 – mainly examinations), commitments can be made in one year but payment can be spread out over a number of future years (depending on the species being examined). For this reason, the commitment budget is different from the payment budget for operational expenditure.

Table 12 Budgetary execution 2018

	Final appropriation	Budget execution	Execution %	Cancelled appropriations	Canceled %
Title 1 Staff expenditure	7 445 000,00	7 062 334,39	94,9%	382 665,61	5,1%
Title 2 Admin. expenditure	1 675 000,00	1 304 132,68	77,9%	370 867,32	22,1%
Title 3 Operational expenditure	8 120 000,00	8 062 122,89	99,3%	57 877,11	0,7%
Grand Total	17 240 000,00	16 428 589,96	95,3%	811 410,04	4,7%

Overall, as can be seen, expenditure for the year was EUR 16.43 million (compared with EUR 14.93 million in 2017) with a very high execution rate for the budget (95.3%).

Table 13 Budgetary execution – comparison 2017 - 2018

	Budget execution 2018	Budget execution 2017	% Change
Title 1 Staff expenditure	7 062 334,39	6 550 983,90	7,8%
Title 2 Admin. expenditure	1 304 132,68	1 382 643,07	-5,7%
Title 3 Operational expenditure	8 062 122,89	7 001 546,63	15,1%
Grand Total	16 428 589,96	14 935 173,60	10,0%



Table 14 Budgetary execution 2017– Title 1: Staff expenditure

Budget article	Description.	Final appropriation	Budget execution	Execution %	Paid in the year	Carried forward to 2019 (C8)	Cancelled appropriations	Canceled %
E1100	Staff	6 965 000,00	6 653 443,25	95,5%	6 610 470,08	42 973,17	311 556,75	4,5%
E1200	Training	90 000,00	71 122,06	79,0%	44 326,06	26 796,00	18 877,94	21,0%
E1300	Travel	270 000,00	257 390,57	95,3%	228 163,46	29 227,11	12 609,43	4,7%
E1400	Interim staff	80 000,00	52 208,18	65,3%	46 117,20	6 090,98	27 791,82	34,7%
E1500	Assistance	30 000,00	23 574,65	78,6%	15 580,20	7 994,45	6 425,35	21,4%
E1700	Representation	10 000,00	4 595,68	46,0%	4 095,68	500,00	5 404,32	54,0%
Grand Total		7 445 000,00	7 062 334,39	94,9%	6 948 752,68	113 581,71	382 665,61	5,1%

Table 15 Budgetary execution – Title 1: Staff expenditure – comparison 2017 – 2018

Budget article	Description.	Budget execution 2018	Budget execution 2017	% Change
E1100	Staff	6 653 443,25	6 009 209,63	10,7%
E1200	Training	71 122,06	75 753,04	-6,1%
E1300	Travel	257 390,57	254 000,00	1,3%
E1400	Interim staff	52 208,18	173 027,84	-69,8%
E1500	Assistance	23 574,65	28 761,86	-18,0%
E1700	Representation	4 595,68	10 231,53	-55,1%
Grand Total		7 062 334,39	6 550 983,90	7,8%

The salary grid for the staff of the Office, being governed by the levels set by the Council of the European Union, is also subject to changes in line with inflation and career progression.

Table 16 Budgetary execution 2018 – Title 2: Administrative expenditure

Budget article	Description.	Final appropriation	Budget execution	Execution %	Paid in the year	Carried forward to 2019 (C8)	Cancelled appropriations	Canceled %
E2000	Property	350 000,00	261 525,57	74,7%	220 555,11	40 970,46	88 474,43	25,3%
E2100	IT expenses	620 000,00	574 044,77	92,6%	424 334,97	149 709,80	45 955,23	7,4%
E2200	Other equipment	60 000,00	29 971,29	50,0%	27 113,53	2 857,76	30 028,71	50,0%
E2300	General admin.	70 000,00	37 414,78	53,4%	34 033,34	3 381,44	32 585,22	46,6%
E2400	Postage and telecom	90 000,00	77 394,89	86,0%	70 661,44	6 733,45	12 605,11	14,0%
E2500	Meetings and notices	380 000,00	219 450,38	57,8%	163 206,57	56 243,81	160 549,62	42,2%
E2600	Audit and evaluation	105 000,00	104 331,00	99,4%	49 669,47	54 661,53	669,00	0,6%
Grand Total		1 675 000,00	1 304 132,68	77,9%	989 574,43	314 558,25	370 867,32	22,1%



Table 17 Budgetary execution – Title 2: Administrative expenditure – comparison 2017 – 2018

Budget article	Description.	Budget execution 2018	Budget execution 2017	% Change
E2000	Property	261 525,57	268 555,49	-2,6%
E2100	IT expenses	574 044,77	605 368,02	-5,2%
E2200	Other equipment	29 971,29	65 275,41	-54,1%
E2300	General admin.	37 414,78	39 770,51	-5,9%
E2400	Postage and telecom	77 394,89	62 526,55	23,8%
E2500	Meetings and notices	219 450,38	246 798,07	-11,1%
E2600	Audit and evaluation	104 331,00	94 349,02	10,6%
Grand Total		1 304 132,68	1 382 643,07	-5,7%

For Administrative expenses, there were slight decreases in most of the items. This is the result of constant efforts made to decrease the administrative expenditure: approximately - 6% in 2018 (-30% in 2017).

Table 18 Budgetary execution 2018 – Title 3: Operational expenditure

Budget article	Description.	Final appropriation	Budget execution	Execution %	Cancelled appropriations	Canceled %
E3000	Examination office fees	7 271 614,35	7 251 535,74	99,7%	20 078,61	0,3%
E3200	Examination reports	409 040,00	409 040,00	100,0%	0,00	0,0%
E3400	Publications	48 051,60	48 051,60	100,0%	0,00	0,0%
E3500	Studies	206 294,05	206 294,05	100,0%	0,00	0,0%
E3600	Special advisors	185 000,00	147 201,50	79,6%	37 798,50	20,4%
Grand Total		8 120 000,00	8 062 122,89	99,3%	57 877,11	0,7%

Table 19 Budgetary execution – Title 3: Operational expenditure – comparison 2017 – 2018

Budget article	Description.	Budget execution 2018	Budget execution 2017	% Change
E3000	Examination office fees	7 251 535,74	6 293 996,61	15,2%
E3200	Examination reports	409 040,00	341 040,00	19,9%
E3400	Publications	48 051,60	71 659,24	-32,9%
E3500	Studies	206 294,05	194 419,66	6,1%
E3600	Special advisors	147 201,50	100 431,12	46,6%
Grand Total		8 062 122,89	7 001 546,63	15,1%

Operational expenditure consists mainly of remuneration for Examination Offices. Two main factors explain this increase in this expenditure. On the one hand, there has been a higher number of applications than in the previous years and the number of examinations rose up accordingly. On the other hand, the testing phase for upfront payments (payment of the examination cost at the beginning of the examination process) contributes also to the increase of the examination expenditure this year.

Table 20 Budgetary execution (commitment appropriation) 2018 – Title 3: Operational expenditure

Budget article	Description	Budget initial	Transferts	Budget final	Committed	% Committed
E3000	Examination office fees	7 600 000		8 600 000,00	8 070 719,24	93,8%
E3200	Examination reports	440 000	40 000,00	510 000,00	483 520,00	94,8%
E3400	Publications	170 000		170 000,00	44 393,95	26,1%
E3500	Studies	500 000		500 000,00	240 752,60	48,2%
E3600	Special advisors	200 000		200 000,00	171 026,88	85,5%
Total		8 910 000	40 000,00	9 980 000,00	9 010 412,67	90,3%

Table 21 Title 3 – Outstanding commitments

Budget Article	Outstanding beginning of the year	Committed	De-committed	Paid	Outstanding yearend
E3000	15 699 136,65	8 070 719,24	-670 292,25	-7 251 535,74	15 848 027,90
E3200	354 640,00	483 520,00	-7 200,00	-409 040,00	421 920,00
E3400	12 347,91	44 393,95	-4 379,48	-48 051,60	4 310,78
E3500	598 581,69	240 752,60	-12 037,80	-206 294,05	621 002,44
E3600	49 734,06	171 026,88	-24 143,57	-147 201,50	49 415,87
Grand Total	16 714 440,31	9 010 412,67	-718 053,10	-8 062 122,89	16 944 676,99

7. Budget amendments and transfers

As every year, transfers between budget lines are made where there are changes in spending.

Transfers were made from the lines for staff expenditure, studies, examination reports, publications and advisors mainly to cover the increase of examination office fees.

The table below shows the revisions and transfers for the payment budget:

Table 22 Revisions and transfers on the payment budget 2018

Budget article	Description.	Initial payment budget	Budget amendments	Payment budget transfers	Final appropriation
E1100	Staff	7 020 000	0	-55 000	6 965 000
E3000	Examination office fees	6 400 000	320 000	551 614	7 271 614
E3200	Examination reports	480 000	0	-70 960	409 040
E3400	Publications	150 000	0	-101 948	48 052
E3500	Studies	530 000	0	-323 706	206 294
E3600	Special advisors	200 000	0	-15 000	185 000
E2600	Audit and evaluation	90 000	0	15 000	105 000
Grand Total		14 870 000	320 000	0	15 190 000

All transfers were signalled to the Administrative Council during the year.

For Title 1 and Title 2, the Commitment budget is subject to the same transfers as the Payment budget as the credits are non-dissociated credits. The explanations of revisions and transfers are mentioned on the previous paragraph.

For Title 3, revisions were made to reinforce the budget line examination reports and audit & evaluation.

One budget revisions was made in 2018 to cover the increase of the payment appropriation for examination office fees and examination reports.

Table 23 Revisions and transfers of the commitment budget (no transfers done for title 3) 2018

Budget article	Description	Budget initial	Revisions	Transferts	Budget final
E1100	Staff	7 020 000,00		-55 000	6 965 000
E2600	Audit and evaluation	90 000,00		15 000	105 000
E3000	Examination office fees	7 600 000,00	1 000 000	0	8 600 000
E3200	Examination reports	440 000,00	30 000	40 000	510 000
Grand Total		17 200 000,00	1 030 000	0	18 230 000

8. Management of Carry-Over credits (C8)

Each year, for title 1 and title 2, commitments are made for which invoices have not been received at the year-end. These amounts are shown as budget execution for the year but carried over to the following year to be paid. As the invoice amounts are not known at the year-end, the total amount carried over is an estimate. For budgetary reasons, it is necessary that there is a margin. When the amount carried over is too high, the resulting "lost credits" become non-budgetary income for the following year.

The table below shows, for the 2017 amounts carried over to 2018 for payment, there was a payment execution of 77% (€ 316 719.04). The amount unpaid (€ 97 038.38), which had been considered as a budgetary expenditure in 2017, is now "non-budgetary income" for 2018 and appears in the budget outturn account as such in table 1.

Table 24 Execution of C8 credit – 2018

Title	Budget article	Description	Budget final	Payments	% Paid	Lost C8 credits
Title 1 Staff expenditure	E1100	Staff	41 839,14	33 569,87	80%	8 269,27
	E1200	Training	37 651,00	37 651,00	100%	0,00
	E1300	Travel	9 946,57	4 830,80	49%	5 115,77
	E1400	Interim staff	0,00	0,00	0%	0,00
	E1500	Assistance	9 713,94	9 528,78	98%	185,16
	E1700	Representation	0,00	0,00	0%	0,00
	Total		99 150,65	85 580,45	86%	13 570,20
Title 2 Admin. expenditure	E2000	Property	60 606,74	47 365,51	78%	13 241,23
	E2100	IT expenses	115 252,30	105 055,63	91%	10 196,67
	E2200	Other equipment	13 741,76	13 739,77	100%	1,99
	E2300	General admin.	5 688,10	3 856,09	68%	1 832,01
	E2400	Postage and telecom	13 826,12	2 724,95	20%	11 101,17
	E2500	Meetings and notices	68 261,75	34 306,64	50%	33 955,11
	E2600	Audit and evaluation	37 230,00	24 090,00	65%	13 140,00
Total			314 606,77	231 138,59	73%	83 468,18
Grand Total			413 757,42	316 719,04	77%	97 038,38

9. Treasury reserve

Table 25 Calculation of the free reserve

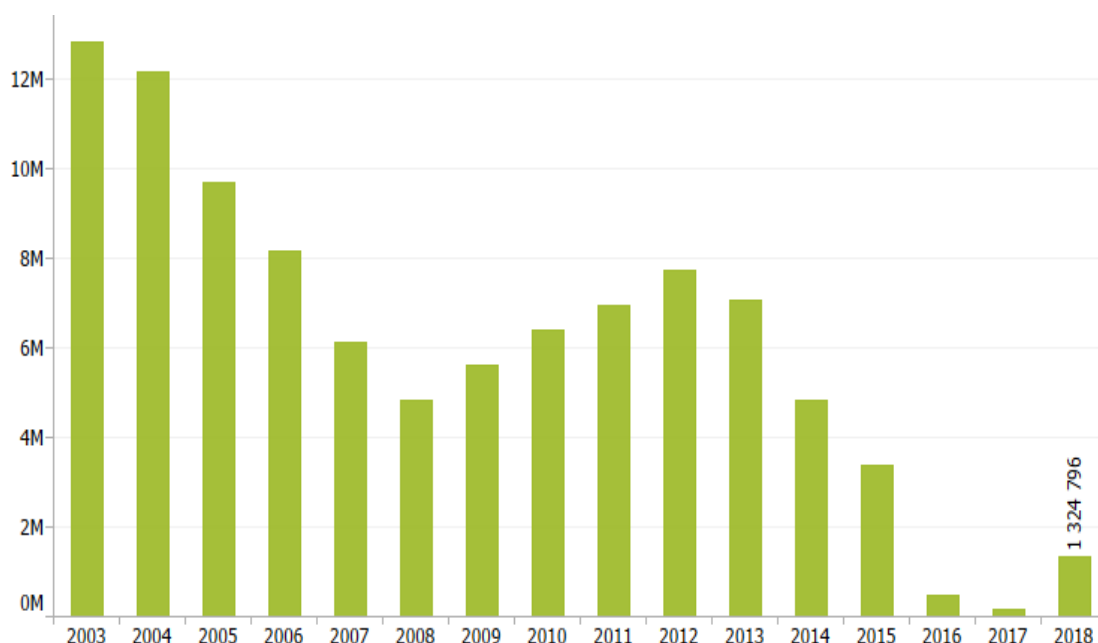
Description	2018
Treasury amount	18 697 613
Title 1: Amount carried over to next year	-113 582
Title 2: Amount carried over to next year	-314 558
Title 3: Amount carried over (diffrenciated credit)	-16 944 677
Grand Total	1 324 796

The so-called free reserve is the difference between total treasury in the CPVO and the outstanding commitments opened.

The reserve of cash and cash equivalents of the CPVO at 31 December 2018 amounted to € 18.7 million (higher than the position at the same time in 2017). However, the outstanding budgetary commitments made with third parties (mainly with examination offices) at the same period amounted to € 17.4 million (€ 17.1 for 2017). The increase of the free reserve is in line with the expectation of the CPVO.

The graph below shows the evolution of the free reserve since its high point in 2003.

Table 26 Evolution of the free reserve



10. Budgetary Principles

The following principles are applied for the implementation of the budget of the CPVO.

- 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 Office. 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 of the Office 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 of the Office.
- Principle of annuality: The appropriations entered are authorised for one financial year and must therefore be used during that year. 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.
- Principle of equilibrium: The Office's budget revenue and expenditure must be in balance.
- Principle of unit of account: The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro. The rate of conversion between the euro and other currencies is taken from the monthly publication established by the European Commission (InforEuro).
- Principle of universality: Total revenue shall cover all expenditure. All revenue and expenditure shall be entered in full without any adjustment against each other.
- Principle of specification: The appropriations shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items.
- 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.
- Principle of transparency: The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency.



11. Budgetary Accounts

11.1 Budget Outturn Account – Detailed

Table 27 Detailed budget outturn

		2018	2017	% variation 2018
Income	Fees revenue	17 499 839,00	15 988 423,50	9,45%
	Other revenue	133 915,89	192 378,33	-30,39%
	Total	17 633 754,89	16 180 801,83	8,98%
Expenditure	Title 1 Staff expenditure	-7 062 334,39	-6 550 983,90	7,81%
	Title 2 Administrative expenditure	-1 304 132,68	-1 382 643,07	-5,68%
	Title 3 Operational expenditure	-8 062 122,89	-7 001 546,63	15,15%
	Total	-16 428 589,96	-14 935 173,60	10,00%
Grand Total		1 205 164,93	1 245 628,23	-3,25%
Non budgetary income		97 038,38	123 856,77	-21,65%
Net outturn for the year		1 302 203,31	1 369 485,00	-4,91%

11.2 Budget income

Table 28 Budget income detailed

Budget Posts	Description	Budget after RSB(*) and transfers	Income stated in 2018	Income collected in 2018	Variation with budget (%)
1000	Fees and surcharges collected	16 160 000	17 499 839	17 499 839	8,29%
3000	Deficit reserve	820 000			
5000	Income from administrative operations	110 000	98 995	98 995	-10,00%
9100	Other income (mainly financial income)	150 000	34 921	34 921	-76,72%
Total		17 240 000	17 633 755	17 633 755	2,28%

(*) rectified supplementary budget

11.3 Budget Outturn – detailed reports

Table 29 Commitment appropriation 2018

Title	Budget article	Description	Budget initial	Revisions	Transferts	Budget final	Committed	% Committed	Cancelled
Title 1 Staff expenditure	E1100	Staff	7 020 000	0	-55 000,00	6 965 000,00	6 653 443,25	95,5%	311 556,75
	E1200	Training	90 000	0	0,00	90 000,00	71 122,06	79,0%	18 877,94
	E1300	Travel	270 000	0	0,00	270 000,00	257 390,57	95,3%	12 609,43
	E1400	Interim staff	80 000	0	0,00	80 000,00	52 208,18	65,3%	27 791,82
	E1500	Assistance	30 000	0	0,00	30 000,00	23 574,65	78,6%	6 425,35
	E1700	Representation	10 000	0	0,00	10 000,00	4 595,68	46,0%	5 404,32
	Total		7 500 000	0	-55 000,00	7 445 000,00	7 062 334,39	94,9%	382 665,61
Title 2 Admin. expenditure	E2000	Property	350 000	0	0,00	350 000,00	261 525,57	74,7%	88 474,43
	E2100	IT expenses	620 000	0	0,00	620 000,00	574 044,77	92,6%	45 955,23
	E2200	Other equipment	60 000	0	0,00	60 000,00	29 971,29	50,0%	30 028,71
	E2300	General admin.	70 000	0	0,00	70 000,00	37 414,78	53,4%	32 585,22
	E2400	Postage and telecom	90 000	0	0,00	90 000,00	77 394,89	86,0%	12 605,11
	E2500	Meetings and notices	380 000	0	0,00	380 000,00	219 450,38	57,8%	160 549,62
	E2600	Audit and evaluation	90 000	0	15 000,00	105 000,00	104 331,00	99,4%	669,00
	Total		1 660 000	0	15 000,00	1 675 000,00	1 304 132,68	77,9%	370 867,32
Title 3 Operational expenditure	E3000	Examination office f..	7 600 000	1 000 000	0,00	8 600 000,00	8 070 719,24	93,8%	529 280,76
	E3200	Examination reports	440 000	30 000	40 000,00	510 000,00	483 520,00	94,8%	26 480,00
	E3400	Publications	170 000	0	0,00	170 000,00	44 393,95	26,1%	125 606,05
	E3500	Studies	500 000	0	0,00	500 000,00	240 752,60	48,2%	259 247,40
	E3600	Special advisors	200 000	0	0,00	200 000,00	171 026,88	85,5%	28 973,12
	Total		8 910 000	1 030 000	40 000,00	9 980 000,00	9 010 412,67	90,3%	969 587,33
Grand Total			18 070 000	1 030 000	0,00	19 100 000,00	17 376 879,74	91,0%	1 723 120,26

Table 30 Payment appropriation 2018

Title.	Budget article	Description.	Initial payment budget	Budget amendments	Payment budget transfers	Final appropriation	Budget execution	Execution %	Paid in the year	Carried forward to 2019 (C8)	Cancelled appropriations	Canceled %
Title 1 Staff expenditure	E1100	Staff	7 020 000,00	0,00	-55 000,00	6 965 000,00	6 653 443,25	95,5%	6 610 470,08	42 973,17	311 556,75	4,5%
	E1200	Training	90 000,00	0,00	0,00	90 000,00	71 122,06	79,0%	44 326,06	26 796,00	18 877,94	21,0%
	E1300	Travel	270 000,00	0,00	0,00	270 000,00	257 390,57	95,3%	228 163,46	29 227,11	12 609,43	4,7%
	E1400	Interim staff	80 000,00	0,00	0,00	80 000,00	52 208,18	65,3%	46 117,20	6 090,98	27 791,82	34,7%
	E1500	Assistance	30 000,00	0,00	0,00	30 000,00	23 574,65	78,6%	15 580,20	7 994,45	6 425,35	21,4%
	E1700	Representation	10 000,00	0,00	0,00	10 000,00	4 595,68	46,0%	4 095,68	500,00	5 404,32	54,0%
	Total		7 500 000,00	0,00	-55 000,00	7 445 000,00	7 062 334,39	94,9%	6 948 752,68	113 581,71	382 665,61	5,1%
Title 2 Admin. expenditure	E2000	Property	350 000,00	0,00	0,00	350 000,00	261 525,57	74,7%	220 555,11	40 970,46	88 474,43	25,3%
	E2100	IT expenses	620 000,00	0,00	0,00	620 000,00	574 044,77	92,6%	424 334,97	149 709,80	45 955,23	7,4%
	E2200	Other equipment	60 000,00	0,00	0,00	60 000,00	29 971,29	50,0%	27 113,53	2 857,76	30 028,71	50,0%
	E2300	General admin.	70 000,00	0,00	0,00	70 000,00	37 414,78	53,4%	34 033,34	3 381,44	32 585,22	46,6%
	E2400	Postage and telecom	90 000,00	0,00	0,00	90 000,00	77 394,89	86,0%	70 661,44	6 733,45	12 605,11	14,0%
	E2500	Meetings and notices	380 000,00	0,00	0,00	380 000,00	219 450,38	57,8%	163 206,57	56 243,81	160 549,62	42,2%
	E2600	Audit and evaluation	90 000,00	0,00	15 000,00	105 000,00	104 331,00	99,4%	49 669,47	54 661,53	669,00	0,6%
	Total		1 660 000,00	0,00	15 000,00	1 675 000,00	1 304 132,68	77,9%	989 574,43	314 558,25	370 867,32	22,1%
Title 3 Operational expenditure	E3000	Examination office fees	6 400 000,00	320 000,00	551 614,35	7 271 614,35	7 251 535,74	99,7%	7 251 535,74	0,00	20 078,61	0,3%
	E3200	Examination reports	480 000,00	0,00	-70 960,00	409 040,00	409 040,00	100,0%	409 040,00	0,00	0,00	0,0%
	E3400	Publications	150 000,00	0,00	-101 948,40	48 051,60	48 051,60	100,0%	48 051,60	0,00	0,00	0,0%
	E3500	Studies	530 000,00	0,00	-323 705,95	206 294,05	206 294,05	100,0%	206 294,05	0,00	0,00	0,0%
	E3600	Special advisors	200 000,00	0,00	-15 000,00	185 000,00	147 201,50	79,6%	147 201,50	0,00	37 798,50	20,4%
	Total		7 760 000,00	320 000,00	40 000,00	8 120 000,00	8 062 122,89	99,3%	8 062 122,89	0,00	57 877,11	0,7%
Grand Total			16 920 000,00	320 000,00	0,00	17 240 000,00	16 428 589,96	95,3%	16 000 450,00	428 139,96	811 410,04	4,7%

Table 31 Budget outturn of non-differentiated credits carried forward (C8)

Title	Budget article	Description	Budget final	Payments	% Paid	Lost C8 credits
Title 1 Staff expenditure	E1100	Staff	41 839,14	33 569,87	80%	8 269,27
	E1200	Training	37 651,00	37 651,00	100%	0,00
	E1300	Travel	9 946,57	4 830,80	49%	5 115,77
	E1400	Interim staff	0,00	0,00	0%	0,00
	E1500	Assistance	9 713,94	9 528,78	98%	185,16
	E1700	Representation	0,00	0,00	0%	0,00
	Total		99 150,65	85 580,45	86%	13 570,20
Title 2 Admin. expenditure	E2000	Property	60 606,74	47 365,51	78%	13 241,23
	E2100	IT expenses	115 252,30	105 055,63	91%	10 196,67
	E2200	Other equipment	13 741,76	13 739,77	100%	1,99
	E2300	General admin.	5 688,10	3 856,09	68%	1 832,01
	E2400	Postage and telecom	13 826,12	2 724,95	20%	11 101,17
	E2500	Meetings and notices	68 261,75	34 306,64	50%	33 955,11
	E2600	Audit and evaluation	37 230,00	24 090,00	65%	13 140,00
	Total		314 606,77	231 138,59	73%	83 468,18
Grand Total			413 757,42	316 719,04	77%	97 038,38

12. Financial Accounts:

12.1 Balance sheet

				2018	2017
Assets	Non-Current assets	Intangible Assets	1	160,72	1 865,04
		Tangible Assets	2	2 829 196,38	3 093 537,71
		Medium term investments	3	7 549 000,00	7 756 500,00
		Total		10 378 357,10	10 851 902,75
	Current assets	Short-term receivables	4	3 927 545,54	4 002 451,63
		Treasury	5	11 148 612,92	9 541 945,75
		Other receivable	6	86 561,46	58 336,44
		Total		15 162 719,92	13 602 733,82
	Total			25 541 077,02	24 454 636,57
Liabilities	Accumulated result	Reserve		8 763 350,92	9 799 661,25
		Profit / deficit		95 231,84	(1 036 310,33)
		Total		8 858 582,76	8 763 350,92
	Current liabilities	Accrued charges and deferred income	7	16 520 702,01	15 505 231,38
		Current payables	8	37 142,25	29 454,27
		Short-term provision	9	124 650,00	156 600,00
		Total		16 682 494,26	15 691 285,65
	Total			25 541 077,02	24 454 636,57

12.2 Statement of financial performance

Table 32 Statement of financial performance

		2018	2017
Income	Income from fees	16 938 125,96	14 484 760,35
	Income from administrative operations	105 994,89	101 259,64
	Total	17 044 120,85	14 586 019,99
Expenditure	Operational expenses	(8 424 493,94)	(7 435 688,64)
	Salaries and social taxes	(6 818 284,88)	(6 343 588,28)
	Overheads	(1 498 953,98)	(1 649 783,24)
	Depreciation	(270 110,18)	(257 188,85)
	Total	(17 011 842,98)	(15 686 249,01)
Result		32 277,87	(1 100 229,02)
Financial revenue	Interest income	66 533,88	66 882,38
	Total	66 533,88	66 882,38
Financial expenditure	Bank charges & exchange differences	(3 579,91)	(2 963,69)
	Total	(3 579,91)	(2 963,69)
Result		62 953,97	63 918,69
Economic outturn for the year		95 231,84	(1 036 310,33)

12.3 Cash-flow (Indirect method)

Table 33 Cash flow

	2018	2017
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	95 231,84	-1 036 310,33
<i>Operating activities</i>		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	1 704,32	7 754,96
Depreciation (tangible fixed assets) +	268 405,86	249 433,89
Impairment (tangible fixed assets) +		
Increase/(decrease) in Provisions for risks and liabilities	-31 950,00	-49 067,35
(Increase)/decrease in Long term Receivables	207 500,00	-1 661 000,00
(Increase)/decrease in Short term Receivables	46 681,07	-667 568,89
Increase/(decrease) in Other Long term liabilities		
Increase/(decrease) in Accounts payable	1 023 158,61	2 642 188,59
<i>Net cash flow from operating activities</i>	1 610 731,70	-514 569,13
<i>Cash Flows from investing activities</i>		
Increase of tangible and intangible fixed assets (-)	-11 990,00	-220 990,49
Proceeds from tangible and intangible fixed assets (+)		
Loss on decommissioning of assets (+)	7 925,47	
<i>Net cash flow from investing activities</i>	-4 064,53	-220 990,49
<i>Net Increase/(decrease) in cash and equivalent</i>	1 606 667,17	-735 559,62
Cash and cash equivalents at the beginning of the period	9 541 945,75	10 277 505,37
Cash and cash equivalents at the end of the period	11 148 612,92	9 541 945,75
<i>Net Increase/(decrease) in cash and equivalent</i>	1 606 667,17	-735 559,62
<i>Difference</i>	0,00	0,00

12.4 Reconciliation between the economic result and the budgetary result

Table 34 Reconciliation table

	sign +/-	Amount
Economic result (+ for surplus and - for deficit)	+/-	95 231,84
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-	-14 417 896,96
Adjustments for Accrual Cut-off (cut- off 31.12.N)	+	15 448 940,90
Depreciation of intangible and tangible assets	+	270 110,18
Value reduction	+	7 925,47
Recovery Orders issued in the year in class 7 and not yet cashed	-	-3 393 206,00
Payments made from carry over of payment appropriations	+	316 719,04
Prefinancing received in previous year and cleared in the year	-	
Asset acquisitions (less unpaid amounts)	-	-11 990,00
Budgetary recovery orders issued before the financial year and cashed	+	3 316 730,00
Payment appropriations carried over to the next year	-	-428 139,96
Cancellation of unused carried over payment appropriations from previous year	+	97 038,38
total (1)		1 301 462,89
Budgetary result (+ for surplus) (2)		1 302 203,31
Including amount of exchange rate differences - (+ for gain and - for loss) - (3)		-740,42
Delta not explained (1) - (2) - (3)		0,00

12.5 Notes to the financial accounts

Note 1 Intangible fixed assets

		Internally generated Computer Software	Computer Software	Other Intangible assets	Intangible assets under construction	Total
Gross carrying amounts 01.01.2018	+		634 612,95			634 612,95
Additions	+					0,00
Disposals	-					
Transfer between headings	+/-					
Other changes	+/-					
Gross carrying amounts 31.12.2018		0,00	634 612,95	0,00	0,00	634 612,95
Accumulated amortization and impairment 01.01.2018	-		-632 747,91			-632 747,91
Amortization	-		-1 704,32			-1 704,32
Disposals	+					
Write-back of impairment	+					
Transfer between headings	+/-					
Accumulated amortization and impairment 31.12.2018		0,00	-634 452,23	0,00	0,00	-634 452,23
Net carrying amounts 31.12.2018		0,00	160,72	0,00	0,00	160,72

Note 2 Tangible Fixed Assets

		Land	Buildings	Plant and Equipment	Computer hardware	Tangible assets under construction	Total
Gross carrying amounts 01.01.2018	+	292 220,00	5 753 731,31	360 839,35	383 878,82	0,00	6 790 669,48
Additions	+				11 990,00		11 990,00
Disposals	-		-8 803,05	-3 805,00	-26 253,00		-38 861,05
Impairment (regularisation entry)	+/-						0,00
Other changes	+/-						0,00
Gross carrying amounts 31.12.2018		292 220,00	5 744 928,26	357 034,35	369 615,82	0,00	6 763 798,43
Accumulated amortization and impairment 01.01.2018	-		-3 024 582,92	-328 055,29	-344 493,56		-3 697 131,77
Depreciation	-		-237 691,47	-6 777,53	-23 936,86		-268 405,86
Write-back of depreciation	+						0,00
Disposals	+		877,58	3 805,00	26 253,00		30 935,58
Transfer between headings	+/-						0,00
Accumulated amortization and impairment 31.12.2018		0,00	-3 261 396,81	-331 027,82	-342 177,42	0,00	-3 934 602,05
Net carrying amounts 31.12.2018		292 220,00	2 483 531,45	26 006,53	27 438,40	0,00	2 829 196,38

In 2018, the accounting policy for the recognition of the assets has been updated. The threshold for purchased assets has been increased from € 420 to € 5000 and for the self-developed assets software from € 500 000 euro to € 2 000 000. Assets purchased in the prior years under € 5000 (purchased price) are still reported in the balance sheet;

Note 3 Medium term investments

	2018	2017
Medium term investments	7 549 000,00	7 756 500,00
Grand Total	7 549 000,00	7 756 500,00

In 2018, the amount of medium term investments decreased slightly due to the maturity of one investment, which is now classified on short-term investment. The amount of € 7 549 000 is divided in different investments and different banks as it can be seen on the table below:

	2018	2017
BNP - financial investment	-	550 000,00
C.E. - financial investment	2 949 000,00	1 794 000,00
CRCA - financial investment	4 000 000,00	4 000 000,00
HSBC - financial investment	600 000,00	1 412 500,00
Grand Total	7 549 000,00	7 756 500,00

Note 4 Short-term receivables

	2018	2017
Customers	3 539 153,87	3 539 087,87
VAT	279 906,98	344 220,17
Deferred charges	108 484,69	119 143,59
Total	3 927 545,54	4 002 451,63

Note 5 Treasury

	2018	2017
Short-term investments	5 195 361,31	5 021 864,97
Current accounts	5 902 651,91	4 471 455,86
Imprest account	50 599,70	48 624,92
Total	11 148 612,92	9 541 945,75

Breakdown of short-term investments

	2018	2017
BNP	3 050 000,00	2 958 000,00
CAISSE D'EPARGNE	-	733 000,00
HSBC	812 500,00	
LCL	1 332 861,31	1 330 864,97
Total	5 195 361,31	5 021 864,97

Note 6 Other receivables

	2018	2017
Interest to be received	68 468,07	36 855,19
Sundry receivables (staff)	13 129,22	21 481,25
Sundry receivables (suppliers)	4 964,17	
Total	86 561,46	58 336,44

Interest rates are still very low and decreased in 2018 and for the future, the Office expects less return on investments. Furthermore, the CPVO does not accept negative interests.

Note 7 Accrued charges and differed income

	2018	2017
Deferred income	11 089 315,09	10 521 346,05
Invoices to be received	5 058 569,91	4 621 416,18
Suspense account	48 638,84	127 332,84
Accrued holidays	167 554,17	158 519,31
Charge accounts	156 624,00	76 617,00
Total	16 520 702,01	15 505 231,38

The increase of deferred income from fees was due to the increase of the number of annual fees linked to the increase of the titles granted, but also to the accumulation of the number of examination invoiced since 2014.

Note 8 Current payables

	2018	2017
Sundry credit accounts	6 497,75	-
Suppliers	30 644,50	29 454,27
Total	37 142,25	29 454,27

Note 9 Short-term provision

	2018	2017
Provision for doubtful debts	124 650,00	156 600,00
Grand Total	124 650,00	156 600,00

Table 35 Statement of changes in capital

	2018	2017
Reserve	8 763 350,92	9 799 661,25
Profit / deficit	83 241,84	(1 036 310,33)
Cumulated reserve	8 846 592,76	8 763 350,92

12.6 Other Disclosures

Off Balance Sheet Commitments

At the year-end there was a total of € 16 944 677 of commitments open on title 3 (operational expenditure) and a further € 428 140 for titles 1 and 2 carried to 2018 as C8 credits. Of this total, € 5 058 570 relates to work carried out in or before 2018 but not yet invoiced for which there is a provision in the financial accounts. The balance of **€ 12 314 247** relates to commitments made which relate to work to be undertaken in the future. These commitments are existing financial commitments for which the submission date is foreseen within the coming years. There is as of yet no real liability yet for the Office, as the applicants could still cancel the examination before the submission date of material. Therefore, they are taken as off-balance sheet commitments.

Contingent liabilities

There is a pending Court case for which the CPVO could be liable for the expenses incurred by the winning parties plus expenses incurred for the lawyer's fees. The cost to be paid could reach up to a maximum of € 20 000.

There are two ongoing litigations where the CPVO could be liable for the expenses incurred by the winning parties plus expenses incurred for the lawyer's fees. The cost to be paid could reach up to a maximum of € 80 000.

Related parties

As at 31 December, no related parties were identified. The key management personnel of the Office is shown below:

Grade	N° of staff
AD15	1
AD12	1
Total	2

Post balance sheet events

There are no relevant post balance sheet events to be reported.

12.7 Statement of financial risk –Financial Instruments

Financial instruments comprise cash, current receivables and recoverables, current payables, amounts due to and from consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks, information about which and how they are managed is set out below. Prepayments, accrued income, accruals and deferred income are not included.

LIQUIDITY RISK

Liquidity risk arises from the ongoing financial obligations, including settlement of payables.

Bank accounts opened in the name of the CPVO may not be overdrawn. Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulations, the internal control standards, and audit principles. The CPVO budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk.

The carrying amounts of financial instruments are as follows:

Medium term investments

The Offices has medium term investments with the financial institutions mentioned below with maturities in the coming 5 years.

Long term receivables	1-2 years	2-3 years	4-5 years	total
Medium term investment Caisse d'Epargne	755 000		2 194 000	2 949 000
Medium term investment Crédit Agricole		4 000 000		4 000 000
Medium term investment HSBC	600 000			600 000
total	1 355 000	4 000 000	2 194 000	7 549 000

Cash and cash equivalent

	2018	2017
Short-term investments	5 195 361,31	5 021 864,97
Current accounts	5 902 651,91	4 471 455,86
Imprest account	50 599,70	48 624,92
Total	11 148 612,92	9 541 945,75

Maturity term of receivables

Short term receivables	< 1 year	1-2 years	>2 years	total
Customers	3 539 153,87			3 539 153,87
VAT	279 906,98			279 906,98
Deferred charges	104 916,64	8 691,83	5 535,12	119 143,59
total	3 923 977,49	8 691,83	5 535,12	3 938 204,44

The table below concerns more particularly receivables from our customers.

Counterparties without external credit rating	Receivables with Member States	All receivables with third parties including accruals & deferrals	Short-term deposits	Bank accounts	Total
Customers		3 539 153,87			3 539 153,87
Debtors who defaulted in the past					
Total	0,00	3 539 153,87	0,00	0,00	3 539 153,87

For customers of the CPVO, the provision for potential loss is defined below.

Customers	2018	2017
Amount due by customers	3 539 153,87	3 539 087,87
Provision at the start of the year	-156 600,00	-205 667,35
Additional provision (-)	-31 270,00	-9 660,00
Reduction of the provision (+)		21 907,35
Write-offs	63 220,00	36 820,00
Accumulated impairment (-)	-124 650,00	-156 600,00
Net amount at the end of the year	3 414 503,87	3 382 487,87

The trend of the provision for customers linked to the fees invoiced is downward since a few years. In 2018, the provision for these clients amounts to € 31 270. The decrease is mainly due to a new decision taken by the Board of Appeal to cancel open notes concerned by cancellation procedure.

Break down of the provision for customers	2018	2017
Receivables from 2011		32 070,00
Receivables from 2012	14 700,00	45 850,00
Receivables from 2013	24 320,00	24 320,00
Receivables from 2014	22 060,00	22 060,00
Receivables from 2015	23 740,00	23 640,00
Receivables from 2016	16 570,00	8 660,00
Receivables from 2017	23 260,00	
Net amount at the end of the year	124 650,00	156 600,00

Financial liabilities: Maturity of liabilities

The following table takes into account the treasury received for charge accounts and the amounts due to suppliers. There is a significant decrease of the payables as only 2 charge accounts out of 14 are still be used but should be closed in March 2019.

	< 1 year	1 - 5 years	> 5 years	Total
Payables with third parties	156 624,00			156 624,00
Payables with consolidated entities				
Total	156 624,00	0,00	0,00	156 624,00

CREDIT RISK

Credit risk is the risk of loss due to a debtor's non-payment or other failure to meet a contractual obligation. The default events include a delay in repayments.

Treasury resources are kept with commercial banks. The CPVO recovers fees from clients and ensures appropriate cash management in order to maintain a minimum cash balance on its bank accounts. This is with a view to limit its risk exposure. The overall treasury balances fluctuated between approximately € 16 Million and € 20 Million.

In addition, specific guidelines are applied for the selection of commercial banks in order to further minimise counterparty risk to which the CPVO is exposed. Commercial banks are selected by call for tenders.

The minimum short-term and credit rating required for admission to the tendering procedures is "A-1" (S&P), "P-1" (Moody's) or "F13 (Fitch Rating).

Credit quality of financial assets

CPVO financial assets and their related risk are outlined in the table below.

For Member State receivables, this refers to VAT to be recovered. The receivables with third parties concerned medium term investment for 7 549 000 €, 108 484.69 € for deferred charges already paid in 2018; income to be received (interests from investments) in 2019 from 2018 for 68 468.07 €.

Counterparties with external credit rating	Receivables with Member States	All receivables with third parties including accruals & deferrals *	Short-term deposits	Bank accounts and cash	Total	% of the total
Prime and high grade	239 773,94	7 725 952,36	5 195 361,31	5 953 251,61	19 114 339,22	99,79%
Upper medium grade	40 071,26				40 071,26	0,21%
Lower medium grade	61,78				61,78	0,00%
Non-investment grade					0,00	0,00%
Total	279 906,98	7 725 952,36	5 195 361,31	5 953 251,61	19 154 472,26	100,00%

* excluding receivables with MS and receivables with consolidated entities

The maturity of medium terms investments can be seen under the item of "liquidity risk".

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

Currency exposure (in EUR)

The CPVO has no exposure to non-EURO currencies. All balances are in EURO and should be paid in EURO.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The CPVO does not borrow any funds. As a result it is not exposed to interest rate risk. It does, however, earn interests on investments. As mentioned on under the item "credit risk", to limit the risk, investments are made with banks having a minimum rating of "A-1" (S&P), "P-1" (Moody's) or "F13 (Fitch Rating). Investments are based on fixed rated pre-determined at the beginning of the investing period.

The CPVO does not accept negative interests.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The CPVO is not concerned by this risk.

12.8 Summary of main accounting principles

In accordance with 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 and (EC) n° 1525/2007 of 17 December 2007, the CPVO's financial statements² for the financial year 2018 are prepared on the basis of the EC Accounting Rules which adapt the International Public Sector Accounting Standards (and in some cases the International Financial Reporting Standards) to the specific environment of the Communities³, while the "Reports on implementation of the budget" continue to be primarily based on movements of cash.

The accounts are prepared for the financial year running from 1 January 2016 to 31 December 2018.

Accounting Principles

The objective of the financial statements is to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. For the CPVO, the objectives are more specifically to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

In accordance with Article 143 and Article 144 of the Financial Regulation the CPVO applies the following accounting principles in drawing up the financial statements:

- going concern basis
- Prudence
- consistent accounting methods
- comparability of information
- materiality
- no netting
- reality over appearance
- accrual-based accounting

² The Financial Statements comprise the balance sheet, the statement of financial performance, the cash flow table, the statement of changes in net assets and explanatory notes.

³ The accounting rules adopted are inspired by International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants or, in their absence, the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

Balance Sheet

Assets

- Assets are recorded as such based on a threshold of EUR 5000 (against a threshold of EUR 420 before 2017).

Intangible Fixed Assets

- Acquired computer software licenses are stated at cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives, being 4 years.
- Should the software be developed internally, it is recorded at its directly attributable costs of development, the threshold being EUR 2 000 000. However, in accordance with international accounting standards, this can only be done if these costs can be measured reliably.

Property, plant and equipment

- All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.
- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Agency and its cost can be measured reliably. Repairs and maintenance are charged in the statement of financial performance during the financial period in which they are incurred.
- Land is not depreciated as they are deemed to have an infinite life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Depreciation rates:

Type of asset	Straight line depreciation rate
Buildings	4%
Furniture	12.5%
Vehicles	12.5%
Computer hardware	33%

Gains and losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset. These are included in the statement of financial performance.

Medium term financial assets:

- The office invests part of its cash reserve in a government bond portfolio. This portfolio, divided into units which are quoted on a daily basis, are "Available-for-Sale" and as such the valuation in the fair value is taken directly to the equity of the balance sheet in accordance with the European Commission's Accounting Rule 11. Recognition of a gain or a loss will happen at the moment of the sale (partial or total) of the portfolio. The assets are valued on a weighted average basis.
- For held-to-maturity assets (negotiated deposits with an expiry date of greater or less than one year), interest is recorded on an accrual basis.

Impairment of non-financial assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Receivables:

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the CPVO will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount, being the present value of expected future cash flows, discounted at the market rate of interest for similar borrowers. The amount of the write-down is recognized in the statement of financial performance.

Cash and cash equivalents:

Cash and cash equivalents are defined as short-term assets. They include cash at hand, deposits held at call with banks, other short-term highly liquid investments.

Pension obligations:

The pension obligations for the CPVO are managed by and recognized as a liability in the accounts of the European Communities which operates defined benefit pension plans. A defined benefit plan is a pension plan that generally defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Provisions:

Provisions are recognized when the CPVO has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Payables:

Payables arising from the purchase of goods and services are recognized at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the CPVO.

Accrued and deferred income and charges:

- A critical element in accrual accounting is the exercise of ensuring that transactions are recorded in the accounting year to which they relate. This exercise is referred to as the cut-off exercise.
- The CPVO applies the accounting rules of the EC in this regard. According to the European Communities accounting rules, transactions and events are recognized in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognized based on an estimated amount of the transfer obligation of the period. The calculation of the accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Commission which aim at ensuring that the financial statements reflect a true and fair view.

Revenue is also accounted for in the period to which it relates.

In addition, at year-end, if an invoice is issued but the services have not yet been rendered, the revenue will be deferred and recognized in the subsequent accounting period.

Statement of financial performance

Revenue:

- Revenue from fees and other miscellaneous revenue are entered in the accounts once the corresponding service is considered rendered to the client and when it is considered to be certain.
- In the case of the application fee, revenue is recorded when the filing date has been assigned. In the case of the CPVO, this means the moment when the Agency issues an invoice or recovery order.

Interest income and expense:

Interest income and expense are recognized in the statement of financial performance over the relevant period.

Expenditure:

- Exchange expenses arising from the purchase of goods and services are recognized when the supplies are delivered and accepted by the CPVO. They are valued at original invoice cost.
- Provisions for expenditure are made if the following conditions are satisfied:
 - (a) a current obligation exists as a result of a past event;
 - (b) resources representing economic benefits will probably have to be used to extinguish the obligation;
 - (c) the amount of the obligation can be reliably estimated.

The members of the Administrative Council are invited to take note of this document

Annex III. Social Report of the CPVO 2018

Social Report - table of contents

1.	Employment	72
1.1.	Staff members	72
1.2.	Recruitment procedures organized in 2018.....	74
1.3.	Staff that joined the CPVO	74
1.4.	Staff that left the CPVO.....	74
1.5.	Career development	74
1.6.	Promotions and reclassifications	75
1.7.	Absenteeism	75
1.8.	Gender and age balance	76
1.9.	Trainees	77
2.	Working Conditions	77
2.1.	Hours worked	77
2.2.	Security and prevention of occupational hazards.....	77
2.3.	Flexi-time and teleworking	78
2.4.	Part time	78
2.5.	Parental leave	78
3.	Training	78
3.1.	Language courses	79
3.2.	IT Training.....	79
3.3.	Finances and audit	79
3.4.	Communication and Management.....	79
3.5.	Human Resources	79
3.6.	Technical expertise.....	79
3.7.	Other training	79
4.	Professional relations	80
4.1.	Staff Committee	80
5.	Conclusions	80

1. Employment

1.1. Staff members

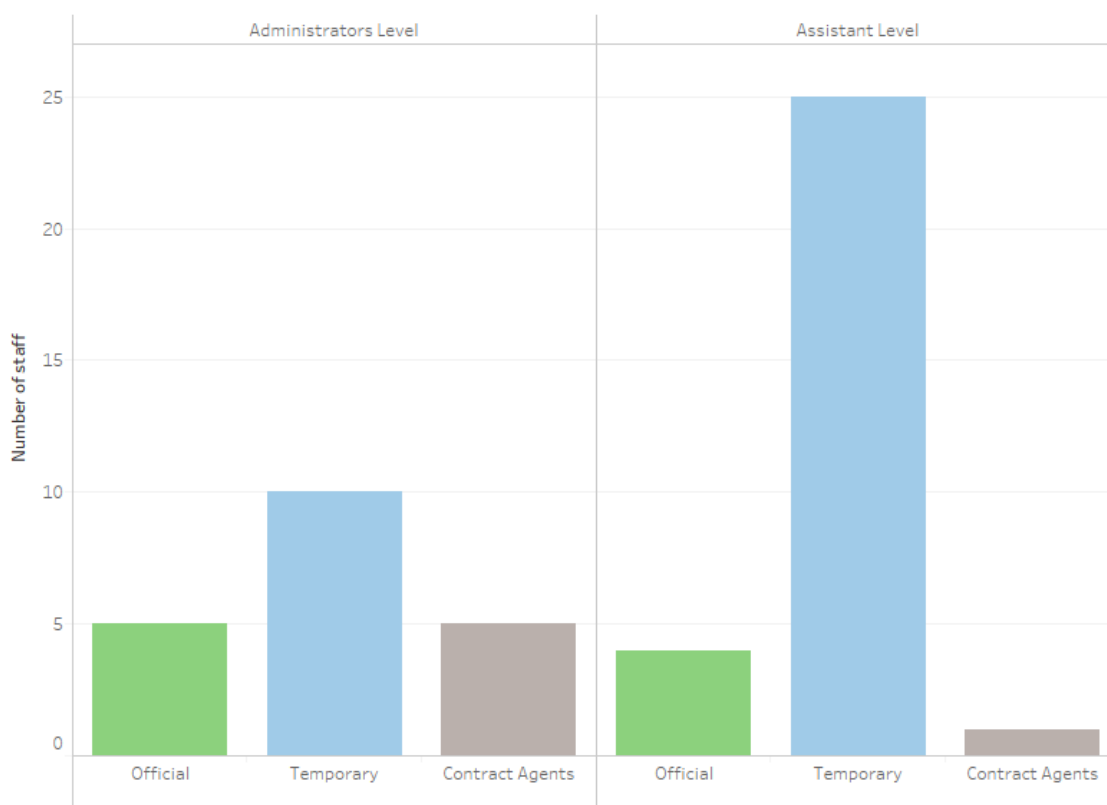
By the end of 2018, the Establishment plan comprised 45 staff including 9 officials, 36 temporary agents (of which 4 were standard part-time employments of 80% or 90%). At the end of the year, one post was vacant (Communication Officer) and one staff member continued on long term personal leave. In addition to the establishment plan staff, the CPVO employed 6 contract agents at the end of the year. Five trainees and 1.5 FTE outsourced IT specialists were also present. The representation in function groups AD, AST and Contract Agents is illustrated below.

Figure 16 - Function Groups

Posts filled 31/12/2018

	Administrators Level	Assistant Level	Grand Total
Official	5	4	9
Temporary	10	25	35
Contract Agents	5	1	6
Grand Total	20	30	50

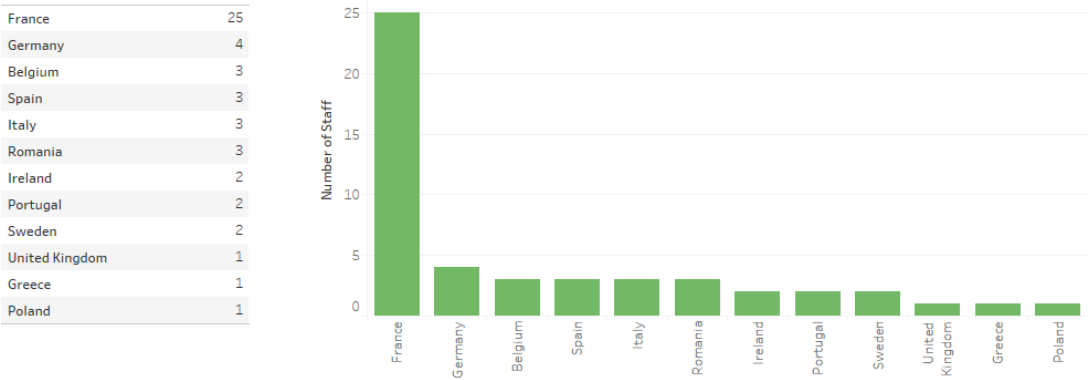
Administrator Level includes Administrators and Contract Agents at Group IV, Assistant Level includes Assistants and Contract Agents groups I,II,III. 1 Vacant post not included. 1 staff member on long-term leave included.



At the end of the year, 12 nationalities were represented in the CPVO, with the 50% being French Nationals.

Figure 17 – Nationalities

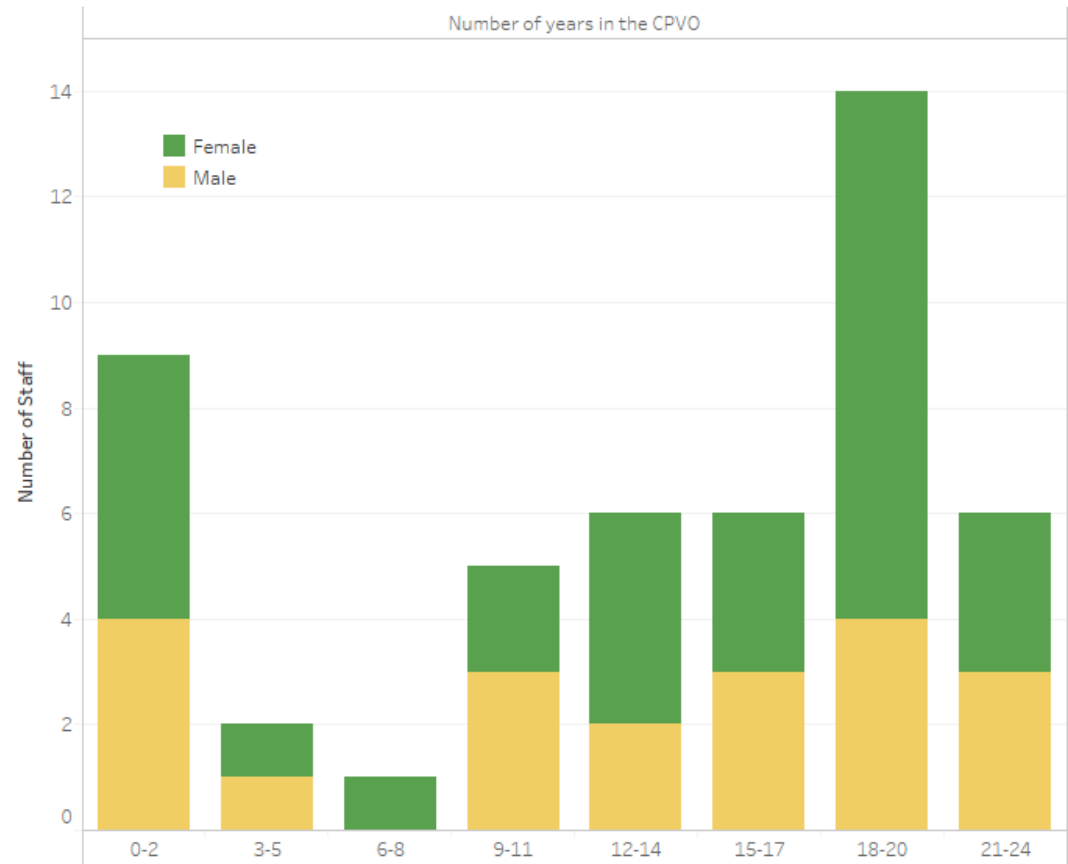
Nationality breakdown at 31/12/2018



The Office has a low turnover and 74% of the staff has been working for more than 9 years.

Figure 18 - Seniority in the Office in 2018

Seniority in the CPVO (years)



1.2. Recruitment procedures organized in 2018

In 2018, the Office completed the recruitment of a Legal Adviser (temporary agent) and an IT developer (contract agent). Procedures were launched prior to year end to recruit an Accountant and a Communication Officer.

1.3. Staff that joined the CPVO

In 2018, the CPVO welcomed three new colleagues: two new Temporary agents with grade AD 6, who joined respectively in February and in June 2018, and one contract agent FG IV/14 who joined the CPVO in September 2018.

1.4. Staff that left the CPVO

Four agents left the CPVO during the year 2018:

1 Temporary Agent (AST 4)	31/03/2018
1 Contract agent (FGIV/13)	30/04/2018
1 Official (AST 8)	30/09/2018
1 Contract agent (FG IV/13)	31/12/2018

1.5. Career development

The ability of the CPVO to achieve its objectives depends on its staff members. Their skills and abilities in carrying out their responsibilities determine how successful the CPVO as a whole will be. Career development reports (CDR) are a means of formally recognizing, evaluating and providing feedback on each staff member's performance and contribution as a member of a team.

The CDR is also an important means of communication between management and staff, as well as to identify training needs, and a vital tool for career development. In this process, staff members have a continuing opportunity to inform management about how they feel about the work and identify professional goals and interests. Managers in turn convey their commitment to each staff member's career success by communicating information concerning the staff member's performance in relation to the CPVO's expectations and action needed to meet these expectations and to advance the staff member's career at the CPVO.

Career development reports provide a link between the CPVO's objectives and a staff member's performance and also enhance accountability for results. In 2017 an extensive effort was made in order to make it easier for staff members to identify their work objectives with the objectives of the CPVO, and trainings and workshops were organized in this respect. This approach was still applied in 2018.

Career development reports are drawn up once a year for all staff members, including the President and Vice President.

1.6. Promotions and reclassifications

A total of 8 staff members were awarded a promotion or reclassification to the next grade in their career with retroactive effect from 01/01/2018. This represents 16% of the staff which is significantly lower than in the other agencies and institutions. Given its small size, the percentage of staff promoted in the CPVO can vary from year-to-year.

In 2018, the CPVO implemented for the first time its Senior Assistants and Senior Advisers policy. This policy gives the possibility - for staff members at grades AST 9 and AD12 – to occupy a post of a higher grade, with additional responsibilities. The selection of posts, and staff members, is made out of a limited number of posts (identified in the policy) and based on the seniority in the posts and the merits. An internal selection process was carried out and in 2018, an AST10 post has been selected and will be filled from 1 January 2019.

1.7. Absenteeism

The Staff Regulations of the European Communities, applicable to CPVO staff, stipulate that staff members do not have to present a medical certificate until the fourth day of absence. This absence of three consecutive days without a medical certificate can be repeated four times during a calendar year. All absences after that must be covered by a medical certificate. During 2018, no staff member of the CPVO was absent more than 12 days without a medical certificate.

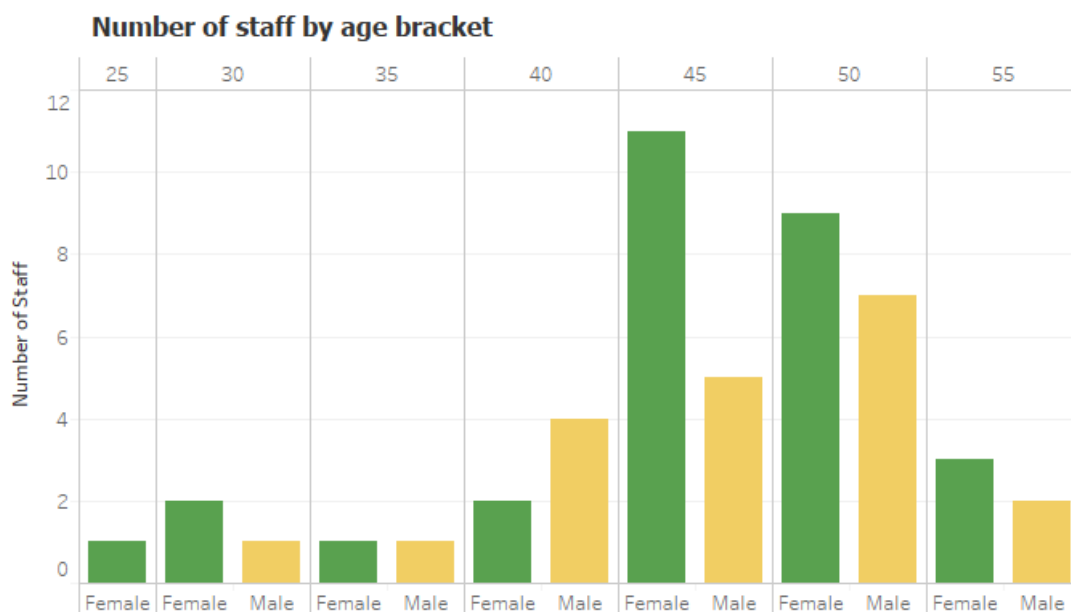
Description	Days
Total Calendar Days	365
Weekend Days	104
CPVO Official Holidays	19
Average Annual Holidays	25
Working Days	218
Staff Present in Office in 2018	50
Total working days	10 900

Year	Days off	% of working days	Avg. days per post
2018	288	2.6%	5.76
2017	588.5	5.4%	12.0
2016	562.0	5.9%	12.8
2015	157.5	1.6%	3.5

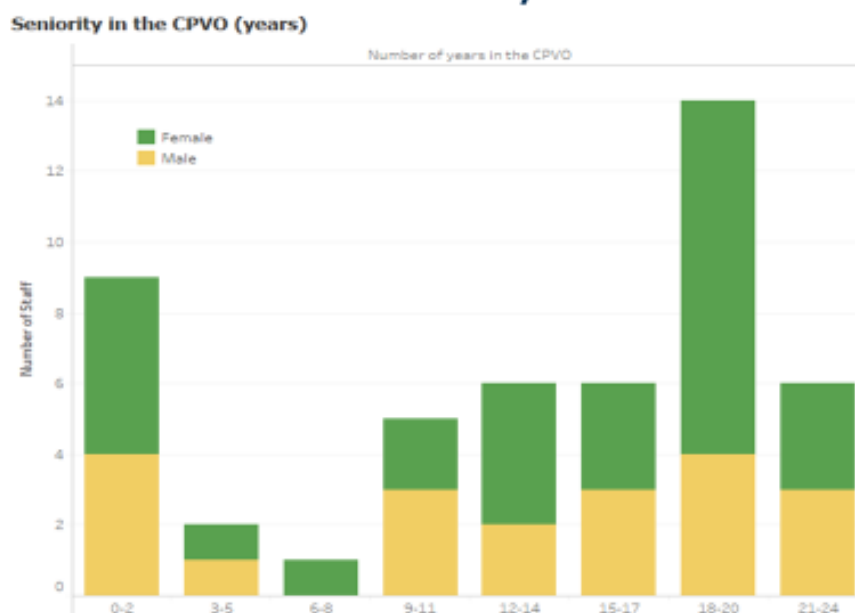
1.8. Gender and age balance

The gender balance amongst CPVO staff is 56-44, with the weight towards female staff. It should be noted that almost 50% of the staff of the CPVO is currently in the age range 40 to 49, and 46% is over 50. This situation should be monitored in the medium-long term period to ensure continuity and transfer of knowledge. There are no women in the management team which needs to be addressed in upcoming recruitments.

Figure 19 - Gender & age balance



Seniority



CPVO Administrative Council March 2019

1.9. Trainees

In January 2009 the President of the CPVO adopted rules governing in-service training at the CPVO. The purpose of the in-service training with the CPVO is to give external people an opportunity to learn about the CPVO and its role within the European Union, to provide them with practical knowledge of the work at the CPVO, to enable them to acquire personal experience by means of the contacts made in the course of their work and put into practice the knowledge they have acquired during their studies or professional careers, to the benefit of the CPVO.

In 2013, the CPVO adopted a procedure for the traineeships within the Office, governed by the decision mentioned above. Traineeships are advertised in April and September (advertisements posted on the CPVO web page and message sent to the AC members). The traineeships were planned to begin in March and September, and last for 6 months at a time (these rules were valid until end 2018 and will be revised in 2019). This procedure was followed in 2018 and advertisements were published.

Cooperation Agreements are also in place with the University of Alicante (Magister Lvcentinvs) and the University of Strasbourg (CEIPI) to offer the same traineeship possibilities of 6 months renewable. Another agreement to join the Pan-European Seal Project in partnership with the EUIPO and the EPO to offer internships to highly specialized young graduated in the field of Intellectual Property is also in place.

The CPVO also offers the possibility for younger students to do an internship of 2-4 months. These internships are not governed by the decision mentioned above but by a convention signed between the CPVO and the school.

In 2018 the CPVO had 9 trainees for a total of 55.5months.

2. Working Conditions

2.1. Staff Engagement Survey

Since 2018, the CPVO organises every year a Staff Engagement Survey. This survey, based on a model used by the European Commission and the EU Agencies, gives an assessment by the staff of the quality the work environment, of the internal communication between the Management and the staff and inter-units. It intends to show how strong the staff commitment is to fulfil the agency's objectives and the satisfaction gained by working for the CPVO and the European Union. An "Engagement rate" is calculated on the basis of 5 key questions. This engagement rate is one of the CPVO key indicators in this Annual Activity Report.

The first survey was launched in April 2018. The participation rate was quite high, with 64%. The engagement rate calculated was **80.6%**. A detailed report has been issued, showing the main strengths of the CPVO as well as the areas requesting actions for improvement. The Management Team agreed on an action plan.

A second survey was launched at the end of 2018 and finalised in January 2019, which showed a higher staff engagement with almost **85%** with a higher participation rate (68%).

2.2. Hours worked

The working week of the CPVO is 40 hours, spread out over the 5 working days (from Monday to Friday), respecting the following core working hours 9:00 to 12:30 and from 14:15 to 16:30 (16:00 on Wednesdays and Fridays).

2.3. Security and prevention of occupational hazards

The CPVO did not experience any accidents, occupational hazards or risks to its security during 2018. However, training courses are organized in these fields in order for the staff members to have knowledge about the actions to take in case anything happens. In 2018, 20 staff members participated in a training course on how to use a fire extinguisher, and 28 staff members participated in a first aid course. Building security is outsourced to a local service company.

2.4. Flexi-time and teleworking

The new implementing rules on working time gives staff members the possibility for flexi-time. This means that if staff works more than the regulatory hours during a month, they can work the corresponding time less in the following month. If the overtime worked exceeds 4 hours, staff can recuperate half a day in the following month, and if the overtime worked exceeds 8 hours they can recuperate a whole day, until a maximum of 2 days in a given month. No more than 20 hours can be carried over from one month to another.

In 2018, 38 staff members worked overtime and took 265 days in total under the flexi-time arrangements.

Several staff members have been teleworking during 2018, either on an ad hoc basis (19 staff members) or under a teleworking agreement (7 staff members). The feedback is very positive, both from the staff and management.

2.5. Part time

The Staff Regulations of the European Communities give the right to staff members to work part-time. The CPVO adopted the Commission implementing rules on part-time work by analogy in December 2017, to give effect to these rules. These rules stipulate that staff members have the right to request to work part-time (50, 60, 62.5, 70, 75, 80, 90 or 95%) under certain conditions. In 2018, four staff members were granted the right to work part-time at 80% in order to take care of their young children and to better balance private and professional life. They did not all work part-time throughout the entire year.

Eight colleagues used the benefit of time-credit for a total of 84 days, giving some flexibility for specific needs, also giving a better work-life-family balance.

2.6. Parental leave

Parental leave is also a right established in the Staff Regulations. In 2011, the CPVO adopted the new Commission implementing rules on parental leave by analogy. These rules stipulate that staff members have the right to request parental leave for up to six months per child until the child reaches the age of 12. The leave can be taken immediately after the maternity leave or at any other time. It can be taken all at once (six consecutive months) or be divided into a minimum period of one month at a time. Parental leave can be taken as full-time or half-time.

The New Staff Regulations has introduced a possibility to take an extra 6 months per child with an allowance reduced by 50%. In 2018, 10 staff members took parental leave for a total period of 12.5 months.

3. Training

Training is an integral part of the human resources policy of the CPVO and it serves the interests of the individual as well as of the CPVO. Training should serve to improve individual competencies, professional effectiveness and commitment at the workplace so that each staff member can contribute optimally to the achievement of the CPVO's goals. By developing relevant knowledge, skills and attitudes, training should further help staff members to make desired career moves, both laterally (mobility) and vertically (promotion, including change of category). Learning is both a right and a duty for all persons working in the CPVO.

The CPVO staff has been given free access to the Learning Portal of the EUIPO Academy and can enrol in training courses as they please, under condition that there are places available.

In 2018, a budget of 90 000 € was allocated for training. A total of 71 122 € was committed, which represents an execution level of 79 % of the budget.

A total of 256 days were spent in training, which gives an average of 5.1 days per post.

Figure 20 - Evolution of training days over the past five years

YEAR	TOTAL NUMBER OF DAYS	DAYS PER POST
2014	376.5	8.4
2015	317.25	7.1
2016	249	5.7
2017	305	6.1
2018	256	5,1

3.1. Language courses

In 2018, 8 staff members followed face-to-face language courses and 6 staff members followed e-learning language courses. A total of 480 hours (=480/8=60 days) were spent in these courses, divided in Spanish (240 hours), Italian (120 hours), German (60 hours) and French (60 hours). 27 119 € was committed, which represents 30.13 % of the training budget. This include French courses for the trainees and e-learning language courses for staff members and trainees.

3.2. IT Training

4 staff members followed IT training courses, which amounted to a total of 42 hours (=8 days). 9 854 € was committed, which represents 10.95% of the training budget. This include the purchase of annual e-learning licences for 25 persons. 200.25 hours were spent in 2018 on e-learning related mostly to IT, which represents 5 days.

3.3. Finances and audit

41 staff members participated in trainings on finance and audit (expenditure life cycle, public procurement, ISO 9001-2015, internal control and audit), which amounted in a total of 284 hours (=35.5 days). 3 886 € was committed which represents 4.3% of the training budget.

3.4. Communication and Management

22 staff members participated in trainings on communication or management (presenting with impact, new head of unit, managing social media, team management, decision making strategies for leaders, professional efficiency, clear writing). A total of 456 hours (57 days) were spent on those trainings and 24 703 € was committed, which represent 27.45% of the training budget.

3.5. Human Resources

11 staff members participated in trainings in relation to Human Resources (ethics and integrity how to prepare your pension, salaries and rights). A total of 100 hours (=12.5 days) were spent on these trainings and 2 402 € were committed, which represents 2.67% of the training budget.

3.6. Technical expertise

13 staff members followed trainings in technical expertise (UPOV distance learning, EUIPO webinar, seminar on epi genetics). A total of 376 hours (=47 days) were spent and 90 € committed, which represents 0.54% of the total training budget. It should be noted that most technical e-learning courses are for free.

3.7. Other training

28 staff members followed other training courses (utilization of fire extinguishers, fraud prevention and detection, EU4U) which amounted to a total of 248 hours (=31 days). 2 667.75 € was committed, which represents 2.96% of the training budget.

4. Professional relations

4.1. Staff Committee

The role of the Staff Committee is to be a means of communication between the staff and the management team of the Office. Once every other month, the Staff Committee and the management team meet to discuss issues which have been brought forward by staff members, and which are deemed to be of concern for everybody. The Staff Committee seeks explanations and solutions to questions and problems experienced by staff members.

The Staff Committee also participates actively in the work of adopting internal staff related decisions of the CPVO. Its opinion and agreement is sought before adopting any such decision. The Staff Committee also plays a role in designating members of various internal committees of the Office.

Finally, the Staff Committee has a social role to play within the CPVO. It organizes a social day per year, which is the occasion for the staff members to meet outside the Office in an environment which changes from year to year (castles, museums, expeditions, etc.). The Staff Committee also organizes a Christmas party where the children and spouses of the staff members are invited. Apart from these main events, the staff committee also organizes a common coffee break once a month, which is a good occasion for staff to meet together. All these events help to create bonds between staff members and they are highly appreciated.

5. Conclusions

The recruitment of contract agents will make the working conditions better for staff members who were under heavy workloads. Part-time possibilities are well taken up and allow a more flexible work organization and better reconciliation of work and family life. The flexi-time arrangements and the teleworking possibilities, offering the possibility to work from home, improves the balance between work and family life of staff members.

The increase in the average age of staff is an aspect which will require the attention of management team and possible actions in the near future.

Annex IV. Report of the Court of Auditors

Annual report on EU agencies for the financial year 2017

(2018/C 434/01)

Self-financed Agencies

3.33. COMMUNITY PLANT VARIETY OFFICE (CPVO)

INTRODUCTION

3.33.1. The Community Plant Variety Office (hereinafter ‘the Office’, aka ‘CPVO’), which is located in Angers, was created by Council Regulation (EC) No 2100/94 ⁽³³⁴⁾. Its main task is to register and examine applications for the grant of Union industrial property rights for plant varieties and to ensure that the necessary technical examinations are carried out by the competent offices in the Member States.

3.33.2. **The *Table* presents key figures for the Office ⁽³³⁵⁾.**

Table

Key figures for the Office

	2016	2017
Budget (million euros)	16	16
Total staff as at 31 December ⁽³³⁶⁾	44	51
<i>Source:</i> data provided by the Office.		

THE COURT’S STATEMENT OF ASSURANCE PROVIDED TO THE EUROPEAN PARLIAMENT AND THE COUNCIL — INDEPENDENT AUDITOR’S REPORT

OPINION

3.33.3. We have audited:

- (a) the accounts of the Office which comprise the financial statements ⁽³³⁷⁾ and the reports on the implementation of the budget ⁽³³⁸⁾ for the financial year ended 31 December 2017; and
 - (b) the legality and regularity of the transactions underlying those accounts,
- as required by Article 287 of the Treaty on the Functioning of the European Union (TFEU).

Reliability of the accounts

Opinion on the reliability of the accounts

3.33.4. In our opinion, the accounts of the Office for the year ended 31 December 2017 present fairly, in all material respects, the financial position of the Office at 31 December 2017, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer. These are based on internationally accepted accounting standards for the public sector.

Legality and regularity of the transactions underlying the accounts**Revenue*****Opinion on the legality and regularity of revenue underlying the accounts***

3.33.5. In our opinion, revenue underlying the accounts for the year ended 31 December 2017 is legal and regular in all material respects.

Payments***Opinion on the legality and regularity of payments underlying the accounts***

3.33.6. In our opinion, payments underlying the accounts for the year ended 31 December 2017 are legal and regular in all material respects.

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

OBSERVATIONS ON INTERNAL CONTROLS

3.33.8. In 2017, the documentation of procurement and grant award procedures was inadequate. For service procurements of low and medium value contracts, there were inconsistencies in the published tender documentation, no records explaining the preselection of the candidates for low value procurements, and for interims procurement, the Office did not prepare any evaluation reports. Moreover, the award criteria were not clearly disclosed. In respect to the award of grants, risk assessments were inadequate and expert opinions were not signed.

OBSERVATIONS ON SOUND FINANCIAL MANAGEMENT AND ON PERFORMANCE

3.33.9. According to its Financial Regulation ⁽³³⁹⁾, the Office should introduce a single solution for the electronic exchange and storage of information with third parties participating in public procurement procedures (e-procurement). As the same requirement exists for all EU Institutions, the Commission is developing a comprehensive IT solution covering all phases of public procurement procedures. The Commission launched tools for electronic invoicing in 2010 (e-invoicing), for the electronic publication of documents related to contract notices in the EU Official Journal in 2011 (e-tendering) and for the electronic submission of tenders in 2015 (e-submission). By the end of 2017, the Office had not introduced any of these tools.

FOLLOW-UP OF PREVIOUS YEARS' OBSERVATIONS

3.33.10. An overview of the corrective action taken in response to the Court's observations from previous years is provided in the *Annex*.

THE OFFICE'S REPLY

3.33.8. The Office takes note of the Court's comments, and while agreeing to improve documentation, informs that the necessary assessments, evaluations and opinions were carried out as part of the procedures.

3.33.9. The Office entered a contractual arrangement with the European Commission for the provision of e-submission prior to year-end, and the CPVO own e-invoicing solution is available. There were no tenders at that time meeting the threshold for use of the tool and further, the use of the tool was not at that time obligatory.

This Report including 41 statements of assurance for each agency/body was adopted by Chamber IV, headed by Mr Neven MATES, Member of the Court of Auditors, in Luxembourg at its meeting on 18 September 2018.

For the Court of Auditors
Klaus-Heiner LEHNE
President

⁽¹⁾ [OJ L 227, 1.9.1994, p. 1.](#)

⁽²⁾ More information on the Office's competences and activities is available on its website: www.cpvo.europa.eu

⁽³⁾ Staff includes officials, temporary and contract staff and seconded national experts.

Source: data provided by the Office.

⁽⁴⁾ The financial statements comprise the balance sheet, the statement of financial performance, the cash-flow statement, the statement of changes in net assets and a summary of significant accounting policies and other explanatory notes.

⁽⁵⁾ The reports on implementation of the budget comprise the reports which aggregate all budgetary operations and the explanatory notes.

ANNEX

Follow-up of previous years' comments

Year	Court's comments	Status of corrective action (Completed/Ongoing/Outstanding/N/A)
2014	The Office uses electronic banking for most of its payments. The Accounting Officer or her two deputies can sign the payments electronically. No signature of a second person is required, which represents a financial risk for the Office.	Outstanding
2014	Although the Office became operational in 1995, there is still no seat agreement signed with its host Member State that would clarify the conditions under which the Office can operate and that it can offer to its staff.	Ongoing
2015	The level of committed appropriations carried over was high for Title II (administrative expenditure) at 395 882 euro, i.e. 28 % (2014: 394 599 euro, i.e. 30 %). They mainly relate to IT projects (134 030 euro), mission costs (96 368 euro) and costs related to internal audit (82 070 euro) for which services will only be delivered or invoices received in 2016.	N/A
2015	The rate of cancelled 2014 carry-overs was high for Title II at 20 % (2014: 26 %) and indicates weaknesses in their planning.	Ongoing
2015	The expenditure for procedures associated with appeals was in principle to be covered by appeal fees ⁽¹⁾ . However, these fees cover only a small part of the actual costs incurred. In 2015, the income derived from appeal fees totalled 11 000 euro (2014: 12 500 euro) whilst the costs of the board of appeal members amounted to some 62 037 euro (2014: 80 114 euro).	N/A
2015	As at 31 December 2015, the fees unpaid for more than 90 days (mostly annual fees) amounted to 240 766 euro. The Office did not use all options provided for in its Financial Regulation to recover unpaid fees, such as enforced recovery ⁽²⁾ .	Ongoing

⁽¹⁾ Recitals of Commission Regulation (EC) No 1238/95 ([OJ L 121, 1.6.1995, p. 31](#)).

⁽²⁾ Article 53 of the Financial Regulation of the Office.

THE OFFICE'S REPLY

The Office takes note of the Court's comments.

17. The high level of carry-overs in 2016 related in large part to an ongoing building renovation and IT development project. The implementation of these projects, for operational reasons cannot be aligned with the calendar year.

Annex V. Declaration of Assurance



2018 Declaration of Assurance the President of the CPVO

In, the undersigned, Martin Ekvad, President of the CPVO, in my capacity as authorizing officer,

Declare that the information contained in the **provisional Financial Accounts 2018** give a true and faire view of the financial position of the CPVO.

State that I have reasonable assurance that the resources assigned to the activities describe in the reports have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transaction. This reasonable assurance is based on my own judgment and on the information at my disposal.

Confirm that I am not aware of anything not reported in the annual report which could harm the interests of Community Plant Variety Office.

Angers, 11/02/2019

Martin Ekvad

President of the CPVO

2018 Declaration of Assurance the Accounting Officer of the CPVO

The **provisional annual accounts** of the Community Plant Variety Office for the year 2018 have been prepared in accordance with the Financial Regulation of the European Union and the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the **provisional annual accounts** of the Community Plant Variety Office in accordance with Article 61 of the Financial Regulation.

I have obtained from the authorizing officer, who certified its reliability, all the information necessary for the production of the accounts that show the Community Plant Variety Office's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Community Plant Variety Office.

Angers, 11/02/2019

Anne-Marie Fernandez

Accounting Officer

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Служба на Общиността за опазване на растенията • Oficina Comunitaria de Variedades Vegetales • Odrůbový úřad Společnosti • EF-Sortsmyndigheden • Gemeinschaftliches Sortenamt • Öffentliche Sortenamt • Κοινωτικό Γραφείο Φυτικών Ποικιλιών • Community Plant Variety Office • Office communautaire des variétés végétales • Ufficio comunitario delle varietà vegetali • Kopienas Augu šķirņu birojs • Bendrijos augalų veislių tarnyba • Közösségi Növényfajta-hivatal • L-Officju Komunitarju dwar il-Varietajiet tal-Plant • Communautaire Bureau voor plantensoorten • Wspólnotowy Urząd Ochrony Odmił • Instituto Comunitário das Variedades Vegetais • Oficial Comunitar pentru Soluri de Plante • Úrad Spoločnosti pre odrody rastlín • Úrad Skupnosti za rastlinske sorte • Yhteisön kasvilajikevirasto • Gemenskapens växtsortsmyndighet



CPVO

Community Plant Variety Office

Mr Klaus-Heiner Lehne
President of the
European Court of Auditors
12, rue Alcide de Gasperi
L-1615 LUXEMBOURG

To the attention of the President of the Court of Auditors

Subject: Provisional annual accounts for the financial year 2018 for the CPVO

Date: 11 February 2019

Dear Mr. Klaus-Heiner Lehne,

This representation letter is provided in connection with your audit of the "provisional accounts of the Community Plant Variety Office hereafter the CPVO consisting of the "financial statements"¹ and the "reports on the implementation of the budget" for the financial year ended 31 December 2018 for the purpose of expressing an opinion as to whether these present fairly, in all material respects, the financial position of the CPVO as of 31 December 2018 and of the results of its operations, its cash flows, and the changes in net assets for the year then ended.

In accordance with the Financial Regulation of the CPVO, the "financial statements" for the financial year 2018 are prepared on the basis of accounting rules adopted by the European Commission which adapt accruals based accounting principles to the specific environment of the European Union², while the "reports on the implementation of the budget" continue to be primarily based on movements of cash.

In line with Article 48 of the Financial Regulation of the CPVO, the accounting systems laid down by the Accounting Officer and where appropriate systems laid down by the Authorising Officer and his delegates to supply and justify accounting information have been validated.

All the information necessary for the production of the provisional accounts of the CPVO which give a true and fair view of the assets and liabilities and of the budgetary implementation has been obtained from the Authorising Officer and his delegates.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, the following representations:

¹ The "financial statements" comprise the balance sheet, the statement of financial performance, the cash flow statement, the statement of changes in net assets and the notes to the financial statements.

² The accounting rules adopted are based on International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants or, in their absence, International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

Financial Accounts

1. The "Provisional annual accounts of the CPVO" for the financial year ended 31 December 2018 referred to above are presented in accordance with its Financial Regulation, its implementing rules and the accounting rules and methods established by the European Commission on the basis of internationally accepted accounting standards for the public sector.
2. No issues having a sufficiently material impact requiring a reservation have been brought to our attention.
3. Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.
4. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the accounting rules.
5. All events subsequent to the date of the financial statements and for which the accounting rules require adjustment or disclosure have been adjusted or disclosed.
6. There are no uncorrected misstatements that are material, both individually and in the aggregate, to the financial statements as a whole.
7. There are no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements. The carrying value of receivables and recoverables which are potentially irrecoverable has been corrected, where necessary.
8. The CPVO has satisfactory title to all assets and there are no liens or encumbrances on the assets.
9. All liabilities, both actual and contingent, have been recorded or disclosed, as appropriate, and all guarantees that have been given to third parties have been disclosed in the notes to the financial statements.
10. All claims against the CPVO are reflected in the financial statements as a provision or, where relevant, as a contingent liability.
11. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. There are no lines of credit arrangements.

Information Provided

With regard to the information provided and the representations 12-17 below, I highlight that I have provided you with such information for the CPVO.

12. We have provided you with:
 - Access to all information of which I am aware that is relevant to the preparation of the accounts such as records, documentation and other matters;
 - Additional information that you have requested for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
13. All transactions have been recorded in the accounting records and are reflected in the accounts.



14. We have disclosed to you the results of my assessment of the risk that the accounts may be materially misstated as a result of fraud.

15. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the agency's accounts that I have been informed of by management, current or previous employees or other relevant services, including the European Anti-Fraud Office (OLAF).

16. We have disclosed to you the identity of the agency's related parties and all the related party relationships and transactions of which we are aware, in accordance with the EU accounting rule 15.

17. We have disclosed to you all instances of non-compliance and of suspected non-compliance with laws and regulations that we are aware of and whose effects should be considered when preparing the accounts.

18. Apart from the above, we confirm that:

- the accounts disclose adequately the provisional nature of those operations which are subject to future clearance of accounts or closure procedures;
- for all "probable" but not yet definitive receivables an adequate disclosure, including when possible an estimate of the amounts involved, is given in the notes to the accounts;
- the accounts include all the recovery orders issued by the Authorising Officers concerning the operations giving rise to reimbursement;
- Authorising Officers have not informed me of delays or other problems in the establishment of recovery orders.



11/02/2019

Anne-Marie Fernandez

The Accounting Officer of the Community Plant Variety Office



11/02/2019

Martin Ekvad

The President of Community Plant Variety Office



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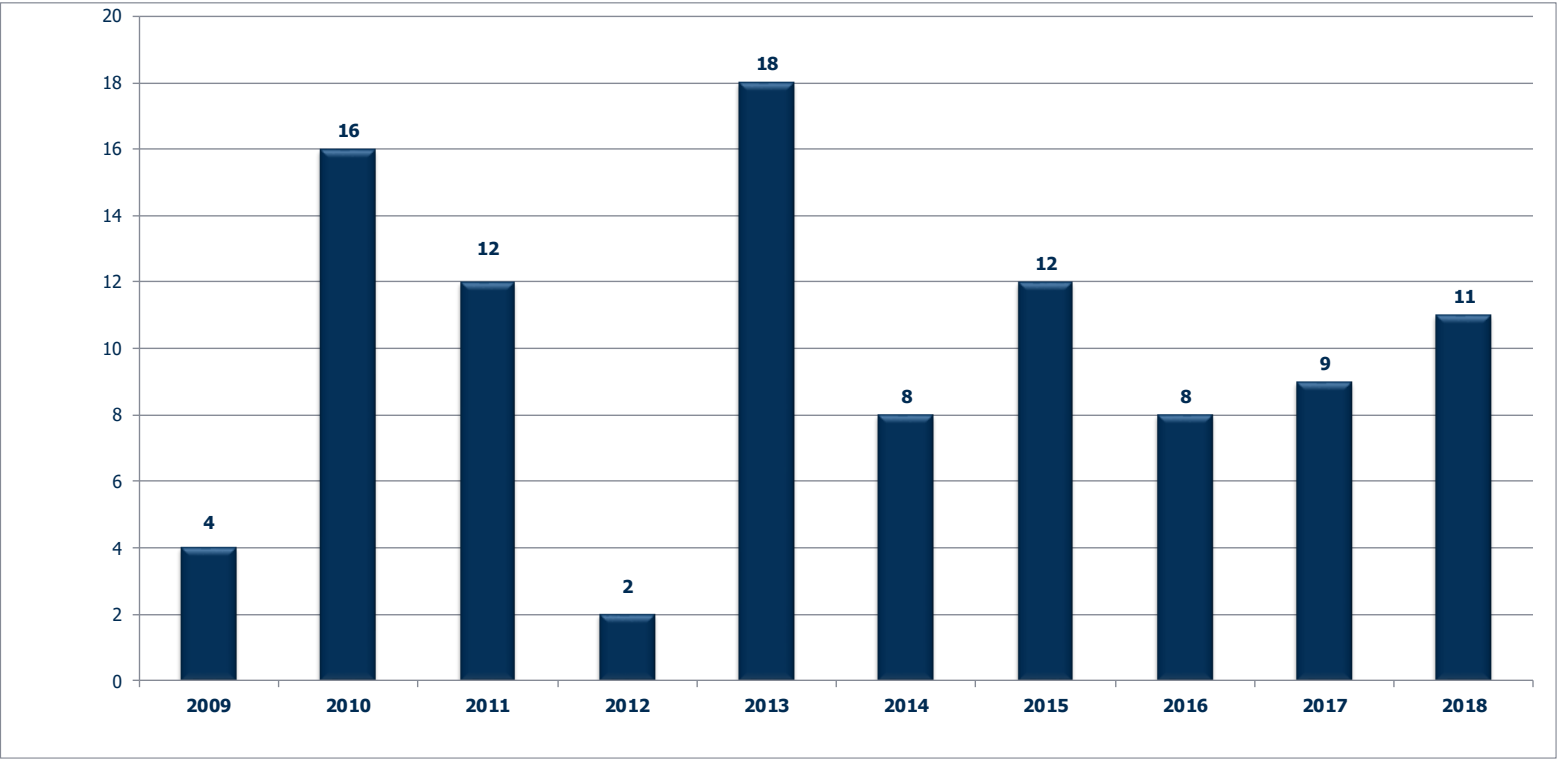
Annex VI. Mission Summary

Mission category	2018
Administration / HR	33
External - Other seminars	31
Administrative - Training	21
EU Network meetings	21
Technical - Breeders	16
Technical - Expert Groups	16
Technical - Monitoring DUS	16
Technical - R&D	15
UPOV	14
Administrative Council Meetings	10
EU Commission	10
Legal – Other	9
QAS Audit	9
IPKEY	7
EO Visits	6
EUIPO	5
IT Meetings	3
Legal working group	3
Technical - Other	3
OECD	2
University Visits	2
Council	1
Legal - DPO	1
Multi-beneficiary Program	1
Grand Total	255

Annex VII. Board of Appeal Statistics

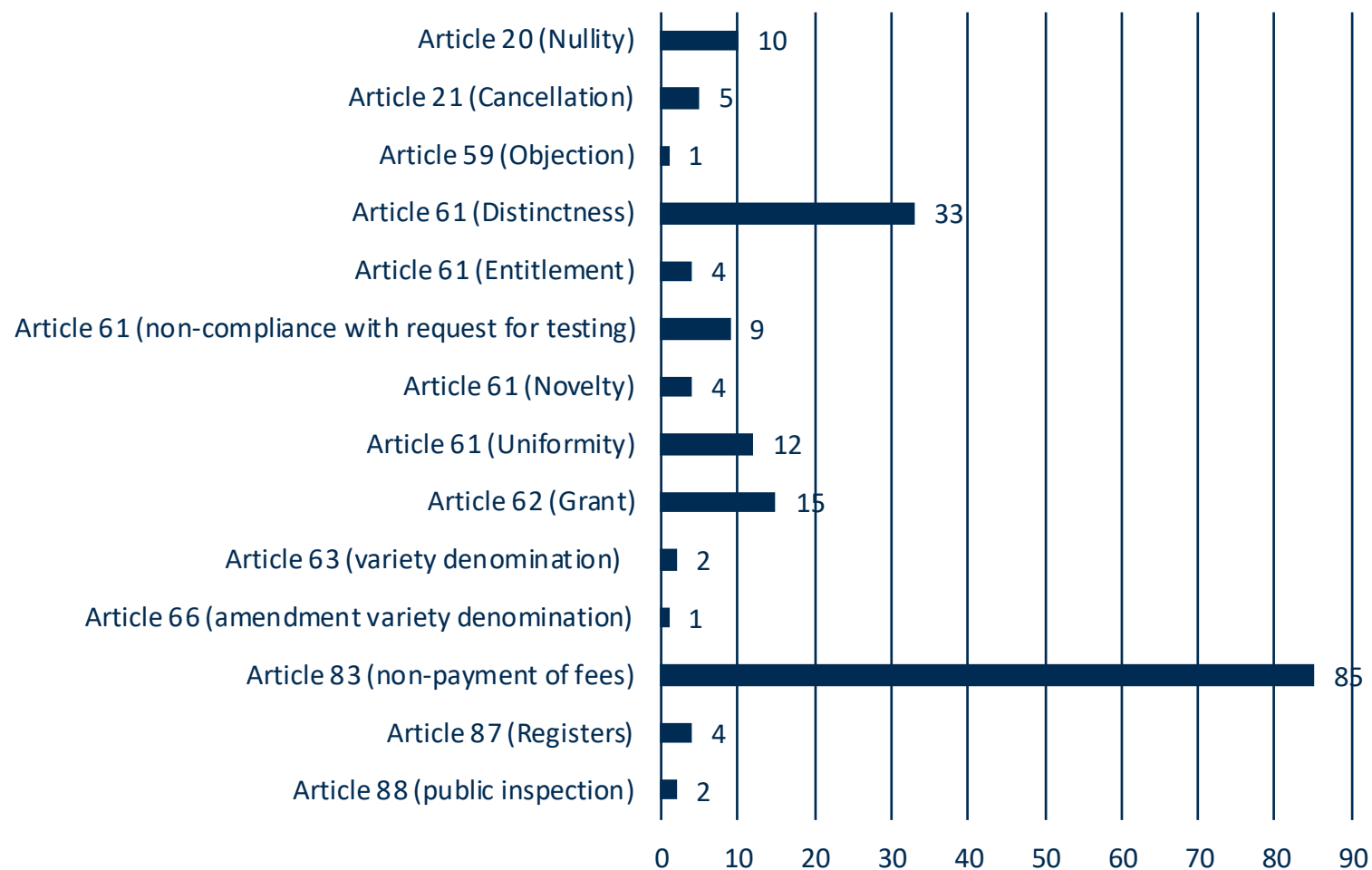
185 appeals have been lodged with the CPVO since the opening of the Office. These are distributed from 2009 to 2018, as shown in Graph 16.

Graph 16: Number of appeal cases lodged per year with the CPVO between 2009 and 2018



Legal basis of the appeals lodged since 1996 (with reference to Council Regulation (EC) No 2100/94)

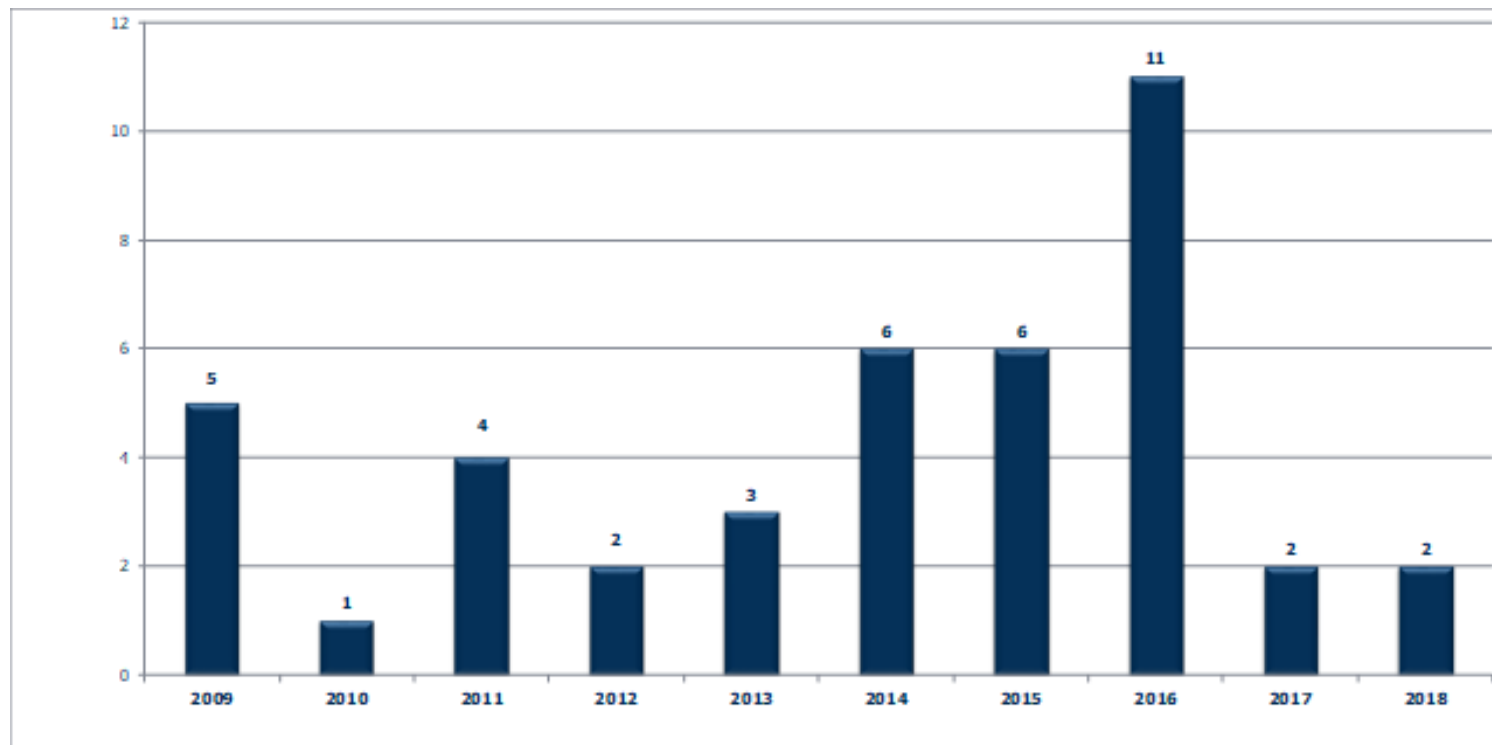
Graph 17: Legal basis of the appeal cases lodged with the CPVO since 1996



Decisions of the Board of Appeal per year

A total of 85 decisions were taken by the Board of Appeal of the CPVO between 1996 and 2018. Decisions taken from 2009 to 2018 were distributed as detailed in Graph 18.

Graph 18: Number of decisions reached by the Board of Appeal per year since 2009



Outcome of the 85 decisions of the Board of Appeal 1996-2018

