



**FINANCIAL
REPORT**

2019

1 FOREWORD BY PRESIDENT AND SECRETARY GENERAL

2019 and the beginning of 2020 have again been busy periods for RailNetEurope (RNE) and its Members. Ongoing activities and new developments within the international business of Infrastructure Managers (IMs), Allocation Bodies (ABs) and Rail Freight Corridors (RFCs) that make up RNE, have again brought major progress in all of our business areas. Most recently, the COVID-19 pandemic across Europe has profoundly impacted our Members' business and brought additional challenges to be faced.

Since in past years the information and updates on our work included in Annual Reports have always become outdated rather quickly, RNE is now choosing to publish a Financial Report only, in line with our legal obligations and to ensure transparency. To nevertheless provide insights into our past and ongoing work, we would like to draw your attention to some of the 2019 highlights in each business area below. More detailed information can be found in the related sections on our website: www.rne.eu

Sales & Timetabling

The efforts related to the advancement of the Timetable Redesign (TTR) Programme were a defining factor in the 2019 activities, starting with the TTR Road Show and continuing with the kick-off of the national TTR implementation projects. Main milestones were achieved, such as the analysis of the legal framework, the creation of the TTR IT

landscape, first tests of TTR elements on international pilot lines, and the definition of a basic concept for commercial conditions.

In terms of more general timetable-related activities, the main highlights were the preparation of new TT handbooks by the S&TT Working Group, introduction of measures to improve timetable quality (e.g. holding the Technical Meeting earlier in the year, establishing a pre-warning system to support IMs), and advancements in the topic of TCRs with an update of the TCR Guidelines and a new project to address the handling of TCRs in line with Annex VII to Directive EU 2012/34.

Major achievements in the area of timetable IT were the deployment and subsequent piloting of a new version of the TCR tool in June 2019, the release of the highly anticipated PCS Envelope Concept in October 2019 and release of the newly developed and now web-based Electronic Capacity Model Tool (ECMT) in August 2019, to support the TTR process.

In the area of Sales and Network Statements, the Network Statement Common Structure was redesigned and the new and improved structure will be applicable from timetable 2022 onwards. Significant progress was also made with the overall harmonisation of Corridor Information Documents, thereby completing one of the priority projects of the Rotterdam Sector Declaration. For the Charging Information System (CIS) a major technical redevelopment has been

initiated in line with users' requests and is expected to be deployed in the second quarter of 2020.

More information on RNE's Sales & Timetabling activities can be found here: <http://rne.eu/sales-timetabling/>

Traffic Management & Train Performance Management

The Language Programme progressed further in 2019 with five new sub-working groups established at the end of 2019 to cover all aspects of the Language Tool from development to pilot testing. A tender is currently ongoing to contract an external IT developer for the development of a Language Tool prototype.

A big milestone was achieved in the efforts towards reliable and correct ETA (Estimated Time of Arrival) through the development of a neutral quality calculation method in 2019. This will provide the basis to determine and further improve the quality of ETA information as well as making ETAs comparable with each other.

With the introduction of the new TIS 2020 all old TIS functions were evaluated and the new system optimised by integrating the existing tools 'Park or Run' and 'TCCCom' (communication between Traffic Control Centres) into the new Incident Management Tool (IMT) in TIS 2020, offering new and improved functionalities.

In the area of Train Performance Management, the focus was on the optimisation of the currently used reports and the

provision of new train performance management reports, especially tailored to the needs of Rail Freight Corridors. To be able to provide even more reports with a high level of data quality in the upcoming years, a new activity aimed at setting up a Data Quality Strategy for Reporting was initiated in October 2019 and is expected to be concluded in the course of 2020.

More information on RNE's Traffic Management & Train Performance Management activities can be found here: <http://rne.eu/tm-tpm/>

IT

In the area of IT, the two most important applications, the Train Information System (TIS) and Path Coordination System (PCS), were completely redeveloped in 2019.

After the major revision in 2019 the new version of TIS, TIS 2020, was presented to the user community in December 2019. The main improvements include a powerful and optimised train search engine, a modern user interface and a new user management concept, allowing companies to manage their own accounts.

Along with TIS 2020, a new concept of data sharing, in line with the future TAF/TAP TSI revision regarding data exchange - requested by the rail sector and spearheaded by RNE -, was implemented, providing companies cooperating in a train run with access to data on this train journey by default. The new PCS version was released on 16 October 2019. This

new PCS version includes the Envelope Concept and allows the user to enter more Pre-arranged Paths into a dossier, supports local times with the time-zone offsets and increases the border quality harmonisation as well as providing a wealth of other additional functions and improvements.

Significant progress was also made regarding the RNE Big Data system: the Train Information System (TIS) was fully integrated into RNE Big Data in December 2019, joining the already integrated TCR and CIP systems, and a Big Data Change Control Board was established to ensure transparent monitoring.

A major milestone was reached regarding TAF/TAP Telematics Common Components: all European Rail Primary Location Codes have been publicly available on RNE's Common Components website since 1 December 2019.

Last but not least, RNE is currently in the process of taking over the operation and maintenance of the Rail Facilities Portal, with the handover anticipated to be completed in the course of 2020.

More information on RNE's IT activities can be found here: <http://rne.eu/it/>

Legal Matters

The RNE Legal Matters team launched a new project aimed at harmonising the contractual framework for international rail transport. First exchanges were conducted with CIT on a proposal for a standard contract of use of the infrastructure prepared by CIT and a new task force was established and started to analyse existing documents with a view to identifying the potential for harmonisation and simplification of the various components of the contractual framework. A proposal for a common structure for the contractual framework for international rail transport is expected in 2020.

Also, in 2019 the first-ever arbitration case was launched by RNE, concerning outstanding membership fee payments, against a former RNE Member. The proceedings were successfully managed by the legal experts of the RNE Joint Office.

As regards the RNE Legal Matters Working Group, a new Chairperson was appointed by the RNE General Assembly in December 2019: Elisabeth Hochhold, Chief Legal Advisor in the RNE Joint Office, has taken over the chairmanship from Yvonne Dessoay (DB Netz AG). We would like to thank Yvonne Dessoay for her valuable contributions to the work of the Association and the achievements of the working group over the past 10 years.

More information on RNE's Legal Matters activities can be found here: <http://rne.eu/legal-matters/>

Corridor Management

In December 2019, the newly established RFC Alpine-Western Balkan joined RNE as an Associate Member. At the same meeting, the RNE General Assembly approved RFC Rhine-Danube as the successor of the former RNE Associate Member RFC Czech-Slovak. In the course of 2020 the two new RFCs will be fully integrated into RNE's portfolio of corridor-related activities.

To facilitate the harmonised implementation of RFC KPIs, a dedicated technical handbook has been defined by RNE together with the RFCs and the presentation of the RFCs' KPI results on RNE's website revised and improved. In 2020, the commonly applicable RFC KPIs are going to provide important input for the ongoing evaluation the Rail Freight Regulation 913/2010.

The Customer Information Platform (CIP) was successfully rolled out to RFC Amber in 2019, thus covering 9 out of 11 RFCs. In addition, the display of ICM lines and their re-routing options has been implemented in CIP's interactive map. In 2020, the rollout of CIP to the entire RFC Network is scheduled to be completed and the graphical user interface of the application shall be enhanced.

More information on RNE's Corridor Management activities can be found here: <http://rne.eu/rail-freight-corridors/>

All of this has been and continues to be possible only thanks to the strong and constructive collaboration we are fortunate to enjoy with our business partners - especially CER, CIT, EIM, ERFA, FTE, IRG-Rail, PRIME, The Agency, UIC, UIRR - and we would like to thank them warmly. Also, we would of course like to thank the representatives of our members, the Infrastructure Managers (IMs), Allocation Bodies (ABs) and Rail Freight Corridors (RFCs), as well as the RNE Joint Office staff, for their continuous commitment and support on management and expert level.

In 2019 RNE was also joined by a new member, the Latvian Infrastructure Manager Latvijas dzelzceļš (LDz – Latvian Railways), who we would like to welcome warmly.

Financially, the budget commitments in 2019 were met in full. The accounts of the Association demonstrate sound economic and financial results, which was testified by internal and external auditors. In this context we would like to thank the European Commission for their steady support through providing funding and pushing our activities.

We hope that you will find this extended Financial Report enjoyable and informative and we look forward to meeting future challenges together with our partners and to continue improving international rail services throughout Europe.



HARALD HOTZ
RNE PRESIDENT



JOACHIM KROLL
SECRETARY GENERAL

② FINANCIALS

- Balance Sheet
- Profit and Loss Account
- Notes to the Financial Statements
- Development of Non-Current Assets
- Report on the Financial Statements
- External Auditing Report
- Internal Auditing Report



— Balance Sheet

ASSETS			EQUITY AND LIABILITIES		
	31 December 2019	31 December 2018		31 December 2019	31 December 2018
	€	€		€	€
A. Non-current assets			A. Equity		
I. Intangible assets			I. Capital reserves		
1. Concessions, industrial property rights and similar rights	1,829,554.87	1,422,073.10	1. Not appropriated	5,359,359.73	5,882,797.28
II. Tangible assets					
1. Structural investment in third-party buildings	20,786.47	14,724.95			
<i>thereof fixtures in foreign buildings</i>	<i>20,786.47</i>	<i>14,724.95</i>			
2. Other equipment, furnitures and fixtures	47,238.39	55,256.25	B. Provisions		
	68,024.86	69,981.20	1. Other provisions	174,369.81	79,931.50
	1,897,579.73	1,492,054.30			
B. Current assets			C. Liabilities		
I. Receivables and other assets			1. Advance payments received for orders	749,775.60	515,000.00
1. Trade receivables	143,246.89	187,476.84	<i>thereof with a remaining maturity of up to one year</i>	<i>749,775.60</i>	<i>515,000.00</i>
2. Other receivables	176,050.99	192,839.27	2. Vendor liabilities	579,799.45	640,692.70
	319,297.88	380,316.11	<i>thereof with a remaining maturity of up to one year</i>	<i>579,799.45</i>	<i>640,692.70</i>
II. Cash on hand, bank deposits	4,758,332.71	5,318,363.67	3. Other liabilities	144,855.65	93,570.78
	5,077,630.59	5,698,679.78	<i>thereof taxes</i>	<i>37,681.29</i>	<i>31,424.49</i>
C. Accruals	32,949.92	21,258.18	<i>thereof social security</i>	<i>42,637.84</i>	<i>38,100.73</i>
			<i>thereof with a remaining maturity of up to one year</i>	<i>144,855.65</i>	<i>93,570.78</i>
				1,474,430.70	1,249,263.48
			<i>thereof with a remaining maturity of up to one year</i>	<i>1,474,430.70</i>	<i>1,249,263.48</i>
Total assets	7,008,160.24	7,211,992.26	Total Liabilities and Owner´s Equity	7,008,160.24	7,211,992.26

— Profit and Loss Account

2019-01-01 to 2019-12-31	2019	2018
	€	€
1. Turnover		
a) Domestic turnover		
Membership fees	133,077.00	122,977.05
Membership contribution to capital reserve	0.00	-112,663.55
Others	62,891.36	77,446.42
	<u>195,968.36</u>	<u>87,759.92</u>
b) Foreign turnover		
Membership fees	2,407,765.00	2,197,567.45
Membership contribution to capital reserve	0.00	-2,013,267.86
Others	556,425.18	841,624.52
	<u>2,964,190.18</u>	<u>1,025,924.11</u>
	3,160,158.54	1,113,684.03
2. Other turnover		
a) EU funding	515,000.00	2,680,927.98
b) Others	8,111.03	18,620.64
c) Income from the disposal of fixed assets	282.34	849.28
	<u>523,393.37</u>	<u>2,700,397.90</u>
3. Cost of purchased services	741,727.40	823,147.08
4. Personnel expenses		
a) Salaries	1,845,816.34	1,633,067.21
b) Social expenses	387,771.58	345,293.47
	<u>2,233,587.92</u>	<u>1,978,360.68</u>
5. Depreciation	778,027.04	588,207.97

2019-01-01 to 2019-12-31	2019	2018
	€	€
6. Other expenses	454,688.32	425,437.53
7. Operating profit	-524,478.77	-1,071.33
8. Other interest and similar revenues	1,291.22	1,248.33
9. Financial profit	1,291.22	1,248.33
10. Earnings before taxes, Loss from operating activities	-523,187.55	177.00
11. Taxes on income	250.00	177.00
12. Net loss for the year	-523,437.55	0.00
13. Release of capital reserves	523,437.55	0.00
14. Balance sheet profit	0.00	0.00

— Notes to the Financial Statements

Accounting and valuation methods

General principles

The financial statements have been prepared in accordance with **Generally Accepted Accounting Principles** and the **general provision** that the financial statements have to present a true and fair view of the financial and assets position and results of operations.

The principle of **completeness** was used during the preparation of the financial statements.

All assets and liabilities were **measured individually** and the **going concern** assumption was used.

The **prudence principle** was applied. Only realised gains were recognised; however, provision was made for all known and probable losses, irrespective of whether realised or not.

Non-current assets

Intangible assets

The data processing programs are being written off over 3 years.

Tangible assets

Limited life assets are **evaluated** at acquisition cost less depreciation. Low value assets (acquisition costs up to EUR 400.00) are entirely written off in the year of acquisition.

Regular depreciation fixed assets is calculated on a straight-line basis.

The period of depreciation corresponds to the expected useful life and is set as follows:

	Number of years
Office and other equipment	3 - 5
Office furniture	5
Office machines, ICT systems	3 - 5
Structural investment in third-party buildings	5 - 10

Receivables and other assets

Receivables and other assets are valued at their **nominal value** as far as no recognizable individual risk has been assessed resulting in a lower value.

The maturity of receivables is taken into consideration by discounting.

Provisions

Other provisions

Under the prudence principle provisions are considered for all risks and probable losses, assuming the resulting loss may be reasonably estimated.

Liabilities

All **liabilities** are recorded at the amount payable considering the principle of prudence.

Currency conversion

Foreign currency receivables and liabilities are converted at the ECB-fixing exchange rate prevailing at the balance sheet date.

Changes of the accounting and valuation principles

The accounting and valuation principles applied so far have remained unchanged during the drawing up of these financial statements.

Notes to the Balance Sheet and the Profit and Loss Account

Notes to the Balance Sheet

Non-current assets

As regards changes in non-current assets and a breakdown of annual depreciation by individual asset items, see Development of Non-Current Assets.

Path Coordination System (PCS) software rights

The Path Coordination System (PCS - including developments in the field of Timetabling) is a software tool for railway companies that was developed under the leadership of RNE in cooperation with several European railway companies. The full rights of utilisation are in complete ownership of RNE.

The Path Coordination System (PCS) is an international path request coordination system for Path Applicants, e.g. Railway Undertakings (RUs), Infrastructure Managers (IMs) and Allocation Bodies (ABs). The internet-based application optimises international path coordination by ensuring that path requests and path offers are harmonised by all involved parties. Input for international path requests needs to be placed only once into one system - either into the domestic application or directly into the PCS.

Train Information System (TIS) software rights

The Train Information System (TIS - including developments in the field of Operations) is a software tool for railway companies that was developed under the leadership of RNE in cooperation with several European railway companies. The full rights of utilisation are in complete ownership of RNE.

The Train Information System (TIS) is a web-based application that supports international train management by delivering real-time train data concerning international passenger and freight trains and to some extent national freight trains as well. The relevant data is obtained directly from the Infrastructure Managers' systems. At the time being it is regarded as the most advanced tracking and tracing online train information system in Europe for monitoring and steering the international logistic chains.

Charging Information System (CIS) software rights

The Charging Information System (CIS) is a software tool for Applicants, Infrastructure Managers (IMs) and Allocation Bodies (ABs). It provides fast information on charges related to the use of European rail infrastructure and estimates the price for the use of international train paths. It is an umbrella application for the various national rail infrastructure charging systems.

The full rights of utilisation are in complete ownership of RNE.

Common Components System (CCS)

The Common Components System (CCS) comprises the Central Reference Files Database (CRD) and Common Interface (CI) as well as the central Certification Authority. The CCS is used by various actors in railway sector, including but not limited to, Infrastructure Managers and Railway Undertaking companies, to ensure the interoperability of international traffic. It is the reference implementation of the TAF TSI standard as defined in EC regulation 1305/2014. After it was transferred from the UIC CCG to RNE, the full rights of utilisation have been in complete ownership of RNE since 1 January 2015.

Customer Information Platform (CIP)

The Customer Information Platform (CIP) is an interactive, internet-based information tool. By means of a Graphical User Interface, CIP provides precise information on the routing, terminals, infrastructure investment projects and maintenance works as well as basic track properties of the participating Rail Freight Corridors (RFCs).

At the request of several RFCs, RNE took over the ownership, hosting and maintenance of the CIP from the Corridor Rhine-Alpine (RFC1), thereby enabling it to evolve into a multi-corridor tool providing harmonised information and communication processes. RNE shall further develop the CIP according to the decisions of the CIP Change Control Board and following the approval, if necessary, of the RNE General Assembly.

At the moment, the CIP displays information on railway infrastructure in 24 European countries covering the network of 8 out of 11 RFCs. The remaining RFCs are scheduled to implement the CIP by the end of 2020.

International Train Numbering Database (ITNDB)

The International Train Numbering Database (ITNDB) is a software tool for Infrastructure Managers designed to handle the uniqueness of train numbers for European international freight traffic. It has been developed under the leadership of RNE together with several European railway companies. The full rights of utilisation are in complete ownership of RNE.

Temporary Capacity Restrictions (TCR)

The Temporary Capacity Restriction Tool (TCR - including developments in the field of Timetabling) is a software tool for railway companies which aids in the coordination and publication of Temporary Capacity Restrictions (TCRs), to avoid negative impact on the rail

network in terms of commercial traffic, but still keep infrastructure in good condition. The software was developed under the leadership of RNE in cooperation with several European railway companies. The full rights of utilisation are in complete ownership of RNE.

Receivables and other assets

	Total €	thereof maturity up to 1 year €
Receivables and other assets		
Trade receivables	143,246.89	143,246.89
Previous year	187,476.84	187,476.84
Other receivables	176,050.99	176,050.99
Previous year	192,839.27	192,839.27
Sum Receivables	319,297.88	319,297.88
Previous year	380,316.11	380,316.11

Provisions

Other provisions have developed as follows:

	State 2019-01-01 €	Usage €	Allocation €	State 2019-12-31 €
Other provisions	0.00	0.00	79,575.00	79,575.00
Provision for accrued vacation	73,230.62	0.00	10,122.55	83,353.17
Provision for extra hours	500.88	1,940.76	3,881.52	2,441.64
Provision for consulting fees	6,200.00	6,200.00	9,000.00	9,000.00
	79,931.50	8,140.76	102,579.07	174,369.81

Liabilities

	Total €	thereof maturity up to 1 year €
Liabilities		
Advance payments received for orders	749,775.60	749,775.60
Previous year	515,000.00	515,000.00
Vendor liabilities	579,799.45	579,799.45
Previous year	640,692.70	640,692.70
Other liabilities	144,855.65	144,855.65
Previous year	93,570.78	93,570.78
thereof taxes	37,681.29	37,681.29
Previous year	31,424.49	31,424.49
thereof social security	42,637.84	42,637.84
Previous year	38,100.73	38,100.73
Total Liabilities	1,474,430.70	1,474,430.70
Previous year	1,249,263.48	1,249,263.48

Notes to the Profit and Loss Account

The profit and loss account has been drawn up in accordance with the total-cost approach.

Managing Board Members

During the financial year 2019 Managing Board Members were

- Harald Hotz (ongoing)
- Ann Billiau (ongoing)
- Sture Mikael Eriksson (until 29 May 2019)
- Mirosław Kanclerz (ongoing)
- Paul Mazataud (ongoing)
- Augustinus de Mol (ongoing)
- Péter Rónai (ongoing)
- Stefano Castro (since 29 May 2019)
- Bettina Wunsch-Semmler (ongoing)

Employees of the company

In the financial year 2019 RailNetEurope had 26 employees on average, thereof 3 seconded by Members of RailNetEurope and 23 directly employed by RailNetEurope (thereof 2 part-time employee with 75%, 1 part-time employee with 41,6% and 1 part-time employee with 50% of the normal working time).

Vienna, 20 May 2020



Harald Hotz



Ann Billiau



Mirosław Kanclerz



Paul Mazataud



Augustinus de Mol



Péter Rónai



Stefano Castro



Bettina Wunsch-Semmler

Members of the Managing Board

— Schedule of Development of Non-Current Assets

	Purchase / Production cost		Cumulated depreciation			Carrying value
	2019-01-01 2019-12-31 €	Additons Disposals €	2019-01-01 2019-12-31 €	Depreciations Write-ups €	Disposals €	2019-01-01 2019-12-31 €
Non-Current Assets						
Intangible Assets						
Concessions and industrial property rights and similar rights	2,931,474.43	1,155,994.33	1,509,401.33	745,394.57	288,175.49	1,422,073.10
	3,796,175.28	291,293.48	1,966,620.33	0.00		1,829,554.87
Tangible Assets						
Structural investment in third-party buildings	21,424.12	11,757.44	6,699.17	5,695.92	0.00	14,724.95
	33,181.56	0.00	12,395.09	0.00		20,786.47
<i>thereof fixtures in foreign buildings</i>	<i>21,424.12</i>	<i>11,757.44</i>	<i>6,699.17</i>	<i>5,695.92</i>	<i>0.00</i>	<i>14,724.95</i>
	<i>33,181.56</i>	<i>0.00</i>	<i>12,395.09</i>	<i>0.00</i>		<i>20,786.47</i>
Other equipment, furnitures and fixtures	174,013.75	26,842.25	118,757.50	34,842.11	78,588.61	55,256.25
	122,249.39	78,606.61	75,011.00	0.00		47,238.39
	195,437.87	38,599.69	125,456.67	40,538.03	78,588.61	69,981.20
	155,430.95	78,606.61	87,406.09	0.00		68,024.86
Total asset schedule	3,126,912.30	1,194,594.02	1,634,858.00	785,932.60	366,764.10	1,492,054.30
	3,951,606.23	369,900.09	2,054,026.50	0.00		1,897,579.73

— External Auditing Report

Audit Opinion

We have audited the financial statements of

RailNetEurope - Vereinigung zur Förderung des internationalen Verkehrs auf der Eisenbahninfrastruktur, Wien.

These financial statements comprise the statement of financial position as of December 31, 2019, the income statement for the fiscal year then ended and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Association as of December 31, 2019 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Association in accordance with the Austrian Generally Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles, for them to present a true and fair view of the assets, the financial position and the financial performance of the Association

and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the General Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the General Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Vienna, 19 March 2020



— Internal Auditing Report

To the General Assembly of RailNetEurope

Based on the external audit of Merkur Control we have audited the financial statements of RailNetEurope for the year 2019. Our responsibility is to express an opinion on these financial statements based on our audit. We have performed the audit to obtain reasonable assurance that the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with generally accepted accounting principles and the general provision that the financial statements have to present a true and fair view of the financial and assets position and the results of operations.

We recommend to the General Assembly that the financial statement be adopted and the Board discharged.

Vienna, 20 May 2020

Carmen Theler



Alfred Lutschinger



3 IMPRINT

This report is published by

RAILNETEUROPE, JOINT OFFICE

Ölzeltgasse 3/9, AT – 1030 Vienna

Phone +43 1 907 62 72 00

Fax +43 1 907 62 72 90

E-mail: mailbox@rne.eu

Image credits

Stephan Doleschal, www.fotoweinwurm.at & others

Design

ESKOR Werbeagentur GmbH & Co KG

www.eskor.de

All information: status April 2020