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COUNCIL REGULATION (EEC) No 2830/77

of 12 December 1977

on the measures necessary to achieve comparability between the accounting systems and annual accounts of railway undertakings

(OJ L 334, 24.12.1977, p. 13)

Amended by:

	Official Journal		
	No	page	date
► <u>M1</u> Council Regulation (EEC) No 3572/90 of 4 December 1990	L 353	12	17.12.1990

Amended by:

► <u>A1</u> Act of Accession of Greece	L 291	17	19.11.1979
► <u>A2</u> Act of Accession of Spain and Portugal	L 302	23	15.11.1985
► <u>A3</u> Act of Accession of Austria, Sweden and Finland	C 241	21	29.8.1994
(adapted by Council Decision 95/1/EC, Euratom, ECSC)	L 1	1	1.1.1995

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**COUNCIL REGULATION (EEC) No 2830/77
of 12 December 1977**

**on the measures necessary to achieve comparability between the
accounting systems and annual accounts of railway undertakings**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 75 thereof,

Having regard to Council Decision 75/327/EEC of 20 May 1975 on the improvement of the situation of railway undertakings and the harmonization of rules governing financial relations between such undertakings and States ⁽¹⁾, and in particular Article 8 (2) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽²⁾,

Having regard to the opinion of the Economic and Social Committee ⁽³⁾,

Whereas the harmonization of rules concerning financial relations between States and railway undertakings should be based as far as possible on the financial and accounting principles applicable to industrial and commercial undertakings; whereas this harmonization requires the implementation of the necessary measures to achieve comparability between the annual accounts of railway undertakings;

Whereas comparability of the annual accounts of railway undertakings should contribute towards improving the transparency of the financial results of such undertakings and of the financial interventions of the State;

Whereas comparability of these annual accounts may be established by transposing the annual results of railway undertakings to a standard form;

Whereas an advisory committee should be set up to assist the Commission in improving the comparability and the harmonization of the annual accounts of railway undertakings,

HAS ADOPTED THIS REGULATION:

Article 1

The aim of this Regulation is to make the annual accounts of railway undertakings comparable. For the purpose of this Regulation annual accounts shall mean the balance sheet and the profit and loss account drawn up in accordance with Articles 3 and 4.

Article 2

This Regulation shall apply to the following railway undertakings:

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— Société nationale des chemins de fer belges (SNCB)/Nationale Maatschappij der Belgische Spoorwegen (NMBS)

⁽¹⁾ OJ No L 152, 12. 6. 1975, p. 3.

⁽²⁾ OJ No C 163, 11. 7. 1977, p. 33.

⁽³⁾ OJ No C 180, 28. 7. 1977, p. 34.

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- Danske Statsbaner (DSB),
- Deutsche Bundesbahn (DB),
- Deutsche Reichsbahn (DR),
- Οργανισμός Σιδηροδρόμων Ελλάδος (ΟΣΕ),
- Red Nacional de los Ferrocarriles Españoles (RENFE),
- Société nationale des chemins de fer français (SNCF),
- Iarnród éireann,
- Ente Ferrovie dello Stato (FS),
- Société nationale des chemins de fer luxembourgeois (CFL),
- Naamloze Vennootschap Nederlandse Spoorwegen (NS),

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- Österreichische Bundesbahnen (ÖBB),

▼ M1

- Caminhos-de-Ferro Portugueses, EP (CP),

▼ A3

- Valtionrautatiet/Statsjärnvägarna (VR),
- Statens järnvägar (SJ),

▼ M1

- British Rail (BR),
- Northern Ireland Railways (NIR).

▼ B*Article 3*

Railway undertaking shall, each year taking effect for the first time for the accounting year 1977, transpose their annual results, established in accordance with national regulations, to the forms of annual accounts shown in Annexes I and III.

Article 4

1. The balance sheet shall be transposed in accordance with Annex I on the basis of the elements of the nomenclature set out in Annex II.
2. The profit and loss account transposed in accordance with Annex III shall be drawn up on the basis of the elements of the nomenclature set out in Annex IV.
3. Railway undertakings shall add explanatory notes to the transposed annual accounts. These notes shall indicate in particular:
 - deviations from the nomenclature arising in drawing up the transposed accounts, as well as the reasons for such derogations, and possible repercussions which such derogations may have on the comparability of the transposed accounts;
 - the methods of evaluation used for items the value of which is estimated, such as depreciation work in progress and fixed assets.

In order to achieve the objective of comparability referred to in Article 1 the Commission may ask for additional explanations.

Article 5

1. Railway undertakings shall, within 12 months of the end of the accounting year in question, transmit to the Commission the transposed annual accounts referred to in Article 3.
2. Six months after receipt of the information provided for in paragraph 1, the Commission shall submit a synopsis of it to the Council.

Article 6

1. An Advisory Committee shall be set up to assist the Commission in the implementation of this Regulation.
2. The Committee shall give its opinion on any question relating to the problems and solution connected with improving the comparability

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of the transposed annual accounts of railway undertakings and making progress towards greater harmonization of their accounting systems.

3. The Committee shall be chaired by a representative of the Commission and shall consist of two representatives designated by each Member State. The Members of the Committee may be assisted by experts designated by them. The Committee shall be convened by the Commission which shall provide the necessary secretarial services.

4. The Committee's conclusions shall be noted in the report which the Commission is to submit to the Council every two years pursuant to Article 14 (1) of Council Decision 75/327/EEC.

Article 7

Before 1 January 1983 the Commission shall, in the light of experience gained and of accountancy developments in general and taking into account the opinion of the committee, submit, where appropriate, proposals for amending this Regulation and the Annexes thereto with a view to improving the comparability of transposed annual accounts.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

ANNEX I

LAYOUT OF THE BALANCE SHEET

ASSETS		LIABILITIES	
LONG-TERM ASSETS			
Fixed assets (Net)		Capital and reserves	
10 Land and fixed installations		00 Capital	
11 Transport stock and equipment		01 Reserves	
12 Other stock and equipment		02 Contribution to investment costs	
13 Fixed assets under construction		03 Provisions	
Other fixed assets		04 Funds for staff	
14 Shareholdings in other undertakings		05 Long-term financial debts	
15 Long-term loans		— debentures	
16 Cost of floating loans and loan redemption premiums		— State loans	
17 Miscellaneous fixed assets		— other financial debts	
Sub-total		Sub-total	
CURRENT ASSETS			
Stocks		Current liabilities	
20—21 (In store or being manufactured)		31 Creditors	
Realizable assets		40 Financial debts of less than one-year term	
30 Debtors		44 Bills payable	
41 Loans repayable within one year		Sub-total	
42 Bills receivable			
45 Securities		Results	
Bank balances and cash		06.0 Profits for previous financial years	
43—46—47—48 Cheques in hand, postal cheque accounts, bank accounts, cash in hand		07.0 Profit for the financial year	
Sub-total		Liabilities: Total	
Results			
06.1 Losses for previous financial years			
07.1 Loss for the financial year			
Assets: Total			



ANNEX II

NOMENCLATURE OF THE BALANCE SHEET ACCOUNTS

CLASS 0 — ACCOUNTS FOR OWN CAPITAL AND LONG-TERM LIABILITIES

00 — **Capital**

- Stocks or shares paid up and not redeemed
- Stocks or shares paid up and redeemed
- Stocks and shares not paid up
- State endowments or contributions

01 — **Reserves**

May include the following items:

- Legal reserve
- Statutory reserves
- Reserves for revaluations of assets (increases in value resulting from revaluations of balance sheet items)
- Other reserves including the capital component of the annual redemption payments on loans where railways have charged this component to the profit and loss account)

02 — **Contributions to investment costs**

Contribution by the State or by third parties to the implementation of specific investment projects

03 — **Provisions**

- Provisions made by certain railways to finance the replacement of their fixed assets instead of depreciating them
- Provisions to cover certain losses and charges
- Insurance funds

04 — **Funds for Staff**

In particular, pension funds administered by the railways where there are no autonomous schemes and staff savings funds

05 — **Long-term financial debts**

These are debts whose term is longer than one year; they should be accounted for at repayment value. Where appropriate show separately debts to undertakings in which the railway undertaking has a shareholding

CLASS 1 — LONG-TERM ASSET ACCOUNTS

Adjustments for depreciation are to be accounted for in the appropriate depreciation sub-accounts

10 — **Land and fixed installations**

10.0 — *Purchase or construction value* (including any revaluations and contributions to third parties)

- Land (both built on and not built on)
- Earthworks and permanent way
- Major structures
- Buildings
- Electric traction fixed installations
- Safety and telecommunications installations including level crossings; not including buildings
- Miscellaneous installations

10.1 — *Depreciation*

11 — **Transport stock**

11.0 — *Purchase or construction value*

- Tractive units
- Hauled passenger vehicles
- Hauled goods vehicles
- Road transport stock and equipment

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- Marine stock and equipment including hovercraft
- Other stock and equipment including containers

11.1 — *Depreciation*

- 12 — **Other stock and equipment** (including furniture, machinery, tools and special purpose service vehicles (railcars for the inspection of tunnels, railcars for the inspection of the overhead contact wire, etc.) pallets and tackle)

12.0 — *Purchase or construction value*12.1 — *Depreciation*

- 13 — **Fixed assets under construction**

- Fixed installations
- Transport stock and equipment
- Other stock and equipment

- 14 — **Shareholdings in other undertakings**

- 15 — **Long-term loans** (exceeding one year). Where appropriate, show separately loans given to undertakings in which the railway undertaking has a shareholding

- 16 — **Costs and premiums for issuing loans and loan redemption premiums** (for the portion not yet redeemed)

- 17 — **Miscellaneous fixed assets** (patents, concessions, licences and other similar rights)

CLASS 2 — STOCK ACCOUNTS

- 20 — **Supplies in store or in the yards**

- Purchase or construction value
- Adjustment for depreciation

- 21 — **Supplies being manufactured or under repair**

CLASS 3 — SUNDRY DEBTOR AND CREDITOR ACCOUNTS

- 30 — **Debtors** (supplies, customers, Staff, state, subsidiaries, partners or shareholders, other debtors, and suspense and prepayment accounts)

- Nominal value
- Adjustment for depreciation

- 31 — **Creditors** (suppliers, customers, staff, State, subsidiaries, partners or shareholders, other creditors including deposits and securities received, and suspense and prepayment accounts)

CLASS 4 — FINANCIAL ACCOUNTS

- 40 — **Financial debts whose term is less than one year**

- 41 — **Loans whose term is less than one year**

- Nominal value
- Adjustment for depreciation

- 42 — **Bills receivable**

- Nominal value
- Adjustment for depreciation

- 43 — **Cheques in hand**

- 44 — **Bills payable**

- 45 — **Securities**

- Not including shareholdings in other undertakings (see account 14)
- Purchase value

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- Adjustment for depreciation
- 46 — **Postal cheque accounts**
- 47 — **Bank accounts**
- 48 — **Cash in hand**



ANNEX III

LAYOUT OF THE PROFIT AND LOSS ACCOUNT

I. General operation

Expenses	Revenue
60. Staff costs	70. Traffic revenue
61. Material supplied and services performed by third parties	0. Passenger and luggage traffic
62. Taxes and dues ⁽¹⁾	(a) by rail
63. Allocations for depreciation	(b) by road
64. Allocations to provision accounts	(c) by other means of transport
65. Financial charges	1. Goods traffic
	(a) by rail
	(i) full trains and wagon loads
	— national traffic
	— international traffic
	(ii) part loads and parcels
	— national traffic
	— international traffic
	(b) by road
	(c) by other means of transport
	2. Postal traffic
	71. Financial revenue
	72. Other revenue
	73. Contra of costs booked to other accounts
	74. Compensations and aids received under
	0. Regulation (EEC) No 1191/69
	1. Regulation (EEC) No 1192/69
	2. Regulation (EEC) No 1107/70 (Article 3)
	3. Other compensations and aids
Total expenses	Total revenue
91.0 Operating profit for the financial year	91.1 Operating loss for the financial year

⁽¹⁾ Optional account (see Annex IV).

II. Profit and loss summary

91.1 Operating loss for the financial year	91.0 Operating profit for the financial year
91.3 Exceptional losses	91.2 Exceptional profits
91.4 Corporation tax	91.5 Balancing subsidy
	— Article 4 of Regulation (EEC) No 1107/70,
	— other
91.6 Profit for the financial year	91.7 Loss for the financial year



ANNEX IV

NOMENCLATURE OF THE PROFIT AND LOSS ACCOUNT

(see Annex III for layout)

I. GENERAL OPERATION

CLASS 6 — EXPENSE ACCOUNTS

(*) Taxes and dues are either shown in account 62 with indication of their nature, or included in account 60 and account 61 as appropriate

60 ⁽¹⁾ — **Staff costs:** include the following items:

- remuneration of staff in active employment (including remuneration relating to fixed assets, supplies and work for third parties)
- pension charges: amount of pensions paid out directly by the railways less any contributions paid by employees in active employment. Amount of contributions paid by the railways to autonomous pension funds
- miscellaneous social security costs (family benefits, social welfare, security, staff training)

61 ⁽¹⁾ — **Materials supplied and services performed by third parties:** include the following items

- fuel, power and light
 - material consumption
 - services performed by third parties
 - rentals
 - miscellaneous charges (insurance premiums and indemnities, water and gas and sundry administrative costs)
- including that relating to
fixed assets and third
parties

62 ⁽¹⁾ — **Taxes and dues** — (non-deductible VAT and other taxes and dues, corporation tax excepted) railways using this account should clearly indicate the nature of these taxes

63 — **Allocations for depreciation**

64 — **Allocations to provision accounts** (to cover certain losses and charges as well as insurance and financing replacement of fixed assets for some railways)

65 — **Financial charges**

CLASS 7 — REVENUE ACCOUNTS ⁽²⁾

70 — **Traffic revenue** (including associated revenue, but excluding service transport operations)

70.0 — *Passenger and luggage traffic*

- (a) by rail
- (b) by road
- (c) by other means of transport

70.1 — *Goods traffic*

- (a) by rail
 - (i) full trains and wagon loads
 - national traffic ⁽³⁾
 - international traffic ⁽³⁾
 - (ii) part loads and parcels
 - national traffic ⁽³⁾
 - international traffic ⁽³⁾
- (b) by road
- (c) by other means of transport

⁽¹⁾ Taxes and dues are either shown in account 62 with indications of their nature, or included in account 60 and account 61 as appropriate.

⁽²⁾ All revenues net of tax (in particular, net of VAT)

⁽³⁾ Definitions: — national goods traffic means transport of goods which are loaded and unloaded inside the country,
— international goods traffic means the transport of goods which are loaded or unloaded, or both, in a foreign country.

▼B70.2 — *Postal traffic*71 — **Financial revenue** (interest on securities held and dividends from shareholdings in other undertakings)72 — **Other revenue**72.1 — *Revenue from work and supplies for Government account* (investment in the network)72.2 — *Revenue from work and supplies for third parties*72.3 — *Revenue from other activities including rents*72.4 — *Miscellaneous revenue*73 — **Contra of costs booked to other accounts**(in particular, fixed asset accounts and supplies accounts)74 — **Compensation and aids**74.0 — *Compensation for public service obligations* Regulation (EEC) No 1191/6974.1 — *Compensations for the normalization of accounts* Regulation (EEC) No 1192/69 (in accordance with the provisions of Article 10)74.2 — *Aids* Article 3 of Regulation (EEC) No 1107/7074.3 — *Other compensations and aids* (not related to balancing subsidy)

II. SUMMARY PROFITS AND LOSSES

CLASS 9 — RESULT ACCOUNTS91.0 — 91.1 — *Operating profit or loss for the financial year*91.2 — 91.3 — *Exceptional profits and losses*

(Those items involving significant amounts which derive from events or transactions outside the ordinary activities of the business and which are not expected to recur frequently)

91.4 — *Corporation tax* (tax assessed on the profit of companies and other corporate bodies, or in certain countries also on the capital)91.5 — *Balancing subsidy*:

— Article 4 of Regulation (EEC) No 1107/70

— Other

Those undertakings which strike the balance of the profit and loss prior to taking these subsidies into account may show such subsidies separately in a note.

91.6 — *Profit for the financial year* to be transferred to account 07.091.7 — *Loss for the financial year* to be transferred to account 07.1