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INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS OF SHIFT2RAIL JOINT UNDERTAKING FOR THE FINANCIAL YEAR FROM MAY 24 TO DECEMBER 31, 2016

We have audited the accompanying final annual accounts of Shift2Rail Joint Undertaking, 'the Agency'. Their annual accounts consist out of the financial statements and the reports on the implementation of the budget for the financial year from May 24 to December 31, 2016. The financial statements comprise the balance sheet as at December 31, 2016, and the economic outturn account, the cash flow table and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

This opinion on the final annual accounts supersedes our opinion issued by us on any of the provisional annual accounts previously issued by 'the Agency'.

Management's responsibility for the annual accounts

Management is responsible for the preparation of the final annual accounts in accordance with its Financial Regulation, and, in accordance with the accounting rules adopted by the Commission's accounting officer, which are derived from the International Public Sector Accounting Standards, as issued by the International Public Sector Accounting Standards Board.

Management's responsibilities in respect of the annual accounts include designing, implementing and maintaining an internal control system relevant to the preparation and the fair presentation of the annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies on the basis of the accounting rules adopted by the Commission accounting officer; making accounting estimates that are reasonable in the circumstances. The Director approves the annual accounts of 'the Agency' after its accounting officer has prepared them on the basis of all available information and established a note to accompany the accounts in which he declares, inter alia, that he has reasonable assurance that they present a true and fair view of the financial position of 'the Agency' in all material respects.

Auditor's responsibility

Our responsibility is to express an opinion on the final annual accounts of 'the Agency', based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA) and the ISSAI (International Standards of Supreme Audit Institutions, as issued by the International Organization of Supreme Audit Institutions (INTOSAI)).

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Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the final annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the final annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the final annual accounts, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation of the final annual accounts 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the final annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts of 'the Agency' present fairly, in all material aspects, its financial position as at December 31, 2016, and the results of its operations and its cash flow, for the year then ended, and are prepared in accordance with its Financial Regulation, and, in accordance with the accounting rules adopted by the Commission's accounting officer, which are derived from the International Public Sector Accounting Standards, as issued by the International Public Sector Accounting Standards Board.

Restriction on use and distribution

The opinion transmitted is only intended for 'the Agency' and for the European Court of Auditors, for the purpose of forming an opinion on the final annual accounts of 'the Agency' only. It may not be relied upon by you for any other objective or purpose, nor may it be distributed or made available to any other parties, except those who have regulatory rights of access to it. Any review, transmission, dissemination or other use of, or taking of any action in reliance upon this information by any persons or entities other than 'the Agency' is prohibited and we will not assume any duty of care or liability towards these persons or entities.

Melle, June 15, 2017

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Jan Smits
Audit Partner