

ANNUAL ACCOUNTS 2017

BALANCE SHEET AFTER APPROPRIATION

ASSETS	Codes	31/12/2017 in €	31/12/2016 in €
Formation expenses	20		
FIXED ASSETS	21/28	102,465,443.96	95,656,647.38
Intangible fixed assets	21	247,531.37	160,503.37
Tangible fixed assets	22/27	102,184,640.17	95,406,284.34
Land and buildings	22	64,239,639.13	67,424,121.53
Plant, machinery and equipment	23	23,380,022.11	21,440,928.92
Furniture and vehicles	24	2,167,038.04	1,341,887.89
Leasing and other similar rights	25		
Other tangible fixed assets	26		
Assets under construction and advance payments	27	12,397,940.89	5,199,346.00
Financial fixed assets	28	33,272.42	89,859.67
Affiliated enterprises	280/1		
Participating interests	280		
Amounts receivable	281		
Enterprises linked by participating interests	282/3		
Participating interests	282		
Amounts receivable	283		
Other financial assets	284/8	33,272.42	89,859.67
Shares	284		
Amounts receivable and cash guarantees	285/8	33,272.42	89,859.67
CURRENT ASSETS	29/58	170,068,363.42	150,693,510.92
Amounts receivable after one year	29		
Trade debtors	290		
Other amounts receivable	291		
Stocks and contracts in progress	3		
Stocks	30/36		
Raw materials and consumables	30/31		
Work in progress	32		
Finished goods	33		
Goods purchased for resale	34		
Immovable property intended for sale	35		
Advance payments	36		
Contracts in progress	37		
Amounts receivable within one year	40/41	37,950,690.09	36,765,866.32
Trade debtors	40	11,846,087.97	12,791,779.62
Other amounts receivable	41	26,104,602.12	23,974,086.70
Current investments	50/53	75,000,273.96	20,000,000.00
Portfolio for investment	50		
Other investments and deposits	51/53	75,000,273.96	20,000,000.00
Cash at bank and in hand	54/58	38,706,039.86	78,746,258.07
Deferred charges and accrued income	490/1	18,411,359.51	15,181,386.53
TOTAL ASSETS	20/58	272,533,807.38	246,350,158.30

EQUITY AND LIABILITIES	Codes	31/12/2017 in €	31/12/2016 in €
EQUITY	10/15	212,524,406.53	187,957,684.34
Capital	10	145,000,000.00	145,000,000.00
Issued capital	100	145,000,000.00	145,000,000.00
Uncalled capital	101		
Share premium account	11		
Revaluation surpluses	12		
Reserves	13	51,722,838.36	51,722,838.36
Legal reserve	130	2,935,099.57	2,935,099.57
Reserves not available for distribution	131		
In respect of own shares held	1310		
Other	1311		
Reserves	132		
Reserves available for distribution	133	48,787,738.79	48,787,738.79
Accumulated profits (losses) (+)/(-)	14	13,732,368.17	-8,765,154.02
Investment grants	15	2,069,200.00	
Advance to associates on the sharing out of net assets	19		
PROVISIONS AND DEFERRED TAXES	16	17,004,528.63	16,036,743.96
Provisions for liabilities and charges	160/5	17,004,528.63	16,036,743.96
Pensions and similar obligations	160	2,460,400.00	2,706,400.00
Taxation	161		
Major repairs and maintenance	162	10,983,000.00	10,038,500.00
Environmental obligations	164		
Other liabilities and charges	164/5	3,561,128.63	3,291,843.96
Deferred taxes	168		
LIABILITIES	17/49	43,004,872.22	42,355,730.00
Amounts payable after one year	17	642,968.16	585,198.16
Financial debts	170/4		
Subordinated loans	170		
Unsubordinated loans	171		
Leasing and other similar obligations	172		
Credit institutions	173		
Other loans	174		
Trade debts	175		
Suppliers	1750		
Bills of exchange payable	1751		
Advances received on contracts in progress	176		
Other amounts payable	178/9	642,968.16	585,198.16
Amounts payable within one year	42/48	36,298,478.35	31,329,727.96
Current portion of amounts payable after one year	42		
Financial debts	43		
Credit institutions	430/8		
Other loans	439		
Trade debts	44	15,168,745.21	6,694,621.79
Suppliers	440/4	15,168,745.21	6,694,621.79
Bills of exchange payable	441		
Advances received on contracts in progress	46		
Taxes, remuneration and social security	45	21,129,733.14	24,635,106.17
Taxes	450/3	1,103,255.11	5,565,097.42
Remuneration and social security	454/9	20,026,478.03	19,070,008.75
Other amounts payable	47/48		341,688.57
Accrued charges and deferred income	492/3	6,063,425.71	10,440,803.88
TOTAL LIABILITIES	10/49	272,533,807.38	246,350,158.30

PROFIT AND LOSS ACCOUNT		Codes	31/12/2017 in €	31/12/2016 in €
Operating income		70/76A	236,520,655.69	227,043,389.85
Turnover		70	234,766,419.41	224,038,291.38
Increase (Decrease) in stocks of fabrication, finished goods, work in progress and in contracts in progress	(+)/(-)	71		
Fixed assets - own construction		72		
Other operating income		74	1,452,979.90	2,605,358.91
Extraordinary income		76A	301,256.38	399,739.56
Operating charges		60/66A	214,126,339.88	200,745,275.58
Raw materials, consumables and goods for resale		60		
Purchases		600/8		
Decrease (increase) in stocks	(+)/(-)	609		
Services and other goods		61	74,073,612.70	67,330,257.03
Remuneration, social security costs and pensions	(+)/(-)	62	124,612,400.94	116,057,753.69
Depreciation and other amounts written off formation expenses and intangible and tangible fixed assets		630	13,120,655.38	14,004,841.57
Amounts written off stocks, contracts in progress and trade debtors - Increase (decrease)	(+)/(-)	631/4	362,728.22	-128,639.84
Provisions for risks and charges - Appropriations (Utilization and write-back)	(+)/(-)	635/7	967,784.67	587,694.91
Other operating charges		640/8	735,687.37	2,886,841.00
Operating charges capitalized as restructuring costs	(-)	649		
Extraordinary charges		66A	253,470.60	6,527.22
Operating profit (loss)	(+)/(-)	9901	22,394,315.81	26,298,114.27
Financial income		75/76B	141,434.71	129,884.59
Recurring financial income		75	141,434.71	129,884.59
Income from financial fixed assets		750		
Income from current assets		751	246.58	108.16
Other financial income		752/9	141,188.13	129,776.43
Non-recurring financial income		76B		
Financial charges		65/66B	38,228.33	23,926.02
Recurring financial charges		65	38,228.33	23,926.02
Interest and other debt charges		650	14,607.59	352.50
Amounts written off current assets other than stocks, contracts in progress and trade debtors	(+)/(-)	651		
Other financial charges		652/9	23,620.74	23,573.52
Non-recurring financial charges		66B		
Profit (Loss) of the financial year before taxes	(+)/(-)	9903	22,497,522.19	26,404,072.84
Transfer from deferred taxes		780		
Transfer to deferred taxes		680		
Income taxes	(+)/(-)	67/77		
Taxes		670/3		
Adjustment of income taxes and write-back of tax provisions		77		
Profit (Loss) for the financial year	(+)/(-)	9904	22,497,522.19	26,404,072.84
Transfer from reserves		789		
Transfer to reserves		689		
Profit (Loss) for the year available for appropriation	(+)/(-)	9905	22,497,522.19	26,404,072.84

APPROPRIATION ACCOUNT		Codes	31/12/2017 in €	31/12/2016 in €
Profit (Loss) to be appropriated	(+)/(-)	9906	13,732,368.17	-8,765,154.02
Profit (Loss) for the year available for appropriation	(+)/(-)	(9905)	22,497,522.19	26,404,072.84
Profit (Loss) brought forward	(+)/(-)	14P	-8,765,154.02	-35,169,226.86
Transfers from capital and reserves		791/2		
from capital and share premium account		791		
from reserves		792		
Transfers to capital and reserves		691/2		
to capital and share premium account		691		
to the legal reserve		6920		
to other reserves		6921		
Profit (Loss) to be carried forward	(+)/(-)	(14)	13,732,368.17	-8,765,154.02
Shareholders' contribution in respect of losses		794		
Profit to be distributed		694/6		
Dividends		694		
Directors' or managers' entitlements		695		
Other beneficiaries		696		

SUMMARY OF THE VALUATION RULES

ASSETS

FORMATION EXPENSES

The formation expenses and initial costs of establishment are immediately booked during the financial year in which they were incurred.

The restructuring expenses are capitalized when they consist of clearly defined expenses that are linked to a drastic change in the structure or the organization of the company and when these expenses have a permanent and favourable impact on the profitability of the company.

These expenses are amortized in annual instalments of 20%.

INTANGIBLE FIXED ASSETS

The royalties for patents and licences are booked in this section and are subject to a linear amortization percentage of 20% a year.

Studies, on the other hand, are immediately booked under 'Services and other goods' (applied from the year 2000 onwards).

TANGIBLE ASSETS

The tangible assets are booked under the assets of the balance sheet at their purchase value, including the extra costs which, for major projects, comprise the non-recoverable taxes and transport charges, as well as the fees for architects and engineering firms (with regard to stability, special techniques, safety and control).

Amortization is calculated per month in a linear way, according to the percentages mentioned in the amortization table, while the month of coming into service corresponds to the first monthly amortization instalment.

The fixed assets are considered as operational either on the date of the report of the provisional acceptance (on that date, they can be removed from the section 'Tangible assets under construction' under which they were registered, and booked

to their specific account), or on the date of the delivery of the goods.

In exceptional circumstances, Belgocontrol can provide for amortization on 'tangible assets under construction' when the putting into service takes place before the provisional acceptance; in such a case, the actual date of putting into service is taken into account.

FINANCIAL FIXED ASSETS

Affiliated enterprises

The financial fixed assets are booked on the assets side of the balance sheet at their purchase value.

At the end of each financial year, the valuation is revised in accordance with the situation, profitability or prospects of the company in which the participation is held.

Amounts written off are booked for the financial fixed assets for which a durable capital loss is determined or for which the repayment, as a whole or partly, is insecure or in danger.

Write-backs of the amounts written off is carried out to an amount of the said amounts written off if, later on, a durable capital gain is determined.

When the estimated value is higher than the value of the booked item, in principle, no changes are made to the accounting value.

AMOUNTS RECEIVABLE AFTER ONE YEAR

The amounts receivable are booked at their nominal value or their purchase value.

A write-off is carried out when the realisation value on the closing date is lower than the accounting value - provided that this constitutes a durable capital loss - or when the refunding upon maturity, as a whole or partly, is insecure or in danger.

The valuation rules concerning currencies are applicable to this.

STOCKS

The purchased goods represent a relatively insignificant amount compared to the total of the section 'Operating charges'. They are allocated to the section 'Services and other goods' and consequently they are booked completely at the time of delivery.

AMOUNTS RECEIVABLE WITHIN ONE YEAR

The amounts receivable are booked at their nominal value or their purchase value and are subject to the same valuation rules as the amounts receivable after one year.

CURRENT INVESTMENTS

> The investments on time-deposit accounts are booked at their purchase value;

LIABILITIES

PROVISIONS FOR LIABILITIES AND CHARGES

At the end of every financial year, the Board of Directors investigates with care, sincerity and in good faith, the provisions that have to be made in order to cover the provisions for liabilities and charges to be expected, i.e.:

- > Charges inherent to major repairs and maintenance;
- > Risks that resulted in the course of the financial year from clearly described future losses and charges;
- > Losses or charges of a clearly defined nature, incurred during the financial year, but of which the amount is not yet determined;
- > The obligations resulting from individual agreements concluded with members of staff, having a final character and that have materialised as agreements concluded within the framework of restructuring measures.
- > The risk of losses because Belgocontrol is committed to a performance plan that sets the tariffs for 'en-route' activity for a certain reference period for the cost-efficiency part. Based on yearly updates of the traffic evolution prospects we calculate the losses that we will suffer due to the traffic risk for the remaining years of the reference period and that are our responsibility.

VARIABLES

GENERAL PRINCIPLES APPLICABLE TO THE VALUATION OF THE ASSETS AND LIABILITIES THAT ARE EXPRESSED IN CURRENCY

The transactions in foreign currency are converted into Euro at the rate of exchange the day of the transaction.

At the end of the financial year, the assets (intangible, tangible or financial) as well as the other assets and liabilities for the

- > The investments in transferable securities are rated at the market value, which measures in a useful way the yield of the investment for the covered period on the date of the report;
- > The instruments that have a fixed amount payable at maturity, and which are not marketable on the market, are valued as if they had a constant yield level until their due date.

DEFERRED CHARGES AND ACCRUED INCOME

This section comprises:

- > Costs to be carried forward, i.e. the pro rata of costs that were incurred during the financial year or the previous financial year, but which have to be booked to one or more subsequent financial years;
- > Acquired profits, i.e. the pro rata of profits that are collected only in the course of a subsequent financial year, but which refer to the past financial year.

The provisions built up during the previous financial years are to be reviewed and written-back if they are no longer wholly or partially necessary.

AMOUNTS PAYABLE AFTER ONE YEAR AND PAYABLE WITHIN ONE YEAR

These amounts are recorded at their nominal par value.

The salaries and social security expenses are valued according to the current social and fiscal legislation and in line with the agreements concluded with the employees' unions.

The valuation rules concerning currencies are applicable to this.

ACCRUED CHARGES AND DEFERRED INCOME

The section contains:

- > The imputable costs, i.e. the pro rata of charges that will only be paid in a future financial year, but which refer to the previous financial year;
- > The deferred income, i.e. the pro rata of income that has been collected in the course of the financial year or a previous year, but which refer wholly or partly to a future financial year.

part of the balance of those accounts expressed or originally in currencies, are converted to the rate of exchange applicable at the time of their entry.

Note:

C 6.10. OPERATING RESULTS - PENSIONS

In application of article 85, paragraph 2 of the RD of 30 January 2001, we have adapted the section «Staff Costs – Retirement

and Survivor's Pensions» in note C. 6.10 to the specific features of our company. This section contains the contribution of 35% paid to the State, in accordance with the current value of the acquired and future retirement pension rights of the active staff members.

Additional mentions to NOTE

C. 6.10 AND TO THE SOCIAL ACCOUNTING C.6. "WORKERS FOR WHOM THE COMPANY INTRODUCED A DIMONA DECLARATION OR WHO WERE ENTERED IN THE GENERAL PERSONNEL REGISTER"

Belgocontrol has introduced a DIMONA declaration for its statutory workers who are not bound by an employment contract (which means that the Employment Contracts Act is not applicable); they have been mentioned in the social balance sheet of permanent workers since the creation of Belgocontrol.

NOTE ON THE END-OF-CAREER COSTS OF AIR TRAFFIC CONTROLLERS

Framework

In Belgium, just like in many other European countries, air traffic controllers are subject to a long-standing system whereby they acquire a non-active status a number of years before their pension. As part of this system, they receive a significant part of their salary without any performances in return. They remain however at the disposal of Belgocontrol. The cost of this system is borne by the company, which adds it to the cost base it charges to its customers.

Since the creation of Belgocontrol the costs of the air traffic controllers' non-active status have been entered under personnel costs at the time of payment of this compensation (consistent financial reporting framework).

In accordance with European regulations applicable to the charging of air navigation services, these end-of-career costs are financed simultaneously by charging customers. In application of the '*matching*' concept in accounting, there is a consistency between the costs (compensation paid to the air traffic controllers) and the revenues (charging the compensation back to the customers).

The law of 31 July 2017 amending Article 176 of the law of 21 March 1991 confirms that Belgocontrol does not have to make provision for obligations in respect of risks and charges for the non-active status and pre-pension leave of its staff.