

Body of European Regulators
for Electronic Communications

MC (18) 44



Annual accounts of the Office of the Body of European Regulators for Electronic Communications

(BEREC Office)

Financial year 2017



CONTENTS

CERTIFICATION OF THE ACCOUNTS	3
BACKGROUND INFORMATION ON BEREC OFFICE	4
FINANCIAL STATEMENTS AND EXPLANATORY NOTES	5
BALANCE SHEET	7
STATEMENT OF FINANCIAL PERFORMANCE.....	8
CASHFLOW STATEMENT.....	9
STATEMENT OF CHANGES IN NET ASSETS	10
NOTES TO THE FINANCIAL STATEMENTS.....	11
REPORTS ON THE IMPLEMENTATION OF THE BUDGET	25

CERTIFICATION OF THE ACCOUNTS

The annual accounts of BEREC Office, the Office of the Body of European Regulators for Electronic Communications, for the year 2017 have been prepared in accordance with Title IX of the BEREC Financial Regulation of the BEREC Office and the accounting rules adopted by myself in my capacity as the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of BEREC Office in accordance with Article 99 of the BEREC Office 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 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 BEREC Office.

[signed]

Rosa ALDEA BUSQUETS

Accounting Officer

June 2018

BACKGROUND INFORMATION ON BEREC OFFICE

The BEREC Office, and EU Agency based in Riga, was established by Regulation (EC) No 1211/2009¹ (hereinafter the 'Regulation') to provide professional and administrative support to the Body of European Regulators for Electronic Communications (BEREC).

With the same legal act the legislator established BEREC with the objective of contributing to the development and better functioning of the internal market for electronic communications networks and services. BEREC has no legal personality and is composed of the Board of Regulators. The Board of Regulators is composed of one representative of the National Regulatory Authority (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.

BEREC acts as an exclusive forum for cooperation among NRAs, and between NRAs and the Commission, in the exercise of the full range of their responsibilities under the EU regulatory framework for electronic communications. BEREC also serves as a body for reflection, debate and advice for the European Parliament, the Council and the Commission in the electronic communications field.

The BEREC Office comprises a Management Committee and an Administrative Manager.

The BEREC Office, under the guidance of the Board of Regulators, performs the following tasks:

- Providing professional and administrative support services to BEREC;
- Collecting and exchanging information from NRAs in relation to all BEREC tasks;
- Disseminating regulatory best practice among NRAs;
- Assisting the Chair in the preparation of the work of the Board of Regulators;
- Setting up EWGs (Expert Working Groups), upon request of the Board of Regulators, providing them with the support needed to ensure their smooth functioning.

Following Article 50 of the BEREC Office Financial Regulation the Management Committee appoints the Accounting Officer who is, amongst other tasks, responsible for the preparation of the annual accounts of BEREC Office. Following Article 94 of the BEREC Financial Regulation the annual accounts shall be prepared in accordance with the accounting rules adopted by the Commission's Accounting Officer (EU Accounting Rules, EAR) that are based on the International Public Sector Accounting Standards (IPSAS). Following the decision of the BEREC Office Management Committee No MC/2016/03 of 26 February 2016, the Accounting Officer of the Commission shall as of 18 April 2016 also act as the Accounting Officer of the BEREC Office.

BEREC Office is financed as follows:

- (a) Annual balancing subsidy from the European Commission² (parent DG: DG Connect)
- (b) European Union assigned revenues deriving from previous years' surpluses
- (c) Contribution from EFTA Member States
- (d) Voluntary contributions from the NRAs of the EU Member States in accordance with Article 5(2) of the BEREC Regulation

Currently contributions from EFTA Member States and voluntary contributions from the NRAs of the EU Member States have not been collected.

¹ 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.

² Hereinafter referred to as 'Commission'.

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.

CONTENTS

BALANCE SHEET.....	7
STATEMENT OF FINANCIAL PERFORMANCE	8
CASHFLOW STATEMENT	9
STATEMENT OF CHANGES IN NET ASSETS	10
NOTES TO THE FINANCIAL STATEMENTS	11
1. SIGNIFICANT ACCOUNTING POLICIES.....	12
2. NOTES TO THE BALANCE SHEET.....	18
3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE	21
4. OTHER SIGNIFICANT DISCLOSURES	23
5. FINANCIAL RISK MANAGEMENT	24

BALANCE SHEET

EUR '000

	Note	31.12.2017	31.12.2016
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2.1	150	65
		150	65
CURRENT ASSETS			
<i>Exchange receivables and non-exchange recoverables</i>	2.2	650	1 085
		650	1 085
TOTAL ASSETS		800	1 150
CURRENT LIABILITIES			
<i>Payables</i>	2.3	(38)	(207)
<i>Accrued charges</i>	2.4	(199)	(338)
		(237)	(545)
TOTAL LIABILITIES		(237)	(545)
NET ASSETS		563	605
<i>Accumulated surplus</i>		605	448
<i>Economic result of the year</i>		(42)	157
NET ASSETS		563	605

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	Note	2017	2016
REVENUE			
Revenue from non-exchange transactions			
<i>Subsidy from the Commission</i>	3.1	4 223	4 039
		4 223	4 039
EXPENSES			
<i>Operating costs</i>	3.2	(1 400)	(1 288)
<i>Staff costs</i>	3.3	(1 740)	(1 612)
<i>Other expenses</i>	3.4	(1 124)	(983)
		(4 265)	(3 882)
ECONOMIC RESULT OF THE YEAR		(42)	157

CASHFLOW STATEMENT³

EUR '000

	2017	2016
<i>Economic result of the year</i>	(42)	157
Operating activities		
<i>Depreciation and amortization</i>	34	21
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	435	(1 025)
<i>Increase/(decrease) in payables</i>	(169)	(13)
<i>Increase/(decrease) in accrued charges and deferred revenue</i>	(139)	94
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(119)	(21)
NET CASHFLOW	–	(787)
<i>Net increase/(decrease) in cash and cash equivalents</i>	–	(787)
<i>Cash and cash equivalents at the beginning of the year</i>	–	787
<i>Cash and cash equivalents at year-end</i>	–	–

³ Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of BEREC Office, the treasury of BEREC Office was integrated into the Commission's treasury system. Because of this, BEREC Office does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2015	544	(96)	448
<i>Allocation of the 2015 economic result</i>	(96)	96	-
<i>Economic result of the year</i>	-	157	157
BALANCE AS AT 31.12.2016	448	157	605
<i>Allocation of the 2016 economic result</i>	157	(157)	-
<i>Economic result of the year</i>	-	(42)	(42)
BALANCE AS AT 31.12.2017	605	(42)	563

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional and reporting currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Euro exchange rates

Currency	31.12.2017	31.12.2016	Currency	31.12.2017	31.12.2016
BGN	1.9558	1.9558	PLN	4.177	4.4103
CZK	25.5350	27.0210	RON	4.6585	4.5390
DKK	7.4449	7.4344	SEK	9.8438	9.5525
GBP	0.8872	0.8562	CHF	1.1702	1.0739
HRK	7.4400	7.5597	JPY	135.01	123.4000
HUF	310.3300	309.8300	USD	1.1993	1.0541

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to accrued and deferred revenue and charges, provisions, financial risk on accounts receivables, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

1.3. BALANCE SHEET

1.3.1. Intangible assets

Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met. The costs capitalisable include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses when incurred.

1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land and works of art are not depreciated as they are deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

Leases

Leases of tangible assets, where the entity has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The interest element of the finance lease payment is charged to statement of financial performance over the period of the lease at a constant periodic rate in relation to the balance outstanding. The rental obligations, net of finance charges, are included in financial liabilities (non-current and current). The interest element of the finance cost is charged to the statement of financial performance over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The assets held under finance leases are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.4. Financial assets

The financial assets are classified in the following categories: financial assets at fair value through surplus or deficit; loans and receivables; held-to-maturity investments; and available for sale financial assets. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

(i) Financial assets at fair value through surplus or deficit

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also categorised in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.

(iv) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date.

Initial recognition and measurement

Purchases and sales of financial assets at fair value through surplus or deficit, held-to-maturity and available for sale are recognised on trade date - the date on which the entity commits to purchase or sell the asset. Cash equivalents, loans and term deposits are recognised at settlement date. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

Subsequent measurement

Financial assets at fair value through surplus or deficit are subsequently carried at fair value with gains and losses arising changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised in the fair value reserve. Interest on available for sale financial

assets calculated using the effective interest method is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

During this financial year, the entity did not hold for sale any financial assets.

1.3.5. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. The amount of the pre-financing may be reduced (wholly or partially) by the acceptance of eligible costs (which are recognised as expenses).

Pre-financing is, on subsequent balance sheet dates, measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.6. Receivables and recoverables

As the EU accounting rules require a separate presentation of exchange and non-exchange transactions, for the purpose of drawing up the accounts, receivables are defined as stemming from exchange transactions and recoverables are defined as stemming from non-exchange transactions (when the entity receives value from another entity without directly giving approximately equal value in exchange).

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly (see **1.3.4** above).

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

1.3.8. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

1.3.9. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding.

Where grants or other funding is provided to the beneficiaries, the cost claims are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.3.10. Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance it is distinguished between:

(i) Revenue from non-exchange transactions

Revenue from non-exchange transactions are taxes and transfers because the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability (pre-financing received).

(ii) Revenue from exchange transactions

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions account for the majority of the entity's operating expenses. They relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.5.2. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. PROPERTY, PLANT AND EQUIPMENT

	Furniture and vehicles	Computer hardware	Other	TOTAL
	<i>EUR'000</i>			
<i>Gross carrying amount at 31.12.2016</i>	15	71	55	141
<i>Additions</i>	10	34	75	119
Gross carrying amount at 31.12.2017	26	105	130	261
<i>Accumulated depreciation at 31.12.2016</i>	(5)	(48)	(22)	(76)
<i>Depreciation charge for the year</i>	(2)	(10)	(22)	(34)
Accumulated depreciation at 31.12.2017	(8)	(58)	(44)	(111)
NET CARRYING AMOUNT AT 31.12.2017	18	46	85	150
<i>NET CARRYING AMOUNT AT 31.12.2016</i>	10	23	32	65

The increase in the category "Other" is mainly due to the installation of a video conferencing system in the BEREC office premises in Riga.

2.2. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31 December 2017 the BEREC Office did not have any non-current receivables and recoverables. The amounts included under this heading are of a short term nature and can be broken down as follows:

	EUR '000	
	31.12.2017	31.12.2016
Recoverables from non-exchange transactions		
<i>Member States</i>	168	72
	168	72
Receivables from exchange transactions		
<i>Central treasury liaison accounts</i>	406	941
<i>Deferred charges relating to exchange transactions</i>	73	72
<i>Other</i>	2	0
	482	1 013
Total	650	1 085

The heading recoverables from Member States comprises mainly VAT amounts to be recovered from the 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 EUR 178.00⁴.

Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of BEREC Office, the treasury of BEREC Office was integrated into the Commission's treasury system. Because of this, BEREC Office does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under this heading.

⁴ The Seat Agreement between the BEREC Office and the Government of the Republic of Latvia signed at Riga on 27.12.2016. http://www.berec.europa.eu/eng/document_register/subject_matter/berec_office/others/1032-seat-agreement-between-the-berec-office-and-the-government-of-the-republic-of-latvia

LIABILITIES

2.3. PAYABLES

EUR '000

	31.12.2017	31.12.2016
<i>Payables to the Commission</i>	23	207
<i>Sundry payables</i>	14	-
Total	38	207

The amount payables to the Commission comprises the unused amount of the 2017 Commission subsidy that is to be reimbursed by the BEREC Office in 2018.

The amounts of sundry payables mainly relate to equipment received in 2017 for which no invoice was received by 31 December 2017.

2.4. ACCRUED CHARGES

EUR '000

	31.12.2017	31.12.2016
<i>Accrued charges</i>	199	338
Total	199	338

Accrued charges are the amounts estimated by the authorising officer of costs incurred for services and goods delivered in year 2017 but not yet invoiced or processed by the end of the year. The basis of the accruals calculation is the open amount of budgetary commitments at year end. They include estimated administrative expenses of kEUR 117, operating expenses of kEUR 50 and staff expenses of kEUR 32.

The accrued administrative expenses are mainly composed of non-IT services (kEUR 64), IT services (kEUR 34) and missions (kEUR 11).

The accrued staff expenses include accrued charges for untaken leave of kEUR 30.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

3.1. NON-EXCHANGE REVENUE

EUR '000

	2017	2016
<i>Subsidy from the Commission</i>	4 223	4 039
Total	4 223	4 039

In 2017, the BEREC Office received the entire Commission subsidy of kEUR 4 246 in a single financial transfer. In 2016, the Commission subsidy amounted also to kEUR 4 246 and was received in two payments.

The amount included under this heading correspond to the amounts of the Commission subsidy used during 2017. Unused amounts are recorded under accounts payable (see note **2.3**) and will be reimbursed to the Commission in 2018. The corresponding accrued expenses will be recorded in the financial statements of the Commission.

EXPENSES

3.2. OPERATING COSTS

Included under this heading are mostly expenses covering the BEREC Office's activities in relation to the fulfilment of its mission in support of BEREC (mainly mission costs of the experts participating in the Expert Working Groups).

3.3. STAFF COSTS

Included under this heading are expenses for salaries, other employment-related allowances and benefits. The calculations related to staff costs are, based on the service level agreement, entrusted to the Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office-PMO).

The staff members of the BEREC Office are part of the European Pensions Scheme of European Officials. The administration of pensions is entrusted to the Commission which also accounts for the underlying pension expenses and liabilities.

A defined benefit plan is a pension plan that generally defines an amount of benefit an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. Both BEREC Office staff and the Commission contribute to the pension scheme in the function of the basic salary of the staff. The contribution percentage is yearly revised to reflect the changes in staff regulation. The cost to the Commission is not reflected in the BEREC Office's accounts.

Future benefits payable to the BEREC Office staff under the Pension Scheme of European Officials are accounted for in the accounts of the Commission, as it is the Commission who will pay these benefits. No provisions for such pensions are made in these accounts.

3.4. OTHER EXPENSES

EUR '000

	2017	2016
<i>External non IT services</i>	424	453
<i>Missions</i>	223	231
<i>External IT services</i>	193	37
<i>Training costs</i>	92	79
<i>Property, plant and equipment related expenses</i>	70	61
<i>Operating lease expenses</i>	66	36
<i>Office supplies & maintenance</i>	29	48
<i>Communications & publications</i>	18	18
<i>Other</i>	10	20
Total	1 124	983

The increase in the external IT services is due to a new contract signed in 2017 for IT webmaster services.

Property, plant and equipment-related expenses are the rent and related service costs of the headquarters' premises in Riga.

3.4.1. Operating lease expenses

The operating lease expenses relate to the rent of offices in Riga and amounts committed to be paid during the remaining term of the lease contracts are as follows:

EUR '000

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	54	214	428	696
Total	54	214	428	696

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR '000

	31.12.2017	31.12.2016
<i>Outstanding commitments not yet expensed</i>	383	498

The outstanding commitments not yet expensed comprises the budgetary RAL ('*Reste à Liquider*') less related amounts that have been included as expenses in the 2017 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multiannual programmes.

4.2. SERVICES IN-KIND

In compliance with the Seat Agreement and the Memorandum of Understanding between the BEREC Office and the Government of the Republic of Latvia the Latvian Government charges the rent on the BEREC Office premises at the price established in accordance with the provisions of the Regulations of the Cabinet of Ministers of the Republic of Latvia on state and local government property leasing agreements, methodology for calculation of rental/lease expenses and terms for standard lease. The rental price agreed in the last amendment of the rent contract of June 2017 is of 5.09 EUR/m². The contract is valid until 31 March 2021.

The premises have a total gross usable space of 877.1 m². The monthly cost of rent is EUR 4 461.83.

According to a study published on the Latvian government's website, in 2017 the average price for renting a square meter of office space in Riga was between 12 - 15 EUR/m².

4.3. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of the BEREC Office is the Administrative Manager, who executes the role of the Authorising Officer.

	2017	2016
<i>Administrative Manager</i>	AD14	AD14

The Administrative Manager is remunerated in accordance with the Staff Regulations of the European Union that is published on the Europa website which is the official document describing the rights and the obligation of all officials of the EU. The Administrative Manager has not received any preferential loans from the BEREC Office.

4.4. RELATED PARTIES

The related parties of the BEREC Office are the other EU consolidated entities and the key management personnel of the BEREC Office. Transactions between these parties take place within normal operations of the BEREC Office and therefore no specific disclosure requirements are necessary for these transactions to be in accordance with the EU accounting rules.

5. FINANCIAL RISK MANAGEMENT

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises *currency risk, interest rate risk and other price risk* (the BEREC Office has no significant other price risk).

- (1) *Currency risk* is the risk that the BEREC operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.
- (2) *Interest rate risk* is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. BEREC does not have any securities thus it is not exposed to the interest rate risk.

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Liquidity risk is the risk that arises from the difficulty in selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

5.1. CURRENCY RISKS

Exposure to currency risk at year-end

At 31 December 2017 the financial assets are composed of exchange receivables and non-exchange recoverables. The financial liabilities are entirely composed of accounts payables. The ending balances of both financial liabilities and financial assets are quoted in EUR. At the-year end BEREC Office thus does not have any exposure to currency risks.

5.2. CREDIT RISK

Financial assets that are neither past due nor impaired

At 31 December 2017 the financial assets comprise exchange receivables and non-exchange recoverables that are neither past due nor impaired of kEUR 650. The past due not impaired receivables relate to VAT recoverable from a Member State (Latvia) and all amounts are past due for less than 1 year.

Financial assets by risk category

Exchange receivables of kEUR 482 entirely relate to entities without external credit rating that never defaulted in the past. Non-exchange recoverables of kEUR 168 are composed of amounts due by the Member States, namely Latvia and are largely VAT related.

5.3. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are mainly composed of accounts payable (kEUR 38). All the accounts payable have remaining contractual maturity of less than 1 year.

REPORTS ON THE IMPLEMENTATION OF THE BUDGET

It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.

CONTENTS

1.	BUDGETARY PRINCIPLES, STRUCTURE AND IMPLEMENTATION	27
2.	BUDGET RESULT	30
3.	RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT	31
4.	IMPLEMENTATION OF BUDGET REVENUE	32
5.	IMPLEMENTATION OF BUDGET EXPENDITURE	33
6.	COMMITMENTS OUTSTANDING	45
7.	GLOSSARY	48

1. BUDGETARY PRINCIPLES, STRUCTURE AND IMPLEMENTATION

1.1. BUDGETARY PRINCIPLES

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

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 that is considered necessary.

No expenditure may be committed or authorised in excess of the appropriations authorised by the budget.

Principle of annuality

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

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

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

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.

Principle of specification

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

Principle of sound financial management

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

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published in the Official Journal of the European Union.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

In accordance with Article 11 of Council Regulation (EC) No 1211/2009⁵ 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.

The budget of the BEREC Office is distributed in three Titles. Title 1 covers staff expenditure such as salaries, training and costs associated to recruitment procedures and staff welfare. Title 2 covers the costs relating to the functioning of the BEREC Office such as administrative costs on infrastructure, equipment and IT needs. Title 3 corresponds to the organisation's operational activities.

TITLE 1 - Staff expenses

TITLE 2 - Buildings, equipment and miscellaneous operating expenses

TITLE 3 - Operational expenses

1.3. HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

The budget implementation of the BEREC Office is calculated based on the 2017 C1 credits in commitment appropriations.

In 2017, the BEREC Office received 1 instalment from the Commission, constituting the subsidy from the Commission and amounting to kEUR 4 246 (in 2016 – kEUR 4 246).

As regards expenditure, the BEREC Office has only non-differentiated appropriations; therefore, commitment and payment appropriations are equal.

The BEREC Office made 5 transfers of appropriations within the limits allowed to the Administrative Manager based on Article 27(1) of the Decision MC/2014/1 on the BEREC Office Financial Regulation (in 2015 – 18, in 2016 – 7).

The Administrative Manager may make transfers from one chapter to another and from one article to another without limit and from one title to another up to a maximum of 10% of the appropriations for the financial year shown on the line from which the transfer is made.

Out of kEUR 4 246 of allowed commitment and payment appropriations, kEUR 4 243 (99.94%) were committed and kEUR 3 691 (86.92%) were paid (in 2016 – out of kEUR 4 246 of appropriations, kEUR 4 085 (96.20%) and kEUR 3 278 (77.19%) were accordingly committed and paid).

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.

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

⁵ OJ L 337, 18.12.2009, p. 1

The amount which was neither committed by the end of 2017 nor carried forward to 2018 will not be automatically deducted from the budget of any following year and it is returned to the EU Budget (EUR 2 535). The general rule is that if the implementation of commitment appropriations (voted budget) in the budget for 2017 would remain below 95%, penalties amounting to a 2% reduction in the 2018 budget would be foreseen. This indicator for the BEREC Office is 99.94% meaning that only 0.06% was returned to the EU Budget.

The outstanding commitments at the end of the year are automatically carried forward to 2018.

The total carry-forward from 2017 to 2018 of kEUR 553 represents a percentage of 13.03% of total commitments established in 2017 (in 2016 – 19.75%, kEUR 807).

Out of kEUR 807 carried forward from 2016 to 2017, kEUR 20 (2.53%) were cancelled (in 2016 out of carried-forward kEUR 616 – kEUR 45 (7.29 %) were cancelled).

Cancellations happened mostly due to the fact that:

Title 1

- The BEREC Office planned and budgeted the full amount of services from ENISA for ex-post controls (under a SLA for sharing the Internal Control Coordinator capacity) for a maximum period of 20 days (750 EUR per day) and the respective mission to the BEREC Office. The amount invoiced, representing the services provided by ENISA, was lower by kEUR 6 and needed to be cancelled;

- Carry-over for interim staff contracts were based on the contracts' amount. The actual expenditure was lower by EUR 405.04 due to taken leave by the interim staff and unused appropriation had to be cancelled;

- Expenditure for invoices received for BEREC Office staff badges for access to Commission premises and for the inter agencies network contribution was less than expected and EUR 620 had to be cancelled.

Title 2:

- The estimates of the needs for telecommunication services, utilities, security services, provision of the HR system SYSPER 2 by DG HR (for personnel management), office supplies, an unused amount for the Accounting Officer for travelling to the BEREC Office (in accordance to the contracts in place and on the basis of expenses incurred in the previous period) was lower by kEUR 1 cumulatively. Therefore, the unused appropriations had to be cancelled.

Title 3:

- Reimbursement of participants/experts to EWGs travel were based on the number of people invited and eligible to receive reimbursements and average costs per expert; however, the final costs depend on the actual participation and the number of applications received and actual costs incurred. These costs were lower than estimated by kEUR 12 and were cancelled;

- An amount of EUR 174.76 was cancelled by the ICT support to BEREC due to travelling expenses not incurred as per the conditions of the contract.

2. BUDGET RESULT

		EUR '000	
	Title	2017	2016
Revenue		4 246	4 246
of which:			
European Community Subsidy	2	4 246	4 246
Administrative Operations And Miscellaneous Income	5	-	0
Expenditure		(3 691)	(3 278)
of which:			
Staff expenditure	A-1	(2 250)	(2 072)
Admin expenditure	A-2	(278)	(257)
Operational expenditure	B0-3	(1 162)	(949)
Payment appropriat. carried over to the following year		(553)	(807)
of which:			
Staff expenditure	A-1	(107)	(252)
Admin expenditure	A-2	(171)	(105)
Operational expenditure	B0-3	(275)	(450)
Cancellation of unused appropri. carried over from year n-1		20	45
Evolution of assigned revenue		-	(0)
Exchange rate differences		0	0
Budget result		23	207

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR '000	
	2017	2016
Economic result of the year	(42)	157
Adjustment for accrual items (items not in the budgetary result but included in the economic result)		
<i>Adjustments for accrual cut-off (net)</i>	(141)	34
<i>Depreciation of intangible and tangible assets</i>	34	21
<i>Payments made from carry-over of payment appropriations</i>	787	571
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)		
<i>Asset acquisitions (less unpaid amounts)</i>	(106)	(21)
<i>New pre-financing received in the year and remaining open as at 31 December</i>	23	207
<i>Payment appropriations carried over to next year</i>	(553)	(807)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	21	45
Budget result of the year	23	207

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of the budget revenue - Title 20-0

EUR '000

	Income appropriations		Entitlements established			Revenue				Outstanding
	Initial budget	Final budget	Current year	Carried	Total	Current year	Carried	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10
20-0 <i>European community subsidy</i>	4246	4246	4246	0	4246	4246	0	4246	100%	0
Total chapter 20-0	4246	4246	4246	0	4246	4246	0	4246	100%	0
Total Title 20-0	4246	4246	4246	0	4246	4246	0	4246	100%	0
GRAND TOTAL	4246	4246	4246	0	4246	4246	0	4246	100%	0

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations - Title A-1

EUR '000

	Initial adopted budget	Budget appropriations of the year			Final budget adopted	Additional appropriations			Total	Total appropr. available
		Amending budgets	Transfers			Carryover	Assigned revenue			
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7		
A-1100 Basic salaries	775	-	(22)	753	-	-	-	753		
A-1101 Family allowances	176	-	(18)	158	-	-	-	158		
A-1102 Expatriation and foreign-residence allowances	155	-	(10)	145	-	-	-	145		
A-1110 Contract staff	477	-	(59)	418	-	-	-	418		
A-1111 Seconded national experts	131	-	39	170	-	-	-	170		
A-1120 Insurance against sickness	38	-	(1)	37	-	-	-	37		
A-1121 Insurance against accidents and occupation disease	6	-	(1)	4	-	-	-	4		
A-1122 Insurance against unemployment	14	-	(0)	14	-	-	-	14		
A-1130 Childbirth and death allowances and grants	0	-	(0)	-	-	-	-	-		
A-1131 Travel expenses for annual leave	33	-	(7)	26	-	-	-	26		
Total chapter A-11	1 805	-	(80)	1 725	-	-	-	1 725		
A-1200 Travel expenses	26	-	(21)	5	-	-	-	5		
A-1210 Travel expenses on entering/leaving	4	-	(4)	0	-	-	-	0		
A-1211 Installation resettlement and transfer allowances	20	-	(10)	10	-	-	-	10		
A-1212 Removal expenses	10	-	(2)	8	-	-	-	8		
A-1213 Daily subsistence allowances	14	-	(14)	-	-	-	-	-		
Total chapter A-12	74	-	(52)	22	-	-	-	22		
A-1300 Mission and duty travel expenses	220	-	10	230	-	0	0	230		
Total chapter A-13	220	-	10	230	-	0	0	230		
A-1400 Medical services	5	-	(2)	3	-	-	-	3		
Total chapter A-14	5	-	(2)	3	-	-	-	3		
A-1500 Training and language courses	76	-	23	99	-	-	-	99		
Total chapter A-15	76	-	23	99	-	-	-	99		
A-1600 External services and temporary assistance	258	-	12	270	-	-	-	270		
Total chapter A-16	258	-	12	270	-	-	-	270		
A-1700 Representation and miscellaneous staff costs	10	-	(0)	10	-	-	-	10		
Total chapter A-17	10	-	(0)	10	-	-	-	10		
Total Title A-1	2 448	-	(89)	2 360	-	0	0	2 360		

5.1.2. Breakdown & changes in commitment appropriations - Title A-2

EUR '000

		Budget appropriations of the year				Additional appropriations			Total	Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carryover	Assigned revenue	7=5+6	8=4+7	
		1	2	3	4=1+2+3	5	6			
A-2000	Rent	69	-	(4)	65	-	-	-	65	
A-2001	Insurance	2	-	(0)	2	-	-	-	2	
A-2002	Water gas electricity and heating	30	-	(5)	24	-	-	-	24	
A-2004	Fitting-out and maintenance of premises	3	-	(0)	2	-	-	-	2	
A-2005	Security and surveillance of buildings	13	-	(2)	11	-	-	-	11	
Total chapter A-20		116	-	(11)	104	-	-	-	104	
A-2100	Computer equipment	10	-	40	50	-	-	-	50	
A-2101	Software	7	-	2	9	-	-	-	9	
A-2102	Other external data precessing services	160	-	5	165	-	-	-	165	
Total chapter A-21		177	-	47	224	-	-	-	224	
A-2210	Furniture	3	-	2	4	-	-	-	4	
A-2290	Books and publications	4	-	11	15	-	-	-	15	
Total chapter A-22		6	-	13	19	-	-	-	19	
A-2300	Stationery and office supplies	15	-	(4)	10	-	-	-	10	
A-2330	Legal expenses	3	-	(3)	-	-	-	-	-	
A-2359	Other operating expenses	51	-	19	70	-	-	-	70	
Total chapter A-23		68	-	12	80	-	-	-	80	
A-2400	Postage and delivery charges	2	-	(0)	1	-	-	-	1	
A-2410	Telecommunication charges	11	-	0	11	-	-	-	11	
Total chapter A-24		13	-	(0)	12	-	-	-	12	
A-2500	Meetings in general	10	-	(1)	9	-	-	-	9	
Total chapter A-25		10	-	(1)	9	-	-	-	9	
Total Title A-2		390	-	59	449	-	-	-	449	

5.1.3. Breakdown & changes in commitment appropriations - Title B0-3

EUR '000

		Initial adopted budget	Budget appropriations of the year			Final budget adopted	Carryover	Additional appropriations		Total	Total approp. available
		1	Amending budgets	Transfers		4=1+2+3	5	Assigned revenue	7=5+6	8=4+7	
			2	3				6			
B3-001	Support to the berec expert working groups	549	-	103		652	-	-	-	652	
B3-002	Activities under articles 7 and 7a framework directive	10	-	(2)		8	-	-	-	8	
Total chapter B3-0		559	-	101		660	-	-	-	660	
B3-101	Other support activities to berec	849	-	(72)		778	-	-	-	778	
Total chapter B3-1		849	-	(72)		778	-	-	-	778	
Total Title B0-3		1 408	-	30		1 438	-	-	-	1 438	
GRAND TOTAL		4 246	-	(0)		4 246	-	0	0	4 246	

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations - Title A-1

EUR '000

	Initial adopted budget	Budget appropriations of the year			Final budget adopted 4=1+2+3	Carryover	Additional appropriations		Total 7=5+6	Total approp. available 8=4+7
		Amending budgets	Transfers				Assigned revenue			
	1	2	3		5	6				
A-1100 Basic salaries	775	-	(22)	753	-	-	-	-	753	
A-1101 Family allowances	176	-	(18)	158	-	-	-	-	158	
A-1102 Expatriation and foreign-residence allowances	155	-	(10)	145	-	-	-	-	145	
A-1110 Contract staff	477	-	(59)	418	-	-	-	-	418	
A-1111 Seconded national experts	131	-	39	170	-	-	-	-	170	
A-1120 Insurance against sickness	38	-	(1)	37	-	-	-	-	37	
A-1121 Insurance against accidents and occupation disease	6	-	(1)	4	-	-	-	-	4	
A-1122 Insurance against unemployment	14	-	(0)	14	-	-	-	-	14	
A-1130 Childbirth and death allowances and grants	-	-	(0)	-	-	-	-	-	-	
A-1131 Travel expenses for annual leave	33	-	(7)	26	-	-	-	-	26	
Total chapter A-11	1805	-	(80)	1725	-	-	-	-	1725	
A-1200 Travel expenses	26	-	(21)	5	5	-	-	5	10	
A-1210 Travel expenses on entering/leaving	4	-	(4)	-	1	-	-	1	1	
A-1211 Installation resettlement and transfer allowances	20	-	(10)	10	-	-	-	-	10	
A-1212 Removal expenses	10	-	(2)	8	-	-	-	-	8	
A-1213 Daily subsistence allowances	14	-	(14)	-	-	-	-	-	-	
Total chapter A-12	74	-	(52)	22	6	-	-	6	28	
A-1300 Mission and duty travel expenses	220	-	10	230	31	-	-	31	261	
Total chapter A-13	220	-	10	230	31	-	-	31	261	
A-1400 Medical services	5	-	(2)	3	3	-	-	3	6	
Total chapter A-14	5	-	(2)	3	3	-	-	3	6	
A-1500 Training and language courses	76	-	23	99	52	-	-	52	151	
Total chapter A-15	76	-	23	99	52	-	-	52	151	
A-1600 External services and temporary assistance	258	-	12	270	160	-	-	160	430	
Total chapter A-16	258	-	12	270	160	-	-	160	430	
A-1700 Representation and miscellaneous staff costs	10	-	(0)	10	1	-	-	1	10	
Total chapter A-17	10	-	(0)	10	1	-	-	1	10	
Title A-1	2448	-	(89)	2360	252	-	-	252	2612	

5.2.2. Breakdown & changes in payment appropriations - Title A-2

		Budget appropriations of the year				Additional appropriations				EUR '000
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carryover	Assigned revenue	Total	Total approp. available	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
A-2000	Rent	69	-	(4)	65	17	-	17	82	
A-2001	Insurance	2	-	(0)	2	-	-	-	2	
A-2002	Water gas electricity and heating	30	-	(5)	24	2	-	2	27	
A-2004	Fitting-out and maintenance of premises	3	-	(0)	2	-	-	-	2	
A-2005	Security and surveillance of buildings	13	-	(2)	11	1	-	1	12	
Total chapter A-20		116	-	(11)	104	20	-	20	125	
A-2100	Computer equipment	10	-	40	50	-	-	-	50	
A-2101	Software	7	-	2	9	-	-	-	9	
A-2102	Other external data precessing services	160	-	5	165	31	-	31	196	
Total chapter A-21		177	-	47	224	31	-	31	255	
A-2210	Furniture	3	-	2	4	1	-	1	5	
A-2290	Books and publications	4	-	11	15	1	-	1	16	
Total chapter A-22		6	-	13	19	2	-	2	21	
A-2300	Stationery and office supplies	15	-	(4)	10	3	-	3	13	
A-2330	Legal expenses	3	-	(3)	-	-	-	-	-	
A-2359	Other operating expenses	51	-	19	70	47	-	47	117	
Total chapter A-23		68	-	12	80	50	-	50	130	
A-2400	Postage and delivery charges	2	-	(0)	1	0	-	0	1	
A-2410	Telecommunication charges	11	-	0	11	2	-	2	13	
Total chapter A-24		13	-	(0)	12	2	-	2	14	
A-2500	Meetings in general	10	-	(1)	9	-	-	-	9	
Total chapter A-25		10	-	(1)	9	-	-	-	9	
Title A-2		390	-	59	449	105	-	105	553	

5.2.3. Breakdown & changes in payment appropriations - Title B0-3

EUR '000

	Initial adopted budget	Budget appropriations of the year			Final budget adopted	Carryover	Additional appropriations		Total	Total approp. available
		Amending budgets	Transfers				Assigned revenue			
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7		
<i>B3-001 Support to the berec expert working groups</i>	549	-	103	652	230	-	230	882		
<i>B3-002 Activities under articles 7 and 7a framework directive</i>	10	-	(2)	8	-	-	-	8		
Total chapter B3-0	559	-	101	660	230	-	230	889		
<i>B3-101 Other support activities to berec</i>	849	-	(72)	778	221	-	221	999		
Total chapter B3-1	849	-	(72)	778	221	-	221	999		
Title B0-3	1 408	-	30	1 438	450	-	450	1 888		
GRAND TOTAL	4 246	-	(0)	4 246	807	0	807	5 053		

5.3. Implementation of commitment appropriations

5.3.1. Implementation of commitment appropriations - Title A-1

EUR '000

	Total approp. availab.	From final adopt. budget	Commitments made				Appropriations carried over to 2018			Appropriations lapsing			Total 13=10+11+12
			From carry overs	From assigned revenue	Total	%	Assigned revenue	By decision	Total	From final adopted budget	From carry overs	From assigned revenue	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	
A-1100 Basic salaries	753	753	-	-	753	100%	-	-	-	-	-	-	-
A-1101 Family allowances	158	158	-	-	158	100%	-	-	-	-	-	-	-
A-1102 Expatriation and foreign-residence allowances	145	145	-	-	145	100%	-	-	-	-	-	-	-
A-1110 Contract staff	418	418	-	-	418	100%	-	-	-	-	-	-	-
A-1111 Seconded national experts	170	170	-	-	170	100%	-	-	-	-	-	-	-
A-1120 Insurance against sickness	37	37	-	-	37	100%	-	-	-	-	-	-	-
A-1121 Insurance against accidents and occupation disease	4	4	-	-	4	100%	-	-	-	-	-	-	-
A-1122 Insurance against unemployment	14	14	-	-	14	100%	-	-	-	-	-	-	-
A-1131 Travel expenses for annual leave	26	26	-	-	26	100%	-	-	-	-	-	-	-
Total chapter A-11	1 725	1 725	-	-	1 725	100%	-	-	-	-	-	-	-
A-1200 Travel expenses	5	5	-	-	5	100%	-	-	-	-	-	-	-
A-1210 Travel expenses on entering/leaving	0	0	-	-	0	100%	-	-	-	-	-	-	-
A-1211 Installation resettlement and transfer allowances	10	10	-	-	10	100%	-	-	-	-	-	-	-
A-1212 Removal expenses	8	8	-	-	8	100%	-	-	-	-	-	-	-
Total chapter A-12	22	22	-	-	22	100%	-	-	-	-	-	-	-
A-1300 Mission and duty travel expenses	230	228	-	-	228	99%	-	-	-	2	-	0	2
Total chapter A-13	230	228	-	-	228	99%	-	-	-	2	-	0	2
A-1400 Medical services	3	3	-	-	3	100%	-	-	-	-	-	-	-
Total chapter A-14	3	3	-	-	3	100%	-	-	-	-	-	-	-
A-1500 Training and language courses	99	99	-	-	99	100%	-	-	-	0	-	-	0
Total chapter A-15	99	99	-	-	99	100%	-	-	-	0	-	-	0
A-1600 External services and temporary assistance	270	270	-	-	270	100%	-	-	-	-	-	-	-
Total chapter A-16	270	270	-	-	270	100%	-	-	-	-	-	-	-
A-1700 Representation and miscellaneous staff costs	10	10	-	-	10	100%	-	-	-	-	-	-	-
Total chapter A-17	10	10	-	-	10	100%	-	-	-	-	-	-	-
Total Title A-1	2 360	2 357	-	-	2 357	100%	-	-	-	2	-	0	2

5.3.2. Implementation of commitment appropriations - Title A-2

EUR '000

	Total approp. availab.	From final adopt. budget	Commitments made				Appropriations carried over to 2018			Appropriations lapsing			Total 13=10+11+12	
			From carry overs	From assigned revenue	Total	%	Assigned revenue	By decision	Total	From final adopted budget	From carry overs	From assigned revenue		
			3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12		
A-2000 Rent	65	65	-	-	65	100%	-	-	-	-	-	-	-	-
A-2001 Insurance	2	2	-	-	2	100%	-	-	-	-	-	-	-	-
A-2002 Water gas electricity and heating	24	24	-	-	24	100%	-	-	-	-	-	-	-	-
A-2004 Fitting-out and maintenance of premises	2	2	-	-	2	100%	-	-	-	-	-	-	-	-
A-2005 Security and surveillance of buildings	11	11	-	-	11	100%	-	-	-	-	-	-	-	-
Total chapter A-20	104	104	-	-	104	100%	-	-	-	-	-	-	-	-
A-2100 Computer equipment	50	50	-	-	50	100%	-	-	-	-	-	-	-	-
A-2101 Software	9	9	-	-	9	100%	-	-	-	-	-	-	-	-
A-2102 Other external data processing services	165	165	-	-	165	100%	-	-	-	-	-	-	-	-
Total chapter A-21	224	224	-	-	224	100%	-	-	-	-	-	-	-	-
A-2210 Furniture	4	4	-	-	4	100%	-	-	-	-	-	-	-	-
A-2290 Books and publications	15	15	-	-	15	100%	-	-	-	-	-	-	-	-
Total chapter A-22	19	19	-	-	19	100%	-	-	-	-	-	-	-	-
A-2300 Stationery and office supplies	10	10	-	-	10	100%	-	-	-	-	-	-	-	-
A-2359 Other operating expenses	70	70	-	-	70	100%	-	-	-	-	-	-	-	-
Total chapter A-23	80	80	-	-	80	100%	-	-	-	-	-	-	-	-
A-2400 Postage and delivery charges	1	1	-	-	1	100%	-	-	-	-	-	-	-	-
A-2410 Telecommunication charges	11	11	-	-	11	100%	-	-	-	-	-	-	-	-
Total chapter A-24	12	12	-	-	12	100%	-	-	-	-	-	-	-	-
A-2500 Meetings in general	9	9	-	-	9	100%	-	-	-	-	-	-	-	-
Total chapter A-25	9	9	-	-	9	100%	-	-	-	-	-	-	-	-
Total Title A-2	449	449	-	-	449	100%	-	-	-	-	-	-	-	-

5.3.3. Implementation of commitment appropriations - Title B0-3

EUR '000

	Commitments made						Appropriations carried over to 2018			Appropriations lapsing			Total 13=10+11 +12
	Total approp. availab.	From final adopt. budget	From carry overs	From assigned revenue	Total	%	Assigned revenue	By decision	Total	From final adopted budget	From carry overs	From assigned revenue	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	
<i>B3-001 Support to the berec expert working groups</i>	652	652	-	-	652	100%	-	-	-	0	-	-	0
<i>B3-002 Activities under articles 7 and 7a framework directive</i>	8	8	-	-	8	100%	-	-	-	-	-	-	-
Total chapter B3-0	660	660	-	-	660	100%	-	-	-	0	-	-	0
<i>B3-101 Other support activities to berec</i>	778	778	-	-	778	100%	-	-	-	-	-	-	-
Total chapter B3-1	778	778	-	-	778	100%	-	-	-	-	-	-	-
Total Title B0-3	1 438	1 438	-	-	1 438	100%	-	-	-	0	-	-	0
GRAND TOTAL	4 246	4 243	-	-	4 243	100%	-	-	-	3	-	0	3

5.4. Implementation of payment appropriations

5.4.1. Implementation of payment appropriations - Title A-1

	Total approp. availab.	From final adopted budget	Payments made				Appropriations carried over to 2018				Appropriations lapsing			Total 14=11+12+13
			From carry overs	From assigned revenue	Total	%	Automatic carry overs	By decision	Assigned revenue	Total	From final budget	From carry overs	From assigned revenue	
	1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	
A-1100 Basic salaries	753	753	-	-	753	100%	-	-	-	-	-	-	-	-
A-1101 Family allowances	158	158	-	-	158	100%	-	-	-	-	-	-	-	-
A-1102 Expatriation and foreign-residence allowances	145	145	-	-	145	100%	-	-	-	-	-	-	-	-
A-1110 Contract staff	418	418	-	-	418	100%	-	-	-	-	-	-	-	-
A-1111 Seconded national experts	170	170	-	-	170	100%	-	-	-	-	-	-	-	-
A-1120 Insurance against sickness	37	37	-	-	37	100%	-	-	-	-	-	-	-	-
A-1121 Insurance against accidents and occupation disease	4	4	-	-	4	100%	-	-	-	-	-	-	-	-
A-1122 Insurance against unemployment	14	14	-	-	14	100%	-	-	-	-	-	-	-	-
A-1131 Travel expenses for annual leave	26	26	-	-	26	100%	-	-	-	-	-	-	-	-
Total chapter A-11	1 725	1 725	-	-	1 725	100%	-	-	-	-	-	-	-	-
A-1200 Travel expenses	10	5	5	-	10	100%	-	-	-	-	-	-	-	-
A-1210 Travel expenses on entering/leaving	1	0	1	-	1	100%	-	-	-	-	-	-	-	-
A-1211 Installation resettlement and transfer allowances	10	10	-	-	10	100%	-	-	-	-	-	-	-	-
A-1212 Removal expenses	8	8	-	-	8	100%	-	-	-	-	-	-	-	-
Total chapter A-12	28	22	6	-	28	100%	-	-	-	-	-	-	-	-
A-1300 Mission and duty travel expenses	261	210	31	-	241	92%	18	-	0	18	2	0	0	2
Total chapter A-13	261	210	31	-	241	92%	18	-	0	18	2	0	0	2
A-1400 Medical services	6	1	3	-	4	74%	2	-	-	2	-	-	-	-
Total chapter A-14	6	1	3	-	4	74%	2	-	-	2	-	-	-	-
A-1500 Training and language courses	151	66	52	-	118	78%	33	-	-	33	0	-	-	0
Total chapter A-15	151	66	52	-	118	78%	33	-	-	33	0	-	-	0
A-1600 External services and temporary assistance	430	217	153	-	370	86%	54	-	-	54	-	7	-	7
Total chapter A-16	430	217	153	-	370	86%	54	-	-	54	-	7	-	7
A-1700 Representation and miscellaneous staff costs	10	9	0	-	9	93%	1	-	-	1	-	0	-	0
Total chapter A-17	10	9	0	-	9	93%	1	-	-	1	-	0	-	0
Total Title A-1	2 612	2 250	245	-	2 496	96%	107	-	0	107	2	7	0	9

5.4.2. Implementation of payment appropriations - Title A-2

	Payments made							Appropriations carried over to 2018				Appropriations lapsing			Total 14=11+12 +13
	Total approp. availab.	From final adopted budget	From carry overs	From assigned revenue	Total	%	Automatic carry overs	By decision	Assigned revenue	Total	From final budget	From carry overs	From assigned revenue		
	1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13		
A-2000 Rent	82	48	17	-	65	79%	17	-	-	17	-	-	-	-	
A-2001 Insurance	2	2	-	-	2	100%	-	-	-	-	-	-	-	-	
A-2002 Water gas electricity and heating	27	21	2	-	24	88%	3	-	-	3	-	0	-	0	
A-2004 Fitting-out and maintenance of premises	2	2	-	-	2	100%	-	-	-	-	-	-	-	-	
A-2005 Security and surveillance of buildings	12	10	1	-	11	92%	1	-	-	1	-	0	-	0	
Total chapter A-20	125	84	20	-	103	83%	21	-	-	21	-	0	-	0	
A-2100 Computer equipment	50	17	-	-	17	35%	32	-	-	32	-	-	-	-	
A-2101 Software	9	8	-	-	8	94%	1	-	-	1	-	-	-	-	
A-2102 Other external data processing services	196	130	31	-	161	82%	35	-	-	35	-	0	-	0	
Total chapter A-21	255	156	31	-	186	73%	68	-	-	68	-	0	-	0	
A-2210 Furniture	5	4	1	-	5	100%	-	-	-	-	-	-	-	-	
A-2290 Books and publications	16	-	1	-	1	6%	15	-	-	15	-	-	-	-	
Total chapter A-22	21	4	2	-	6	29%	15	-	-	15	-	-	-	-	
A-2300 Stationery and office supplies	13	9	3	-	11	88%	2	-	-	2	-	0	-	0	
A-2359 Other operating expenses	117	6	47	-	52	45%	64	-	-	64	-	1	-	1	
Total chapter A-23	130	14	49	-	64	49%	66	-	-	66	-	1	-	1	
A-2400 Postage and delivery charges	1	1	0	-	1	91%	0	-	-	0	-	-	-	-	
A-2410 Telecommunication charges	13	10	2	-	12	90%	1	-	-	1	-	0	-	0	
Total chapter A-24	14	11	2	-	13	90%	1	-	-	1	-	0	-	0	
A-2500 Meetings in general	9	9	-	-	9	100%	-	-	-	-	-	-	-	-	
Total chapter A-25	9	9	-	-	9	100%	-	-	-	-	-	-	-	-	
Total Title A-2	553	278	103	-	381	69%	171	-	-	171	-	1	-	1	

5.4.3. Implementation of payment appropriations - Title B0-3

	Total approp. availab.	From final adopted budget	Payments made				%	Appropriations carried over to 2018			Appropriations lapsing			Total 14=11+12+13
			From carry overs	From assigned revenue	Total	Automatic carry overs		By decision	Assigned revenue	Total	From final budget	From carry overs	From assigned revenue	
	1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	
<i>B3-001 Support to the berec expert working groups</i>	882	586	218	-	803	91%	66	-	-	66	0	12	-	12
<i>B3-002 Activities under articles 7 and 7a framework directive</i>	8	8	-	-	8	100%	-	-	-	-	-	-	-	-
Total chapter B3-0	889	594	218	-	811	91%	66	-	-	66	0	12	-	12
<i>B3-101 Other support activities to berec</i>	999	569	220	-	789	79%	209	-	-	209	-	0	-	0
Total chapter B3-1	999	569	220	-	789	79%	209	-	-	209	-	0	-	0
Total Title B0-3	1 888	1 162	438	-	1 600	85%	275	-	-	275	0	12	-	12
GRAND TOTAL	5 053	3 691	787	-	4 477	89%	553	-	0	553	3	20	0	23

6. COMMITMENTS OUTSTANDING

6.1. Commitments outstanding - Title A-1

		Commitments outstanding at the end of prev. year				Commitments of the year				EUR '000
		Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. outstanding at year-end	Total commitments outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
A-1100	Basic salaries	-	-	-	-	753	753	-	-	-
A-1101	Family allowances	-	-	-	-	158	158	-	-	-
A-1102	Expatriation and foreign-residence allowances	-	-	-	-	145	145	-	-	-
A-1110	Contract staff	-	-	-	-	418	418	-	-	-
A-1111	Seconded national experts	-	-	-	-	170	170	-	-	-
A-1120	Insurance against sickness	-	-	-	-	37	37	-	-	-
A-1121	Insurance against accidents and occupation disease	-	-	-	-	4	4	-	-	-
A-1122	Insurance against unemployment	-	-	-	-	14	14	-	-	-
A-1131	Travel expenses for annual leave	-	-	-	-	26	26	-	-	-
Total chapter A-11		-	-	-	-	1 725	1 725	-	-	-
A-1200	Travel expenses	5	-	5	-	5	5	-	-	-
A-1210	Travel expenses on entering/leaving	1	-	1	-	0	0	-	-	-
A-1211	Installation resettlement and transfer allowances	-	-	-	-	10	10	-	-	-
A-1212	Removal expenses	-	-	-	-	8	8	-	-	-
Total chapter A-12		6	-	6	-	22	22	-	-	-
A-1300	Mission and duty travel expenses	31	(0)	31	-	228	210	-	18	18
Total chapter A-13		31	(0)	31	-	228	210	-	18	18
A-1400	Medical services	3	-	3	-	3	1	-	2	2
Total chapter A-14		3	-	3	-	3	1	-	2	2
A-1500	Training and language courses	52	-	52	-	99	66	-	33	33
Total chapter A-15		52	-	52	-	99	66	-	33	33
A-1600	External services and temporary assistance	160	(7)	153	-	270	217	-	54	54
Total chapter A-16		160	(7)	153	-	270	217	-	54	54
A-1700	Representation and miscellaneous staff costs	1	(0)	0	-	10	9	-	1	1
Total chapter A-17		1	(0)	0	-	10	9	-	1	1
Total Title A-1		252	(7)	245	-	2 357	2 250	-	107	107

6.2. Commitments outstanding - Title A-2

		Commitments outstanding at the end of prev. year				Commitments of the year				EUR '000
		Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. outstanding at year-end	Total commitments outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
A-2000	Rent	17	-	17	-	65	48	-	17	17
A-2001	Insurance	-	-	-	-	2	2	-	-	-
A-2002	Water gas electricity and heating	2	(0)	2	-	24	21	-	3	3
A-2004	Fitting-out and maintenance of premises	-	-	-	-	2	2	-	-	-
A-2005	Security and surveillance of buildings	1	(0)	1	-	11	10	-	1	1
Total chapter A-20		20	(0)	20	-	104	84	-	21	21
A-2100	Computer equipment	-	-	-	-	50	17	-	32	32
A-2101	Software	-	-	-	-	9	8	-	1	1
A-2102	Other external data precessing services	31	(0)	31	-	165	130	-	35	35
Total chapter A-21		31	(0)	31	-	224	156	-	68	68
A-2210	Furniture	1	-	1	-	4	4	-	-	-
A-2290	Books and publications	1	-	1	-	15	-	-	15	15
Total chapter A-22		2	-	2	-	19	4	-	15	15
A-2300	Stationery and office supplies	3	(0)	3	-	10	9	-	2	2
A-2359	Other operating expenses	47	(1)	47	-	70	6	-	64	64
Total chapter A-23		50	(1)	49	-	80	14	-	66	66
A-2400	Postage and delivery charges	0	-	0	-	1	1	-	0	0
A-2410	Telecommunication charges	2	(0)	2	-	11	10	-	1	1
Total chapter A-24		2	(0)	2	-	12	11	-	1	1
A-2500	Meetings in general	-	-	-	-	9	9	-	-	-
Total chapter A-25		-	-	-	-	9	9	-	-	-
Total Title A-2		105	(1)	103	-	449	278	-	171	171

6.3. Commitments outstanding - Title B0-3

		Commitments outstanding at the end of prev. year				Commitments of the year				EUR '000
		Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. outstanding at year-end	Total commitments outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
B3-001	Support to the berec expert working groups	230	(12)	218	-	652	586	-	66	66
B3-002	Activities under articles 7 and 7a framework directive	-	-	-	-	8	8	-	-	-
Total chapter B3-0		230	(12)	218	-	660	594	-	66	66
B3-101	Other support activities to berec	221	(0)	220	-	778	569	-	209	209
Total chapter B3-1		221	(0)	220	-	778	569	-	209	209
Total Title B0-3		450	(12)	438	-	1 438	1 162	-	275	275
GRAND TOTAL		807	(20)	787	-	4 243	3 691	-	553	553

7. GLOSSARY

ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

Adjustment

Amending budget or transfer of funds from one budget item to another

Adopted budget

Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority.

Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

Appropriations

Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.

Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure. The main sources of external assigned revenue are financial contributions from third countries to programmes financed by the Union. The main sources of internal assigned revenue are revenue from third parties in respect of goods, services or work supplied at their request; revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium. The complete list of items constituting assigned revenue is given in the Financial Regulation Art.21.2.

Authorising Officer (AO)

The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for Agencies.

Budgetary authority

Institutions with decisional powers on budgetary matters: the European Parliament and the Council.

Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

Cancellation of appropriations

Unused appropriations that may no longer be used.

Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

Commitment appropriations

Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Art. 7 FR: Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.

De-commitment

Cancellation of a reservation of appropriations.

Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Art. 7 FR: Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.

Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)

Economic result

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.

Expenditure

Term used to describe spending the budget from all types of funds sources.

Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union. (OJ L 298, 26.10.2012)

Funds Source

Type of appropriations (e.g.: C1, C2, etc.)

Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.

Implementation

Cf. Budget implementation

Income

Cf. Revenue

Joint Undertakings (JUs)

A legal EU-body established under the TFEU. The term can be used to describe any collaborative structure proposed for the "efficient execution of Union research, technological development and demonstration programmes".

Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.

Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

Legal commitment

A legal commitment establishes a legal obligation towards third parties.

Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Art. 9 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments

Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

Outstanding commitment

Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.

Outturn

Cf. Budget result

Payment

A payment is a cash disbursement to honour legal obligations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Art. 7 FR).

RAL

Sum of outstanding commitments. Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They *stem directly* from the existence of multiannual programmes and the dissociation between commitment and payment appropriations. (Cf. Outstanding commitments)

Recovery

The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.

Revenue

Term used to describe income from all sources financing the budget.

Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

Surplus

Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

Transfer

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.