

BEREC Office Ref: 2013-05-27/01 AF vb

ANNUAL ACCOUNTS

Financial year 2012

FINANCIAL STATEMENTS

Report on the implementation of the budget

Report on budgetary and financial management

The annual accounts of the BEREC Office for the year 2012 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the BEREC Office in accordance with art 68 of the Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show the BEREC 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 BEREC Office except for the reservation related to the validation of the accounting system which I undertook when appointed in December 2012. The non-compliance issues found for 2012 operations indicate the existence of a risk that needs to be mitigated in the future. Consequently, the non-compliance issues have been brought to the attention of the Authorising Officer with an action plan due for implementation by the 30th June 2013.

Accounting Officer



Veronique Bagge
Riga, 27th May 2013

BEREC OFFICE

Annual Accounts Financial year 2012

These Annual Accounts, together with the report on budgetary and financial management have been prepared by the Accounting Officer and drawn up by me the Administrative Manager under my own responsibility, on 27 May 2013.

The opinion of the Management Committee is expected following the Plenary Meeting on 7 June 2013.

They are to be sent, together with the Opinion of the Management Committee to the European Commission's Accounting Officer, the Court of Auditors, the European Parliament and the Council no later than 1 July 2013.

These Annual Accounts are also to be published on the BEREC Office website.

Authorising Officer

Ando Rehema
Riga, 27th May 2013



BEREC OFFICE
Annual Accounts Financial year 2012

Contents

1.1	Introduction	4
1.2	Legal Framework.....	6
1.3	Accounting principles.....	6
1.4	Certificate of the Accounting Officer	8
2	Financial Statement	9
2.1	Balance Sheet	9
2.2	Economic Outturn Account.....	10
2.3	Cash Flow	11
2.4	Statement of Changes in Net assets	12
2.5	Budgetary outturn account.....	13
2.6	Reconciliation of the accrual based result with the budget result	14
3	Annex to Financial Statements.....	15
3.1	Notes to the Balance Sheet	15
3.1.1	Non-current assets	15
3.1.2	Current assets	17
3.1.3	Current liabilities.....	18
3.2	Notes to the economic outturn account	19
3.2.1	Operational revenue	19
3.2.2	Operational expenses.....	20
3.2.3	Financial expenses.....	20
3.3	Contingent liabilities.....	21
3.4	Other Significant Disclosures	22
3.5	Events after the balance sheet date	23
4	Reports on implementation of the budget 2012	24
4.1	Budgetary principles.....	24
4.2	Budget 2012– Initial and Amended.....	25
4.3	Budget 2012 - Execution	27
4.4	Budgetary execution (commitments and payments) in 2012 by Title.....	33
5	Report on budgetary and financial management.....	35
5.1.1	Budget	35
5.1.2	Financial Management	36
6	Human resources 2012	37

BEREC OFFICE

Annual Accounts Financial year 2012

1.1 Introduction

The Body of European Regulators for Electronic Communications (referred to as “BEREC”) and the Office (referred to as the “Office” or the “BEREC Office”) were created within Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009, with the objective to increase the consistency in the implementation of the EU regulatory framework and thus to improve the functioning of the single market.

BEREC is composed of the Board of Regulators. The Board of Regulators is composed of one representative of the National Regulatory Authority (referred to as “NRA”) established in each Member State with primary responsibility for overseeing the day-to-day operation of the markets for electronic communications networks and services.

The Commission attends BEREC’s meetings as observer and is represented at high level, as well. The NRAs from the EFTA States and from the States that are candidates for accession to the European Union have also observer status and are represented at high level.

The Board of Regulators shall appoint its Chair and Vice-Chairs from among its members, subject to the rules of procedure of BEREC. The term of office of the Chair and of the Vice-Chairs is one year.

BEREC has the following role:

- (a) to develop and disseminate among NRAs regulatory best practice, such as common approaches, methodologies or guidelines on the implementation of the EU regulatory framework;
- (b) on request, to provide assistance to NRAs on regulatory issues;
- (c) to deliver opinions on the draft decisions, recommendations and guidelines of the Commission, referred to in this Regulation, the Framework Directive and the Specific Directives;
- (d) to issue reports and provide advice, upon a reasoned request of the Commission or on its own initiative, and to deliver opinions to the European Parliament and the Council, upon a reasoned request or on its own initiative, on any matter regarding electronic communications within its competence;
- (e) on request, to assist the European Parliament, the Council, the Commission and the NRAs in relations, discussions and exchanges with third parties; and assist the Commission and NRAs in the dissemination of regulatory best practices to third parties.

BEREC is supported by the BEREC Office. The Office is established as a European Union body with legal personality within the meaning of Article 185 of the General Financial Regulation¹.

Following an application by the Government of the Republic of Latvia to host the seat of the BEREC Office, on 31 May 2010 the Representatives of the Governments of the EU Member States took unanimous Decision to locate the BEREC Office in Riga.

The Office performs its tasks under the guidance of the Board of Regulators and has to:

- provide professional and administrative support services to BEREC;

¹ OJ L 248, 16.9.2001, p. 1.

BEREC OFFICE

Annual Accounts Financial year 2012

- collect information from NRAs and exchange and transmit information in relation to the role and tasks set out in Articles 2(a) and 3;
- disseminate regulatory best practices among NRAs, in accordance with Article 2(a);
- assist the Chair in the preparation of the work of the Board of Regulators;
- set up Expert Working Groups, upon request of the Board of Regulators, and provide support to ensure the smooth functioning of those Groups.

The BEREC Office is comprised of a Management Committee and an Administrative Manager. The Management Committee is composed of 1 representative of all 27 Members States' NRAs and the Commission.

The BEREC Office is structured as follows:

- Programme Management Unit;
- Administration and Finance Unit;
- Executive Support.

As per 31st December 2012 the BEREC Office has 22 employees.

The BEREC Board of Regulators and the Management Committee convene at least 4 regular plenary meetings per year, which are held on a rotation principle in different EU Members States, EFTA countries or candidate countries for accession to the EU.

The decisions to be taken by the Board of Regulators and the Management Committee are prepared by a special working group, called "Contact Network", composed of senior representatives of all members. The Contact Network usually has its meeting 2 weeks prior to each plenary meeting.

More information about the functions and activities of BEREC and its Office can be found at/in:

- BEREC web page: <http://berec.europa.eu>
- Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office Text with EEA relevance, Official Journal L 337, 18/12/2009 P. 0001 - 0010
- Decision № 349 of 2011 taken by common accord between the Representatives of the Governments of the Member States on the location of the seat of the Office of the Body of European Regulators for Electronic Communications (BEREC), Official Journal L 156, 23/06/2010 P. 0012 – 0012
- Current EU regulatory framework for electronic communications: http://ec.europa.eu/information_society/policy/ecomm/eu-rules/index_en.htm
- BEREC Office premises:
 - o Zigfrida Annas Meierovica Bulvaris 14, 2nd Floor, Riga LV-1050
 - o Tel. +371 6611 7590
 - o E-mail: berec@berec.europa.eu

The BEREC Office shall publish an annual report on its activities together with its financial statements (annual accounts and budget implementation).

BEREC OFFICE

Annual Accounts Financial year 2012

The objectives of financial statements are to provide information about the financial position, performance and cash flows of the BEREC Office.

The financial statements have been prepared according to the accounting rules adopted by the European Commission's accountant, following the principles of accrual-based accountancy where the economic outturn, balance and cash flow are concerned.

The general accounts are accrual accounts which mean that the effects of transactions and other events are recognised when those transactions or events occur (and not only when cash or its equivalent is received or paid). They are based on the IPSAS (International Public Sector Accounting Standards). The general accounts allow for the preparation of the financial statements as they show all revenues and expenses for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

The budget execution is prepared on the basis of a modified cash accounting. In cash accounting system, payments made and revenue received are recorded. Modified cash accounts means that payment appropriations carried over are also recorded. They are used to produce the budgetary outturn account and reports on budget implementation.

These provisions lead to discrepancies between the general accounts and the budget accounts.

The accounting policies have been applied consistently throughout the period.

According to Article 83 of its Financial Regulation, the BEREC Office's Administrative Manager, after receiving the Court of Auditors' observations on the provisional accounts of the Office, shall draw up the final accounts of the Office, under his own responsibility, and send them to the Management Committee, which shall give an opinion on these accounts. The Administrative Manager shall send the final accounts, together with the opinion of the Management Committee, to the Commission's accounting officer, the Court of Auditors, the European Parliament and the Council, by 1 July of the following year at the latest.

1.2 Legal Framework

This report has been prepared in accordance with Article 76 of the Financial Regulation of the BEREC Office adopted on 23 December 2010 by the Management Committee decision MC(10)44.

1.3 Accounting principles

Based on Article 78 of the Financial Regulation of the BEREC Office, the financial statements are drawn up in accordance with the generally accepted accounting principles specified in the detailed rules for implementing the general Financial Regulation, namely:

BEREC OFFICE

Annual Accounts Financial year 2012

a) Going concern basis principle

The going-concern principle means that for the purposes of preparing the financial statements, the BEREC Office is deemed to be established for an indefinite duration.

b) Principle of prudence

The principle of prudence means that assets and income have not been overstated and liabilities and charges have not been understated. No hidden reserves or undue provisions have been created.

c) Principle of consistent accounting methods

The principle of consistent accounting methods means that the structure of the components of the financial statements and the accounting methods and valuation rules has not been changed from one year to the next.

d) Principle of comparability of information

The principle of comparability of information means that for each item the financial statements also show the amount of the corresponding item the previous year.

Where, pursuant to previous paragraph, the presentation or the classification of one of the components of the financial statements is changed, the corresponding amounts for the previous year have been made comparable and reclassified. Where it has been impossible to reclassify items, this shall be explained in the annex.

e) Materiality principle

The materiality principle means that all operations which are of significance for the information sought have been taken into account in the financial statements. Materiality has been assessed in particular by reference to the nature of the transaction or the amount.

Transactions may be aggregated where:

- (a) The transactions are identical in nature, even if the amounts are large;
- (b) The amounts are negligible;
- (c) Aggregation makes for clarity in the financial statements.

f) No-netting principle

The no-netting principle means that receivables and debts may not be off-set against each other, nor may charges and income, save where charges and income derive from the same transaction, from similar transactions or from hedging operations and provided that they are not individually material.

g) Principle of reality over appearance

The principle of reality over appearance means that accounting events recorded in the financial statements have been presented by reference to their economic nature.

h) Accrual-based accounting principle

The accrual-based accounting principle means that transactions and events have been entered in the accounts when they occurred and not when amounts were actually paid or recovered. They shall be booked to the financial years to which they relate.

BEREC OFFICE

Annual Accounts Financial year 2012

Currency

The financial statements of the BEREC Office are presented in Euros.

Transactions in foreign currencies

Economic transactions in other currencies than in Euros have been converted into Euros on the basis of European Commission's official rate.

Due to the BEREC Office's seat outside of the Eurozone, in Riga (Latvia), a substantial number of transactions during the reporting period occurred in Latvian Lats (LVL).

Financial autonomy

The BEREC Office became financially autonomous on 12 September 2011.

Previously all financial and budgetary transactions were under the responsibility of the parent DG, INFSO, in 2012 renamed to DG CONNECT.

The first financial statements drawn up for 2011, only covered the period from 12 September to 31 December 2011.

In 2012, the BEREC Office was fully autonomous. The present financial statements therefore cover the period from 1st January to 31st December 2012.

Consequently, the figures for 2011 are not fully comparable with the figures for 2012.

1.4 Certificate of the Accounting Officer

These Annual accounts of the BEREC Office for the year 2012 have been prepared in accordance with the Financial Regulation of the Office and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the BEREC Office in accordance with Article 43 of the Financial Regulation of the Office.

I have obtained from the Authorising Officer, who guaranteed its reliability, all the information necessary for the production of the accounts that show the 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 a true and fair view of the financial position of the Office in all material aspects.

The Annual Accounts of the BEREC Office

Veronique Bagge
Accounting Officer

BEREC OFFICE
Annual Accounts Financial year 2012

2 Financial Statement

2.1 Balance Sheet

ASSETS		31.12.2012	31.12.2011	Variation
A. NON CURRENT ASSETS				
Intangible assets		1,144.00	0.00	1,144.00
Property, plant and equipment		49,618.00	35,947.11	13,670.89
Plant and equipment		650.00	0.00	650.00
Computer hardware		32,253.00	33,024.82	-771.82
Furniture and vehicles		2,967.00	2,922.29	44.71
Other fixtures and fittings		13,748.00	0.00	13,748.00
TOTAL NON CURRENT ASSETS		50,762.00	35,947.11	14,814.89
B. CURRENT ASSETS				
Short-term receivables		33,490.81	8,273.76	25,217.05
Current receivables		29,606.24	8,273.76	21,332.48
Sundry receivables		3,884.57	0.00	3,884.57
Cash and cash equivalents		1,548,079.83	639,943.65	908,136.18
TOTAL CURRENT ASSETS		1,581,570.64	648,217.41	933,353.23
TOTAL ASSETS		1,632,332.64	684,164.52	948,168.12

LIABILITIES		31.12.2012	31.12.2011	Variation
NET ASSETS		184,182.97	89,017.48	95,165.49
Reserves		0.00	0.00	0.00
Accumulated surplus/deficit		89,017.48	0.00	89,017.48
Economic outturn for the year - profit+/loss-		95,165.49	89,017.48	6,148.01
CURRENT LIABILITIES		1,448,149.67	595,147.04	853,002.63
Provisions for risks and charges		42,691.99	7,157.61	35,534.38
Accounts payable		1,405,457.68	587,989.43	817,468.25
Current payables		12,880.32	4,665.39	8,214.93
Sundry payables		14,341.04	0.00	14,341.04
Other		371,953.42	132,809.39	239,144.03
Accrued charges		319,141.71	112,591.04	206,550.67
Accrued charges with consolidated EU entities		52,811.71	20,218.35	32,593.36
Deferred income with consolidated EU entities		0.00	0.00	0.00
Accounts payable with consolidated EU entities		1,006,282.90	450,514.65	555,768.25
Pre-financing received from consolidated EU entities		967,381.72	422,456.08	544,925.64
Other accounts payable against consolidated EU entities		38,901.18	28,058.57	10,842.61
TOTAL CURRENT LIABILITIES		1,448,149.67	595,147.04	853,002.63
TOTAL LIABILITIES		1,632,332.64	684,164.52	948,168.12

BEREC OFFICE

Annual Accounts Financial year 2012

2.2 Economic Outturn Account

	2012	2011	Variation
Operational Revenues - Miscellaneous	668.21	22,654.68	21,986.47
EU SUBSIDY (COMMISSION)	2,645,664.71	756,329.53	-1,889,335.18
TOTAL OPERATIONAL INCOME	2,646,332.92	778,984.21	-1,867,348.71
Administrative expenses	-1,785,055.98	-574,355.07	1,785,055.98
All Staff expenses	-1,326,108.46	-364,711.61	961,396.85
Fixed asset related expenses	-10,756.92	-4,125.88	6,631.04
Other administrative expenses	-448,190.60	-205,517.58	242,673.02
Operational expenses	-765,963.76	-115,611.66	-650,352.10
Operational expenses	-765,963.76	-115,611.66	-650,352.10
TOTAL OPERATIONAL EXPENSES	-2,551,019.74	-689,966.73	-1,861,053.01
SURPLUS FROM OPERATIONAL ACTIVITIES	95,313.18	89,017.48	-6,295.70
Financial revenues	0.00	0.00	0.00
Financial expenses	-147.69	0.00	147.69
SURPLUS/ (DEFICIT) FROM NON OPERATIONAL ACTIVITIES	-147.69	0.00	147.69
SURPLUS FROM ORDINARY ACTIVITIES	95,165.49	89,017.48	6,148.01
Extraordinary gains (+)	0.00	0.00	0.00
Extraordinary losses (-)	0.00	0.00	0.00
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	0.00	0.00	0.00
ECONOMIC RESULT FOR THE YEAR	95,165.49	89,017.48	6,148.01

BEREC OFFICE
Annual Accounts Financial year 2012

2.3 Cash Flow

(Indirect method)

	2012	2011
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	95,165.49	89,017.48
Operating activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	25.20	0.00
Depreciation (tangible fixed assets) +	10,731.72	4,125.88
Increase in Provisions for risks and liabilities	35,534.38	7,157.61
Increase in Short term Receivables	-25,217.05	-8,273.76
Increase in Accounts payable	261,700.00	137,854.19
Increase in Liabilities related to consolidated EU entities	555,768.25	450,135.24
Other non-cash movements	-1,089.70	-
Net cash Flow from operating activities	932,618.29	680,016.64
Cash Flows from investing activities		
Increase of tangible and intangible fixed assets (-)	-24,482.11	-40,072.99
Net cash flow from investing activities	-24,482.11	-40,072.99
Net increase in cash and cash equivalents	908,136.18	639,943.65
Cash and cash equivalents at the beginning of the period	639,943.65	0.00
Cash and cash equivalents at the end of the period	1,548,079.83	639,943.65

BEREC OFFICE
Annual Accounts Financial year 2012

2.4 Statement of Changes in Net assets

Net assets	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Net assets (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2011	0.00	0.00	0.00	89,017.48	89,017.48
Changes in accounting policies 1)	0.00	0.00	0.00		0.00
Balance as of 1 January 2012	0.00	0.00	0.00	89,017.48	89,017.48
Fair value movements					0.00
Movement in Guarantee Fund reserve					0.00
Allocation of the Economic Result of Previous Year			89,017.48	-89,017.48	0.00
Amounts credited to Member States					0.00
Economic result of the year	0.00	0.00		95,165.49	95,165.49
Balance as of 31 December 2012	0.00	0.00	89,017.48	95,165.49	184,182.97

2012

2.5 Budgetary outturn account

REVENUE		2012	2011
Balancing Commission subsidy	+	3,190,000.00	1,178,785.61
Third countries contribution (incl. EFTA and candidate countries)	+		
Other contributions (Members states, NRAs, etc.)	+	0.00	0.00
Administrative operations and miscellaneous income	+	0.00	0.00
TOTAL REVENUE (a)		3,190,000.00	1,178,785.61
EXPENDITURE			
<i>Title I: Staff</i>			
Payments	-	1,556,604.56	383,474.98
Appropriations carried over	-	184,353.65	69,568.74
<i>Title II: Administrative Expenses</i>			
Payments	-	288,110.64	94,948.63
Appropriations carried over	-	156,615.62	120,537.38
<i>Title III: Operating Expenditure</i>			
Payments	-	265,982.26	45,722.26
Appropriations carried over	-	270,253.57	33,676.53
TOTAL EXPENDITURE (b)		2,721,920.30	747,928.52
OUTTURN FOR THE FINANCIAL YEAR (a-b)		468,079.70	430,857.09
Cancellation of unused payment appropriations carried over from previous year	+	101,879.88	0.00
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	0.00	0.00
Exchange differences for the year (gain +/-loss -)	+/-	-25,033.94	-8,401.01
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		544,925.64	422,456.08
Balance year N-1	+/-	422,456.08	
Positive balance from year N-1 reimbursed in year N to the Commission	-	0.00	
Result used for determining amounts in general accounting		967,381.72	422,456.08
Commission subsidy - agency registers accrued revenue and Commission accrued expense		2,222,618.28	
Pre-financing remaining open to be reimbursed by agency to Commission in year N+1		967,381.72	
Not included in the budget outturn:			
Interest generated by 31/12/N on the Commission balancing subsidy funds and to be reimbursed to the Commission (liability)	+	2,781.18	1,656.11

BEREC OFFICE
Annual Accounts Financial year 2012

2.6 Reconciliation of the accrual based result with the budget result

	sign +/-	amount
Economic result (- for loss) of the consolidation reporting package including table M2	+/-	95,165.49
<i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i>		
<i>A</i> Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-	-132,809.39
<i>B</i> Adjustments for Accrual Cut-off (cut- off 31.12.N)	+	371,953.42
Amount from liaison account with Commission booked in the Economic Outturn		-6,871.70
<i>C</i> Account	-	
<i>D</i> Unpaid invoices at year end but booked in charges (class 6)	+	18,255.04
<i>E</i> Depreciation of intangible and tangible assets	+	10,756.92
<i>F</i> Provisions	+	35,534.38
<i>G</i> Value reductions	+	0.00
<i>H</i> Recovery Orders issued in 2011 in class 7 and not yet cashed	-	0.00
<i>I</i>		0.00
<i>a</i> Pre-financing given in previous year and cleared in the year	+	
<i>I</i>		0.00
<i>b</i> Pre-financing received in previous year and cleared in the year	-	
<i>J</i> Payments made from carry-over of payment appropriations	+	121,902.77
<i>K</i> Other	+/-	-668.21
<i>L</i> Exchange rate differences	+/-	0.00
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
<i>M</i> Asset acquisitions (less unpaid amounts)	-	-10.141.07
<i>N</i> New pre-financing paid in the year 2011 and remaining open as at 31.12.2011	-	0.00
New pre-financing received in the year 2011 and remaining open as at		544,925.64
<i>O</i> 31.12.2011	+	
<i>P</i> Budgetary recovery orders issued before 2011 and cashed in the year	+	0.00
Budgetary recovery orders issued in 2011 on balance sheet accounts (not 7 or 6		0.00
<i>Q</i> accounts) and cashed	+	
Capital payments on financial leasing (they are budgetary payments but not in		0.00
<i>R</i> the economic result)	-	
<i>S</i> Payment appropriations carried over to 2012	-	-611,222.84
<i>T</i> Cancellation of unused carried over payment appropriations from previous year	+	101,879.88
Adjustment for carry-over from the previous year of appropriations available at		0.00
<i>U</i> 31.12 arising from assigned revenue	+	
Payments for pensions (they are budgetary payments but booked against		0.00
<i>V</i> provisions)	-	
Payments for stocks of leave and supplementary hours (they are budgetary		0.00
<i>W</i> payments but booked against provisions)	-	
<i>X</i> Other	+/-	0.00
total		538,660.33
Budgetary result (+ for surplus)		544,925.64
Delta not explained		6,265.31

BEREC OFFICE

Annual Accounts Financial year 2012

3 Annex to Financial Statements

3.1 Notes to the Balance Sheet

3.1.1 Non-current assets

Assets are resources controlled by the BEREC Office as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

Fixed assets are assets with an acquisition price value above 420.00 Euros and are expected to be used during more than one year. Assets, which do not fall under the above described criteria, have been charged against expenses and are reflected in the economic outturn account. Repairs and maintenance are recognised as running expenses during the financial period in which they are incurred.

The BEREC Office has started to tag the assets with label stickers. The physical inventory check of BEREC Office's assets is to be performed annually from 2013.

The assets were valued in the financial statements at their purchase price minus depreciations, in order to give a fair view of the BEREC Office assets.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciation method chosen is the straight-line method. The BEREC Office fixed assets are depreciated on a monthly basis. The depreciation rates are the coefficients used at the European Commission. The applied depreciation annual percentage rates per asset types are as follows:

Intangible fixed assets:

Computer software	25.0%
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Tangible fixed assets:

Specific equipment	25.0%
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Computers, servers, printers etc.	25.0%
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Telecommunications and audio-visual equipment	25.0%
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Office furniture	10.0% and 25.0%
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BEREC OFFICE

Annual Accounts Financial year 2012

3.1.1.1 Intangible fixed assets

Intangible assets are identifiable non-monetary assets without physical substance. They consist of computer software, licences and trade-marks registered under the name of the Office.

The items acquired whose purchase price or production cost is EUR 420 or more, with a period of use greater than one year, and which are not consumables, are recorded in the intangible assets accounts.

INTANGIBLE ASSETS	Internally generated Computer Software	Other Computer Software	Total
Gross carrying amounts 01.01.2012	0.00	0.00	0.00
Additions	0.00	1,169.20	1,169.20
Gross carrying amounts 31.12.2012	0.00	1,169.20	1,169.20
Accumulated amortization and impairment 01.01.2012	0.00	0.00	0.00
Depreciation	0.00	-25.20	-25.20
Accumulated amortization and impairment 31.12.2012	0.00	-25.20	-25.20
Net carrying amounts 31.12.2012	0.00	1,144.00	1,144.00

3.1.1.2 Tangible fixed assets

Tangible fixed assets are assets that are held by the BEREC Office for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one reporting period.

The BEREC Office tangible fixed assets consist of office furniture, printing and copying equipment, computers, servers and accessories, and other electronic office equipment.

BEREC OFFICE

Annual Accounts Financial year 2012

FIXED ASSETS	Plant and equipment	Computer hardware	Furniture	Other fixtures and fittings	Total
Gross carrying amounts 01.01.2012	0.00	37,023.64	3,049.35	0.00	40,072.99
Additions	0.00	8,971.87		14,341.04	23,312.91
Other (due to amounts from 2011 entered in 2012 as assets)	975.00	7865.3	421.49		9,261.79
Gross carrying amounts 31.12.2012	975.00	53,860.81	3,470.84	14,341.00	72,647.69
Accumulated amortization and impairment 01.01.2012	0.00	-3,998.82	-127.06	0.00	-4,125.88
Depreciation	0.00	-9,779.39	-359.29	-593.04	-10,731.72
Other (corresponding to assets-other changes)	-325.00	-7,829.60	-17.49		-8,172.09
Accumulated amortization and impairment 31.12.2012	-325.00	-21,607.81	-503.84	-593.04	-23,029.69
Net carrying amounts 31.12.2012	650.00	32,253.00	2,967.00	13,748.00	49,618.00

3.1.2 Current assets

3.1.2.1 Short-term pre-financing

Pre-financing is a payment intended to provide the beneficiary with a float, i.e. cash advance. During 2012, the BEREC Office did not provide pre-financing.

3.1.2.2 Short-term receivables

Receivables are carried at original invoice amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the BEREC Office will not be able to collect all amounts due according to the original terms of receivables.

The BEREC Office receivables comprise mainly the VAT to be recovered from Latvian Taxation Authorities. In accordance with the seat agreement and the protocol on privileges and immunities of the European Union, the BEREC Office is entitled to VAT reimbursements for purchases with a value of more than 125 LVL.

BEREC OFFICE

Annual Accounts Financial year 2012

3.1.2.3 Cash and equivalents

The BEREC Office has two bank accounts opened in UniCredit in Germany. The bank balances at the end of the reporting period were:

	31/12/2012		31/12/2011
	In currency of account	Equivalent in EURO	
EUR account (Euros)	1,601,726.87 EUR	1,601,726.87 EUR	553,507.55 EUR
LVL account (Latvian Lats)	-36,856.80 LVL	-53,647.04 EUR	60,462.05 LVL

During 2011, the BEREC Office received one financial transfer corresponding to the subsidy (pre-financing) from the European Commission for an amount of 1,178,785.61 EUR.

In 2012, the BEREC Office received two financial transfers corresponding to the subsidy (pre-financing) from the European Commission for the amount of 3,190,000.00 EUR. The first subsidy of 2,265,000.00 EUR was received on the 3rd April 2012 and the second subsidy of 925,000.00 EUR on the 20th December 2012.

3.1.3 Current liabilities

3.1.3.1 Short-terms provisions

The Commission adopted on 24 November 2011 a Proposal for a Council Regulation adjusting the remuneration and pension of EU civil servants by 1.7%. On 19 December 2011, the Council formally took a decision not to adopt the Commission proposal to adjust the remuneration and pensions of EU staff. Moreover, the Council decided to bring an action before the Court of Justice against the Commission for not applying the Exception Clause. The Commission decided on 11 January 2012 to bring an action against the Council in the Court of Justice for not adopting the annual adjustment to remuneration and pensions of EU staff.

Therefore, in compliance with the EU accounting rules, the BEREC Office booked in its 2012 accounts a short term provision for these outstanding salary payments relating to January 2012-December 2012, which was added to the existing provision made in 2011 for July-December 2011.

The short term provisions also include an amount calculated taking into consideration the proposed modification of the weighing factor from 74.3% to 77.6% that would impact the salary starting July 2012.

BEREC OFFICE

Annual Accounts Financial year 2012

3.1.3.2 Accounts payable

Payables are amounts due to a creditor, including transactions arising from the purchase of goods and services.

Current payables consist of amounts owed by the BEREC Office at the end of the reporting period for invoices, claims and requests for reimbursement that have been received.

Accrued charges represent estimate of liabilities that is not supported by an invoice or a cost claim or an expense summary at the end of the reporting period. Accrued charges have been estimated on the basis of accounting information provided by the authorising officers. Unspent annual leave is included and reflects the BEREC Office staff annual leave days carried over to the following year.

The amount of 967,381.72 EUR represents the part of the Commission subsidy (pre-financing) to be reimbursed. The amount of 422,456.08 EUR represents the 2011 surplus and 544,925.64 EUR the 2012 surplus.

3.2 Notes to the economic outturn account

3.2.1 Operational revenue

In accordance with the principle of accrual-based accounting, the financial statements shall show the income for the financial year, i.e. when they were recognised, regardless of the date of collection.

The BEREC Office revenue during year 2012 consists mainly in the European Commission subsidy.

BEREC OFFICE

Annual Accounts Financial year 2012

3.2.2 Operational expenses

In accordance with the principle of accrual-based accounting, the financial statements shall show the charges for the financial year, i.e. when they were recognised, regardless of the date of payment.

Administrative expenses relate to the BEREC Office's administrative activities (budget titles 1: Staff and 2: Other administrative expenditure).

Staff expenses include the BEREC Office staff related costs (basic salaries, allowances, contract agents, family allowances, insurance, social contributions etc.) covered by the Staff Regulations and Conditions of Employment of Other Servants of the European Union, as well as the allowances for Seconded National Experts.

Fixed assets expenses reflect depreciation charges for the year.

Other administrative expenses consist of other expenses incurred from the BEREC Office daily activities, such as utilities, office supplies, meetings organising expenses, etc.

During the year 2012, no rent was paid. As stated in the seat agreement, the Government of the Republic of Latvia is paying the rent of the premises during the first two years. The BEREC Office has only paid the running costs (public utilities: electricity, water, heating, etc.).

Provisions for risks and liabilities (annual salary increase not approved by the Council and modification of the weighing factor) amount to a total of 42,691.99 EUR, out of which 33,490.81 EUR from 2012 and 7,157.61 EUR from 2011;

Operational expenses include the following:

- Realised/Unrealised Exchange rate losses for 25,033.94 EUR;
- Other operational expenses to cover the BEREC Office operational activities (budget title 3: Operational activities) amounting to 704,805.09 EUR.

3.2.3 Financial expenses

Financial expenses in 2012 amounted to 147.69 EUR, representing bank charges.

BEREC OFFICE

Annual Accounts Financial year 2012

3.3 Contingent liabilities

Operating lease

The BEREC Office does not have operating lease expenses during 2012.

Commitments for future funding

Contractual commitments, for which budget commitments as of 31.12.2012 had not yet been made, were not present.

Carry-over from 2012 to 2013

Budget Title	Type of expenditure	Automatic Carryover of Payment Appropriations to 2013	Automatic Carryover of Payment Appropriations to 2012
I	Staff	184,353.65	69,568.74
II	Administrative expenses	156,615.62	120,537.38
III	Operational expenditure	270,253.57	33,676.53
	Total	611,222.84	223,782.65

Legal cases

The BEREC Office has 3 legal cases open at the end of 2012. It is related to a former probationary member. Two lodged on the basis of Article 90(2) of the Staff Regulation and one on the basis of Article 24 of the staff Regulation. No financial risk associated with the legal cases existed in 2012.

BEREC OFFICE

Annual Accounts Financial year 2012

Related parties

The BEREC Office is managed by the Administrative Manager, who also performs the duties of Authorising Officer, under the supervision of the Management Committee. However, in accordance with the BEREC Office Financial Regulation Article 34, the Administrative Manager may delegate his/her powers of budget implementation to staff of the Office covered by the Staff Regulations.

As of 31.12.2012 the BEREC Office had in total 1 Authorising Officer and 1 Authorising Officer by sub-delegation who are temporary agents in the following grades:

Person/Grade	Number of persons
Administrative Manager/AD14	1
Head of Programme Unit /AD9	1
Total	2

3.4 Other Significant Disclosures

Non-exchange transactions: free rental of premises during 2 years provided by the Latvian Government.

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Disclosure and recognition of non-exchange transaction is governed by EU Accounting rule 17 which is based on International Public Accounting Standard (IPSAS) 23.

Therefore, the BEREC Office is disclosing the following services in-kind:

As stated in the Seat Agreement and the Memorandum of Understanding between the Government of Latvia and the BEREC Office, the Latvian Government is covering the first 2 years of rental expenses/lease expenses of the BEREC Office building. The Latvian Government has also supervised and financed the construction and infrastructure adaptation works required to make the office building in Riga operational according to plans supplied by the BEREC Office. The premises have a total gross usable space of 780.83 m². This gross usable space is based on the needs of an estimated staff of 30 persons and meeting room space appropriate for the activities of the BEREC Office. The annual estimated cost is around 30.000 EUR.

BEREC OFFICE
Annual Accounts Financial year 2012

3.5 *Events after the balance sheet date*

No material issues were reported to the Accounting Officer of the BEREC Office that would require separate disclosure under this section.

BEREC OFFICE
Annual Accounts Financial year 2012

4 Reports on implementation of the budget 2012

4.1 Budgetary principles

In Accordance with the BEREC Office Financial Regulation Title II, the establishment and implementation of the budget of the BEREC Office shall comply with the following principles:

a) Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the BEREC Office's budget.

An appropriation must not be entered in the budget 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.

b) Principle of annuality

The appropriations entered in the budget shall be authorised for one financial year which shall run from 1 January to 31 December.

c) Principle of equilibrium

This means that the budget revenue and payment appropriations must be in balance.

d) Principle of unit of account

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

e) Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

f) Principle of specification

The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items.

g) Principle of sound financial management

Budget appropriations shall be used in accordance with the principle of sound financial management – in accordance with the principles of economy, efficiency and effectiveness.

h) Principle of transparency

The budget is established and implemented and the accounts presented in compliance with the principle of transparency - the budget and amending budgets are published in the Official Journal of the European Communities.

BEREC OFFICE

Annual Accounts Financial year 2012

4.2 Budget 2012– Initial and Amended

The tables below present the Budget 2012 in terms of appropriations for revenue, commitment and payment.

During the Management Committee Plenary on 25th May 2012 a preparation of an Amending Budget (hereinafter, AB) was proposed to the Management Committee and the Commission to adapt it to the Office's actual expenditures during its second year of set-up. The mandate was given to the Office to prepare the AB to be submitted for approval by the MC via electronic voting.

Amending Budget 1/2012 as detailed below was adopted the Management Committee on 8th August 2012 by Decision MC(12)33.

The distribution of appropriations among Titles and Chapters of the Budget 2012 is as follows.

REVENUE

<u>Revenues</u> in EUR	Budget 2012	Amending Budget AB 1/2012	New Appropriations 2012
1. Revenue from fees and charges			
2. European Community Subsidy	4,292,937.00	-1,102,937.00	3,190,000.00
3. Third countries contribution (incl. EFTA and candidate countries)	111,616.00	-111,616.00	0
4. Other contributions (*)	200,000.00	-200,000.00	0
5. Administrative operations			
6. Revenues from services rendered against payment			
7. Correction of budgetary imbalances			
Total revenues	4,604,553.00	-1,414,553.00	3,190,000.00

(*) Estimated voluntary contributions from Member States or from their National Regulatory Authorities (NRAs). These contributions shall be used to finance specific items of operational expenditure as defined in an agreement to be concluded between the Office and the Member States of their NRAs.

BEREC OFFICE

Annual Accounts Financial year 2012

EXPENDITURE

Commitment appropriations in EUR

Expenditure In EUR	Budget 2012	Budget Amendments for 2012	New Appropriations 2012
Title 1 Staff Expenditure			
Chapter 11 Salaries and allowances	2,204,000.00	-752,466.00	1,451,534.00
Chapter 12 Expenditure relating to Staff recruitment	200,000.00	-9,600.00	190,400.00
Chapter 13 Mission expenses	420,000.00	-238,200.00	181,800.00
Chapter 14 Socio-medical infrastructure	24,000.00	-6,000.00	18,000.00
Chapter 15 Trainings	40,500.00	47,500.00	88,000.00
Chapter 16 External Service	0	71,410.00	71,410.00
Chapter 17 Reception and Events	15,000.00	0	15,000.00
Title 1 - Total	2,903,500.00	-887,356.00	2,016,144.00
Title 2 Infrastructure and operating/running expenditure			
Chapter 20 Rental of buildings and associated costs	320,524.00	-287,136.15	33,387.85
Chapter 21 Information technology purchases	165,000.00	-20,000.00	145,000.00
Chapter 22 Movable property and associated costs	90,000.00	-86,000.00	4,000.00
Chapter 23 Current administrative expenditure	57,000.00	-34,400.00	22,600.00
Chapter 24 Postage / Telecommunications	19,000.00	64,500.00	83,500.00
Chapter 25 Meeting expenses	160,000.00	53,315.15	213,312.15
Title 2 - Total	811,524.00	-309,724.00	501,800.00
Title 3 Operational expenditure			
Chapter 30 Support to implementation of BEREC Work Programme 2012	710,529.00	-78,473.00	632,056.00
Chapter 31 Horizontal activities (not related to BEREC Work Programme 2012)	179,000.00	-139,000.00	40,000.00
Title 3 - Total	889,529.00	-217,473.00	672,056.00
Total Expenditure	4,604,553.00	-1,414,553	3,190,000.00

BEREC OFFICE

Annual Accounts Financial year 2012

4.3 Budget 2012 - Execution

The budget execution of the BEREC Office is calculated as the 2012 C1 credits in payment appropriations.

Revenues in EUR	Amended Budget 1/2012 *	Budget executed
1. Revenue from fees and charges		
2. European Community Subsidy	3,190,000.00	2,110,697.46
3. Third countries contribution (incl. EFTA and candidate countries)		
4. Other contributions (*)		
Total revenues	3,190,000.00	2,110,697.46

* The amended budget 2012 was adopted by the budgetary authority in December 2012. It was approved by the Management Committee on 8 August 2012.

Commitments

Budget execution overview of 2011 carry forwards and 2012 credits in EUR	Budget 2012	Budget executed
Commitments carried forward from 2011 – C8	223,782.65	121,902.77
<i>Title I</i>	<i>168,280.68</i>	<i>52,439.26</i>
<i>C8</i>	<i>69,568.74</i>	<i>52,439.26</i>
<i>Title II</i>	<i>120,537.38</i>	<i>57,422.26</i>
<i>Title III</i>	<i>33,676.53</i>	<i>12,041.25</i>
European Community Subsidy in 2012	3,190,000.00	2,824,422.48
<i>Title I</i>	<i>2,016,144.00</i>	<i>1,843,460.39</i>
<i>Title II</i>	<i>501,800.00</i>	<i>444,726.26</i>
<i>Title III</i>	<i>672,056.00</i>	<i>536,235.83</i>
Total Commitment Appropriations	3,413,782.65	2,946,325.25

BEREC OFFICE

Annual Accounts Financial year 2012

Payments

<u>Budget execution overview of 2011 carry forwards and 2012 credits</u> in EUR	Budget 2012	Budget executed
Commitments carried forward from 2011	223,782.65	121,902.77
<i>Title I</i>	69,568.74	52,439.26
<i>Title II</i>	120,537.38	57,422.26
<i>Title III</i>	33,676.53	12,041.25
European Community Subsidy in 2012	3,190,000.0	2,110,697.46
<i>Title I</i>	2,016,144.00	1,556,604.56
<i>Title II</i>	501,800.00	288,110.64
<i>Title III</i>	672,056.00	265,982.26
Total Payment Appropriations	3,413,782.65	2,232,600.23

BEREC OFFICE

Annual Accounts Financial year 2012

EXPENDITURE

Commitment appropriations in EUR

Official Budget Item	Intitule	Credit Available Com Amount	Commitment Accepted Amount (Euro)	% Commit
Title I				
A-1100	Basic Salaries	685,065.80	620,000.00	90.50 %
A-1101	Family allowances	143,722.62	114,000.00	79.32 %
A-1102	Expatriation allowance	144,067.13	136,000.00	94.40 %
A-1110	Contract Staff	138,414.53	120,000.00	86.70 %
A-1111	Seconded National Experts	327,722.22	270,000.00	82.39 %
A-1120	Insurance against sickness	37,270.64	35,000.00	93.91 %
A-1121	Insurance against accidents	6,565.16	6,000.00	91.39 %
A-1122	Insurance against unemployment	13,443.54	13,000.00	96.70 %
A-1130	Child and other allowances	1,000.00	1,000.00	100.00 %
A-1131	Travel expenses for Annual leave	52,974.30	44,000.00	83.06 %
A-1200	Travel expenses	48,000.00	48,000.00	100.00 %
A-1201	Expenditures on staff rec	5,763.20	3,000.00	52.05 %
A-1210	Travel expenses entering/leaving service	13,000.00	1,651.35	12.70 %
A-1211	Installation	53,962.94	23,694.79	43.91 %
A-1212	Removal expenses	42,000.00	18,410.79	43.84 %
A-1213	Daily subsistence allowance	33,200.00	22,317.56	67.22 %
A-1300	Mission expenses	201,052.67	197,254.50	98.11 %
A-1400	Medical services	19,000.00	19,000.00	100.00 %
A-1500	Training/language courses	123,870.00	120,190.31	97.03 %
A-1600	External Services	71,410.00	71,410.00	100.00 %
A-1700	Representation costs	22,919.93	11,970.35	52.23 %
TOTAL TITLE 1 C1		2,016,144.00	1,843,460.39	
TOTAL TITLE 1 C8 from 2011 credits		69,568.74	52,439.26	
TOTAL TITLE 1 C9 from 2011 credits		98,711.94	0.00	

BEREC OFFICE

Annual Accounts Financial year 2012

Title II				
A-2000	Rent	0.00		
A-2001	Insurance	500.00	490.00	98.00 %
A-2002	Water, gas, electricity	21,465.38	18,042.02	84.05 %
A-2004	Maintenance of premises	0.00		
A-2005	Security & surveillance of building	26,767.07	24,316.04	90.84 %
A-2009	Other building expenditures	9,598.67	9,598.67	100.00 %
A-2100	Computer equipment	46,683.11	35,087.19	75.16 %
A-2101	Software	23,000.00	17,558.25	76.34 %
A-2102	Other Data processing services	129,692.77	89,242.43	68.81 %
A-2200	Technical installation	3,000.00		0.00 %
A-2210	Furniture	1,000.00		0.00 %
A-2299	Other removable property	0.00		
A-2300	Office supply	16,293.95	10,645.00	65.33 %
A-2320	Bank charges	1,000.00	150.00	15.00 %
A-2321	Exchange rate losses	0.00		#DIV/0
A-2329	Other financial charges	0.00		#DIV/0
A-2330	Legal expenses	10,000.00	10,000.00	100.00 %
A-2350	Miscellaneous insurances	0.00		#DIV/0
A-2359	Other operating expenses	0.00		#DIV/0
A-2400	Postage and delivery charges	3,923.21	1,043.53	26.60 %
A-2410	Telecommunication charges	89,525.89	75,407.13	84.23 %
A-2500	Meeting expenditures	239,887.33	210,568.26	87.78 %
TOTAL TITLE 2 C1 from 2011 credits		501,800.00	444,726.26	
TOTAL TITLE 2 C8 from 2011 credits		120,537.38	57,422.26	
Title III				
B3-001	Support to BEREC Working Groups	549,732.53	478,941.60	87.12 %
B3-002	Activities related to Article 7 and 7a Framework Directive	116,000.00	35,872.26	30.92 %
B3-003	Collection /transmission of information	0.00		
B3-101	Other support activities to BEREC	0.00		
B3-102	Provision of advice and other services to BEREC	40,000.00	33,463.22	83.66 %
TOTAL TITLE 3 C1 from 2011 credits		672,056.00	536,235.83	
TOTAL TITLE 3 C8 from 2011 credits		33,676.53	12,041.25	
Total	Title I-III	3,512,494.59	2,946,325.25	83.88 %

BEREC OFFICE

Annual Accounts Financial year 2012

Payment appropriations in EUR

Official Budget Item	Intitule	Credit Available Payment Amount	Payment Accepted Amount (Euro)	% Payment
Title I				
A-1100	Basic Salaries	678,944.00	612,591.52	90.23 %
A-1101	Family allowances	114,000.00	94,580.67	82.97%
A-1102	Expatriation allowance	136,000.00	119,877.19	88.14 %
A-1110	Contract Staff	121,590.00	95,727.24	78.73 %
A-1111	Seconded National Experts	302,000.00	255,595.36	84.63 %
A-1120	Insurance against sickness	35,000.00	29,040.93	82.97 %
A-1121	Insurance against accidents	6,000.00	4,316.41	71.94 %
A-1122	Insurance against unemployment	13,000.00	10,912.65	83.94%
A-1130	Child and other allowances	1,000.00	198.31	19.83 %
A-1131	Travel expenses for Annual leave	44,000.00	33,657.54	76.49%
A-1200	Travel expenses	48,000.00	39,809.22	82.94 %
A-1201	Expenditures on staff rec	5,763.20	1,500.00	26.03%
A-1210	Travel expenses entering/leaving service	13,000.00	1,651.35	12.70 %
A-1211	Installation	53,962.94	23,694.79	43.91 %
A-1212	Removal expenses	42,000.00	18,410.79	43.84 %
A-1213	Daily subsistence allowance	33,200.00	22,317.56	67.22 %
A-1300	Mission expenses	201,052.67	160,309.91	79.74 %
A-1400	Medical services	19,000.00	1,012.50	5.33 %
A-1500	Training/language courses	123,870.00	71,869.53	58.02 %
A-1600	External Services	71,410.00		
A-1700	Representation costs	22,919.93	11,970.35	52.23 %
TOTAL TITLE I C1		2,016,144.00	1,556,604.56	
TOTAL TITLE I C8 from 2011 credits		69,568.74	52,439.26	
Title II				
A-2000	Rent	0.00		
A-2001	Insurance	500.00	490.00	98.00 %
A-2002	Water, gas, electricity	21,465.38	14,662.92	68.31 %
A-2004	Maintenance of premises	0.00		
A-2005	Security & surveillance of building	26,767.07	12,305.35	45.97%
A-2009	Other building expenditures	9,598.67	9,598.67	100.00 %
A-2100	Computer equipment	46,683.11	30,887.19	66.16 %
A-2101	Software	23,000.00	17,558.25	76.34 %

BEREC OFFICE

Annual Accounts Financial year 2012

A-2102	Other Data processing services	129,692.77	77,242.43	59.56 %
A-2200	Technical installation	3,000.00		0.00 %
A-2210	Furniture	1,000.00		0.00 %
A-2299	Other removable property	0.00		
A-2300	Office supply	16,293.95	10,594.02	65.02 %
A-2320	Bank charges	1,000.00	150.00	15.00 %
A-2321	Exchange rate losses	0.00		#DIV/0
A-2329	Other financial charges	0.00		#DIV/0
A-2330	Legal expenses	10,000.00	3,380.00	33.80%
A-2350	Miscellaneous insurances	0.00		
A-2359	Other operating expenses	0.00		
A-2400	Postage and delivery charges	3,923.21	852.44	21.73%
A-2410	Telecommunication charges	89,525.89	9,639.17	10.77 %
A-2500	Meeting expenditures	239,887.33	158,322.46	66 %
TOTAL TITLE 2 C1 from 2011 credits		501,800.00	288,110.64	
TOTAL TITLE 2 C8 from 2011 credits		120,537.38	57,422.26	
Title III				
B3-001	Support to BEREC Working Groups	549,732.53	216,638.03	39.41 %
B3-002	Activities related to Article 7 and 7a Framework Directive	116,000.00	28,372.26	24.46 %
B3-003	Collection /transmission of information	0.00		
B3-101	Other support activities to BEREC	0.00		
B3-102	Provision of advice and other services to BEREC	40,000.00	33,013.22	82.53 %
TOTAL TITLE 3 C1 from 2011 credits		672,056.00	265,982.26	
TOTAL TITLE 3 C8 from 2011 credits		33,676.53	12,041.25	
Total	Title I-III	3,413,782.65	2,232,600.23	65.40 %

BEREC OFFICE

Annual Accounts Financial year 2012

4.4 Budgetary execution (commitments and payments) in 2012 by Title

	Commitment appropriations		
Budget Title	Commitment Credit Available	Commitment Accepted	% Committed / Available
Title 1 – Total	2,016,144.00	1,843,460.39	91.43%
Title 2 - Total	501,800.00	444,726.26	88.62%
Title 3 - Total	672,056.00	536,235.83	79.79%
Total Expenditure	3,190,000.00	2,824,422.48	63.4%

	Payment appropriations		
Budget Title	Payment Credit Available	Payment Request Accepted	% Paid / Available
Title 1 – Total	2,016,144.00	1,556,604.56	77.2%
Title 2 - Total	501,800.00	288,110.64	57.4%
Title 3 - Total	672,056.00	265,982.26	39.5%
Total Expenditure	3,190,000.00	2,110,697.46	66.16%

Commitments are entered in the accounts on the basis of the legal commitments entered into up to 31 December and payments on the basis of the payments made by the Accounting Officer by 31 December of that year, at the latest.

The BEREC Office has only non-dissociated appropriations; therefore commitment and payment appropriations are equal.

Non-differentiated appropriations corresponding to obligations duly contracted at the close of the financial year are carried over automatically to the following financial year only.

BEREC OFFICE

Annual Accounts Financial year 2012

Commitment and Payment Appropriations carried-forward to 2013

Carry-over from 2012 to 2013

Budget Title	Type of expenditure	Automatic Carryover of Payment Appropriations to 2013	Automatic Carryover of Payment Appropriations to 2012
I	Staff	184,353.65	69,568.74
II	Administrative expenses	156,615.62	120,537.38
III	Operational expenditure	270,253.57	33,676.53
	Total	611,222.84	223,782.65

Carry-over of appropriations (611,222.84 EUR) relates to:

- Title I: Staff related costs such as missions, medical examinations (SLA with Medical Service of the Commission), training (external contractors and SLAs with the Commission and EAS), contract with external contractors to validate the accounts and representation/miscellaneous costs;
- Title II: General administration of the Office (premises utilities, IT hardware, software and related services, etc.), administrative assistance from other institutions (e.g. SLAs with OIB, DG BUDG) and organisation costs of Management Committee and Experts Working Groups;
- Title III: Operational activities such as translations, organisation of events and reimbursement of participants/experts to meetings organised by the BEREC Office, etc.

The carry-over of 611,222.84 EUR represents a percentage of 21.6% of total established commitments in 2012 which amount to 2,824,422.48 EUR.

BEREC OFFICE

Annual Accounts Financial year 2012

5 Report on budgetary and financial management

5.1.1 Budget

In accordance with article 11 of the Council Regulation (EC) No 1211/2009 establishing the BEREC Office, the revenues and resources of the Office shall consist, in particular, of:

- a subsidy from the Union, entered under the appropriate headings of the general budget of the European Union (Commission Section), as decided by the budgetary authority and in accordance with Point 47 of the IIA of 17 May 2006;
- financial contributions from Member States or from their NRAs made on a voluntary basis in accordance with Article 5(2). These contributions shall be used to finance specific items of operational expenditure as defined in the agreement to be concluded between the Office and the Member States or their NRAs pursuant to Article 19(1)(b) of Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

During 2012, the BEREC Office has received subsidies twice from the Commission, in April and in December 2012.

The expenditure of the Office shall cover staff, administrative, infrastructure and operational expenses and are divided into 3 titles as follows:

- TITLE 1 - Staff expenses
- TITLE 2 - Buildings, equipment and miscellaneous operating expenses
- TITLE 3 - Operational expenses

Having become financially autonomous on 12 September 2011, the BEREC Office is establishing its second annual financial statements for the period 1st January to 31st December 2012. The 2011 annual financial statement covered the period from 12 September 2011 to 31 December 2011. These statements did not include the execution of the budget before autonomy which was under the responsibility of the Commission (DG INFSO).

BEREC OFFICE

Annual Accounts Financial year 2012

At the date of autonomy the BEREC Office has taken over all contracts and obligations from DG INFSO. The budget 2011 shows funds from the actual year – fund source C1 - that were transferred from the European Commission.

5.1.2 Financial Management

In year 2011, the main achievements were:

- Setting up the financial and accounting systems (ABAC and SAP systems from the Commission were implemented);
- Design and implementation of a budget structure;
- Training of all the financial actors involved in the financial circuits;
- Transfer of all existing financial transactions from the European Commission to the BEREC Office;
- Establishment of major Service level agreements, framework contracts and service contracts for the full operation of the Office;

In 2012, the main achievement was the introduction of ABAC Assets in December 2012.

BEREC OFFICE

Annual Accounts Financial year 2012

6 Human resources 2012

Human Resources

Human Resources	2012	
	Authorised under the EU Budget	Actually filled as of 31/12/2012
• Establishment plan posts: AD	11	11
• Establishment plan posts: AST	5	5**
• Total Establishment plan posts	16	16
• Contract Agents	2 *	1
• Seconded National Experts	8 *	7
Total staff	28	24

(*) on 8 December 2011 the Management Committee of BEREC Office approved the proposal to change two SNE positions in Administration and Finance unit into two Contract Agent positions, Ref. document MC(11)34. This reduced the number of SNEs from 10 in 2011 to 8 in 2012.

(**) Job Offers for 2 AST positions sent out on 31/10/2012, Financial Assistance in AF Unit (AST3) started in January 2013 and possible start date for Administrative Assistant in PM Unit (AST1) is in February 2013

Establishment plan posts

Function group and grade	2012			
	Authorised under the EU Budget		Filled as of 31/12/2011	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts*
AD 16				
AD 15				
AD 14		1		1
AD 13				
AD 12				
AD 11				
AD 10				
AD 9		2		2
AD 8				
AD 7		3		3
AD 6				
AD 5		5		5
AD total		11		11
AST 11				
AST 10				
AST 9				
AST 8				
AST 7				

BEREC OFFICE

Annual Accounts Financial year 2012

Function group and grade	2012			
	Authorised under the EU Budget		Filled as of 31/12/2011	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts*
AST 6				
AST 5				
AST 4				
AST 3		4		4*
AST 2				
AST 1		1		1*
AST total		5		5
TOTAL				
GRAND TOTAL	16		16	

* Job Offers for 2 AST positions sent out on 31/10/2012, Financial Assistance in AF Unit (AST3) started in January 2013 and possible start date for Administrative Assistant in PM Unit (AST1) is in February 2013.

External personnel

Contract Agents	Authorised 2012	Recruited as of 31/12/2012*
Function Group IV	0	0
Function Group III	1	0
Function Group II	1	1
Function Group I	0	0
Total	2	1

* FTE values for external personnel recruited as of 31/12/2012 (incl. leaves and employment) are: CA GF III - 0.75 FTE; CA GF II - 1.17 FTE. Total CA - 1.92 FTE

Seconded National Experts (SNE)	Authorised 2012	Recruited as of 31/12/2012*
Total	8	7

(*) FTE values for SNEs recruited as of 31/12/2012 (incl. leaves and employment) are: 6.33 FTE

BEREC OFFICE

Annual Accounts Financial year 2012

Annex

Office of the Body of European Regulators for Electronic Communications (Riga)

Competences and activities

Areas of Union competence deriving from the Treaty <i>(Article 114 of the Treaty on the Functioning of the European Union)</i>	Article 114 of the Treaty on the Functioning of the European Union - Approximation of laws in the field of electronic communications
Competences of the Office <i>(Regulation (EC) No 1211/2009 of the European Parliament and of the Council)</i>	The Office's powers as defined in Regulation (EC) No 1211/2009 of the European Parliament and of the Council. The Office referred to in Article 6 shall provide administrative and professional support services to BEREC. It shall perform its functions under the guidance of the Board of Regulators.
Governance	The Office comprises: (a) a Management Committee ; (b) an Administrative Manager , which share between themselves all administrative and financial responsibilities, including the responsibilities for the staff. However, only the Management Committee is responsible for appointment of staff (art. 7(4)); The guidance on the services and products to be provided by the Office is provided by the Board of Regulators, as specified in "Products and services in 2011".
Resources made available to the Office in 2012	Final Budget: 3,1 million euro (amended budget 1/2012) Staff as at 31 December 2012: 22
Products and services in 2012	Under the guidance of the Board of Regulators, the Office has provided the following services: - Professional and administrative support services to BEREC, - Collection of information from NRAs and exchange and transmission of information, - Dissemination of regulatory best practices among NRAs within the EU and to third parties, - Assistance to the Chair in the preparation of the work of the Board of Regulators and the Management Committee of the Office, - Support to the Expert Working Groups set up by the Board of Regulators.

Source: Information supplied by the Office.