



# Annual accounts of the Agency for Support for BEREC *(the BEREC Office)*

## Financial year 2019

## CONTENTS

CERTIFICATION OF THE ACCOUNTS .....	3
BACKGROUND INFORMATION ON THE BEREC OFFICE .....	4
FINANCIAL STATEMENTS AND EXPLANATORY NOTES .....	6
BALANCE SHEET .....	8
STATEMENT OF FINANCIAL PERFORMANCE.....	9
CASHFLOW STATEMENT.....	10
STATEMENT OF CHANGES IN NET ASSETS .....	11
NOTES TO THE FINANCIAL STATEMENTS.....	12
THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES .....	26

## **CERTIFICATION OF THE ACCOUNTS**

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Agency for Support for BEREC (the BEREC Office) in accordance with Article 102 of the Framework Financial Regulation ('FFR')<sup>1</sup> and I hereby certify that the annual accounts of the BEREC Office for the year 2019 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

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 assets and liabilities and the budgetary implementation. 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.

Rosa ALDEA BUSQUETS

**Accounting Officer of the Agency for  
Support for BEREC**

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<sup>1</sup> COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

## BACKGROUND INFORMATION ON THE BEREC OFFICE

The Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 established the Body of European Regulators for Electronic Communications ('BEREC') and the Agency for Support for BEREC (the 'BEREC Office'), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009. The BEREC Office is established as a body of the Union and has legal personality. The new mandate entered into force on 20 December 2018. The BEREC Office replaced and succeeded the Office of the Body of European Regulators for Electronic Communications (the 'Office'), which was established by Regulation (EC) No 1211/2009<sup>2</sup> as regards all ownership, agreements, legal obligations, employment contracts, financial commitments and liabilities.

The predecessor agency, the Office, was established in Brussels in 2009. By Decision 2010/349/EU, the Representatives of the Governments of the Member States decided that the Office would have its seat in Riga. The new founding regulation (EU)2018/1971 confirms that the location of the seat of the agency shall be in Riga, Latvia.

As of 2019, according to Article 5 of the Regulation (EU) 2018/1971, the BEREC Office have been performing the following tasks:

- Providing professional and administrative support services to BEREC, in particular in fulfilling its regulatory tasks;
- Collecting information from NRAs and exchanging and transmitting information in relation to the regulatory tasks assigned to BEREC;
- Producing, on the basis of the information received from NRAs in relation to the regulatory tasks assigned to BEREC, regular draft reports on specific aspects of developments in the European electronic communications market, such as roaming and benchmarking reports, to be submitted to BEREC;
- Disseminating regulatory best practices among NRAs;
- Assisting BEREC in establishing and maintaining registries and databases, in establishing and managing an information and communications system and in conducting public consultations;
- Assisting in the preparation of the work and provide other administrative and content-related support to ensure the smooth functioning of the Board of Regulators;
- Assisting in setting up working groups, upon the request of the Board of Regulators, contribute to the regulatory work and provide administrative support to ensure the smooth functioning of those groups;
- Carrying out other tasks assigned to it by this Regulation or by other legal acts of the Union.

In accordance with Article 50 of the BEREC Office Financial Regulation<sup>3</sup> adopted by Decision No MB/2019/13 of the Management Board of the BEREC Office on the financial regulation applicable to the BEREC Office, the Management Board appoints the Accounting Officer who is, amongst other tasks, responsible for the preparation of the annual accounts of the BEREC Office. According to Article 98 of the BEREC Office 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 No MC/2016/03 of the BEREC Office Management Committee of 26 February 2016, the Accounting Officer of the European Commission is appointed as the BEREC Office Accounting Officer as of 18 April 2016<sup>4</sup>.

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<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1971&from=EN>

<sup>3</sup> [https://berec.europa.eu/eng/document\\_register/subject\\_matter/berec\\_office/decisions\\_of\\_the\\_management\\_board/8699-decision-no-mb201913-of-the-management-board-of-the-berec-office-on-the-financial-regulation-applicable-to-the-berec-office](https://berec.europa.eu/eng/document_register/subject_matter/berec_office/decisions_of_the_management_board/8699-decision-no-mb201913-of-the-management-board-of-the-berec-office-on-the-financial-regulation-applicable-to-the-berec-office)

<sup>4</sup> [https://berec.europa.eu/eng/document\\_register/subject\\_matter/berec\\_office/decisions\\_of\\_the\\_management\\_board/5749-mc-decision-of-the-berec-office-mc-on-the-termination-of-the-appointment-of-the-interim-accounting-officer-and-on-the-appointment-of-the-commission-accounting-officer-as-the-berec-office-accounting-officer](https://berec.europa.eu/eng/document_register/subject_matter/berec_office/decisions_of_the_management_board/5749-mc-decision-of-the-berec-office-mc-on-the-termination-of-the-appointment-of-the-interim-accounting-officer-and-on-the-appointment-of-the-commission-accounting-officer-as-the-berec-office-accounting-officer)

In 2019 the only source of the BEREC Office revenue has been the subsidy from the EU, entered under the appropriate headings of the general budget of the European Union (Commission Section, provided by the partner DG: DG Connect).

## **Highlights of the year**

2019 was the first year that the BEREC Office was working under its new mandate and has effectively delivered the expected results in accordance with the Work Programme 2019 while conducting its operations in compliance with applicable rules and regulations, working in an open and transparent manner, and meeting the expected high level of professional and ethical standards.

The activities in the BEREC Office Work Programme 2019, which are part of the Single Programming Document of the Activities of BEREC Office for the period 2019-2021, focus on 3 strategic areas of operations for the year 2019:

- a) Operational activities;
- b) Horizontal activities;
- c) Administrative support activities.

Moreover, the multi-annual objectives outlined in Section II of the same document complement each of these activities and assist in their successful execution.

The 2019 BEREC Office Budget (revenue and expenditure), as adopted by the Budgetary Authority, amounted to kEUR 5 701 (in 2018 – kEUR 4 331). Out of the total appropriations amount (kEUR 5 701), kEUR 5 697 were committed (99.93%) and kEUR 4 674 (81.99%) were paid.

Amount of kEUR 1 022 (18.01 % of total established commitments) were carried-over from 2019 for payments still to be processed in 2020. The total carry-forward from 2018 to 2019 was kEUR 744 (17.18% of total commitments established in 2018). kEUR 28 (3.82%) were cancelled during 2019.

No significant variances in the financial statements were noted. In 2019 the BEREC Office received the entire Commission subsidy of kEUR 5 701 in two financial transfers (kEUR 3 801 in January and kEUR 1 900 in September).

# FINANCIAL STATEMENTS AND EXPLANATORY NOTES

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

## CONTENTS

BALANCE SHEET.....	8
STATEMENT OF FINANCIAL PERFORMANCE .....	9
CASHFLOW STATEMENT .....	10
STATEMENT OF CHANGES IN NET ASSETS .....	11
NOTES TO THE FINANCIAL STATEMENTS .....	12
1.    SIGNIFICANT ACCOUNTING POLICIES.....	13
2.    NOTES TO THE BALANCE SHEET.....	20
3.    NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE .....	22
4.    OTHER SIGNIFICANT DISCLOSURES .....	24
5.    FINANCIAL RISK MANAGEMENT .....	25

**BALANCE SHEET**

EUR '000

	Note	31.12.2019	31.12.2018
<b>NON-CURRENT ASSETS</b>			
<i>Property, plant and equipment</i>	2.1	131	128
		<b>131</b>	<b>128</b>
<b>CURRENT ASSETS</b>			
<i>Exchange receivables and non-exchange recoverables</i>	2.2	1 165	863
		<b>1 165</b>	<b>863</b>
<b>TOTAL ASSETS</b>		<b>1 297</b>	<b>991</b>
<b>CURRENT LIABILITIES</b>			
<i>Payables</i>	2.3	(48)	(23)
<i>Accrued charges and deferred income</i>	2.4	(340)	(223)
		<b>(388)</b>	<b>(246)</b>
<b>TOTAL LIABILITIES</b>		<b>(388)</b>	<b>(246)</b>
<b>NET ASSETS</b>		<b>908</b>	<b>744</b>
<i>Accumulated surplus</i>		744	563
<i>Economic result of the year</i>		164	181
<b>NET ASSETS</b>		<b>908</b>	<b>744</b>

## STATEMENT OF FINANCIAL PERFORMANCE

		EUR '000	
	Note	2019	2018
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>			
<i>Subsidy from the Commission</i>	3.1	5 669	4 308
		<b>5 669</b>	<b>4 308</b>
<b>EXPENSES</b>			
<i>Operating costs</i>	3.2	(1 913)	(1 104)
<i>Staff costs</i>	3.3	(1 986)	(1 879)
<i>Other expenses</i>	3.4	(1 607)	(1 144)
<b>Total expenses</b>		<b>(5 505)</b>	<b>(4 127)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>164</b>	<b>181</b>

**CASHFLOW STATEMENT<sup>5</sup>**

EUR '000

	2019	2018
<i>Economic result of the year</i>	164	181
<b>Operating activities</b>		
<i>Depreciation and amortization</i>	59	53
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(302)	(213)
<i>Increase/(decrease) in payables</i>	25	(14)
<i>Increase/(decrease) in accrued charges &amp; deferred income</i>	117	24
<b>Investing activities</b>		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(63)	(31)
<b>NET CASHFLOW</b>	-	-
<i>Net increase/(decrease) in cash and cash equivalents</i>	-	-
<i>Cash and cash equivalents at the beginning of the year</i>	-	-
<i>Cash and cash equivalents at year-end</i>	-	-

<sup>5</sup> Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of the BEREC Office, the treasury of BEREC Office was integrated into the Commission's treasury system. Because of this, the 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
<b>BALANCE AS AT 31.12.2017</b>	<b>605</b>	<b>(42)</b>	<b>563</b>
<i>Allocation 2017 economic result</i>	<i>(42)</i>	<i>42</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>181</i>	<i>181</i>
<b>BALANCE AS AT 31.12.2018</b>	<b>563</b>	<b>181</b>	<b>744</b>
<i>Allocation 2018 economic result</i>	<i>181</i>	<i>(181)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>164</i>	<i>164</i>
<b>BALANCE AS AT 31.12.2019</b>	<b>744</b>	<b>164</b>	<b>908</b>

# **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, materiality, 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 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	31.12.2019	31.12.2018	Currency	31.12.2019	31.12.2018
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.2568</b>	4.3014
<b>CZK</b>	<b>25.4080</b>	25.7240	<b>RON</b>	<b>4.783</b>	4.6635
<b>DKK</b>	<b>7.4715</b>	7.4673	<b>SEK</b>	<b>10.4468</b>	10.2548
<b>GBP</b>	<b>0.8508</b>	0.8945	<b>CHF</b>	<b>1.0854</b>	1.1269
<b>HRK</b>	<b>7.4395</b>	7.4125	<b>JPY</b>	<b>121.9400</b>	125.8500
<b>HUF</b>	<b>330.5300</b>	320.9800	<b>USD</b>	<b>1.1234</b>	1.145

### 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: amounts for employee benefit liabilities, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are an 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

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable (i.e. it is capable of being separated or divided from the entity, e.g. by being sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so), or arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations).

Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met and the expenses relate solely to the development phase of the asset. The capitalisable costs 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.

Intangible 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.

Intangible assets residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year.

### 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 is not depreciated as it is 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>Space assets</i>	8 % to 25 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	0 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

Property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year.

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

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee. When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Contingent rents shall be charged as expenses in the period in which they are incurred.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither a leased asset nor a leasing liability presented in the statement of financial position.

### 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 (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

### 1.3.4. Financial assets

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 presented 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. During this financial year, the entity did not hold any investments in this category.

### **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 their trade date, i.e. the date on which the entity commits to purchase or sell the asset. Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers. 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 from 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.

#### **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. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is presented as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is 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**

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

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).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

### 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 are 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 the 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 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. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

## **1.6. CONSOLIDATION**

The accounts of this entity are fully consolidated in the EU consolidated annual accounts.

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. PROPERTY, PLANT AND EQUIPMENT

	'000 EUR				
	Plant and equipment	Furniture and vehicles	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2018</i>	1	26	132	133	292
<i>Additions</i>	-	14	48	-	62
<i>Disposals</i>	-	-	(10)	(1)	(11)
<b>Gross carrying amount at 31.12.2019</b>	<b>1</b>	<b>40</b>	<b>170</b>	<b>132</b>	<b>344</b>
<i>Accumulated depreciation at 31.12.2018</i>	(1)	(10)	(78)	(74)	(164)
<i>Depreciation charge for the year</i>	-	(3)	(27)	(30)	(59)
<i>Disposals</i>	-	-	10	1	11
<b>Accumulated depreciation at 31.12.2019</b>	<b>(1)</b>	<b>(13)</b>	<b>(95)</b>	<b>(103)</b>	<b>(213)</b>
<b>NET CARRYING AMOUNT AT 31.12.2019</b>	<b>-</b>	<b>27</b>	<b>75</b>	<b>29</b>	<b>131</b>
<i>NET CARRYING AMOUNT AT 31.12.2018</i>	-	16	54	58	128

#### 2.2. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31.12.2019 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	
	31.12.2019	31.12.2018
<b>Recoverables from non-exchange transactions</b>		
<i>Member States</i>	343	131
	<b>343</b>	<b>131</b>
<b>Receivables from exchange transactions</b>		
<i>Central treasury liaison accounts</i>	712	637
<i>Deferred charges relating to exchange transactions</i>	110	96
	<b>822</b>	<b>732</b>
<b>Total</b>	<b>1 165</b>	<b>863</b>

The heading recoverables from Member States comprises mainly VAT amounts to be recovered from the Latvian Tax Authorities. In accordance with the Seat Agreement<sup>6</sup> 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.

Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of the BEREC Office, the treasury of the BEREC Office was integrated into the Commission's treasury system. Because of this, the 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 Central treasury liaison accounts.

### LIABILITIES

<sup>6</sup> 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](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)

## 2.3. PAYABLES

	<i>EUR '000</i>	
	31.12.2019	31.12.2018
<i>Current payables</i>	16	–
<i>Payables to the Commission</i>	32	23
<b>Total</b>	<b>48</b>	<b>23</b>

The amount payables to the Commission comprises the unused amount of the 2019 Commission subsidy that is to be reimbursed by the BEREC Office in 2020.

## 2.4. ACCRUED CHARGES AND DEFERRED INCOME

At 31.12.2019 the BEREC Office does not have any deferred revenue. All the amounts under this heading comprise accrued charges.

	<i>EUR '000</i>	
	31.12.2019	31.12.2018
<i>Accrued charges</i>	340	223

Accrued charges are the amounts estimated by the authorising officer of costs incurred for services and goods delivered in year 2019 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 operating expenses of kEUR 159, administrative expenses of kEUR 113 and staff expenses of kEUR 68.

The accrued administrative expenses are mainly composed of non-IT services (kEUR 78), IT services (kEUR 24) and office maintenance and supplies (kEUR 11).

The accrued staff expenses (kEUR 68) include accrued charges for untaken leave of kEUR 56.

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### REVENUE

#### NON-EXCHANGE REVENUE

#### 3.1. FUNDS FROM THE COMMISSION

EUR '000

	2019	2018
<i>Commission subsidy</i>	5 669	4 308

In 2019 the BEREC Office received the Commission subsidy of kEUR 5 701 in two financial transfers (kEUR 3 801 in January and kEUR 1 900 in September). In 2018 the European Commission subsidy amounted to kEUR 4 331 and was received in a single financial transfer.

The amounts included under this heading correspond to the amounts of the Commission subsidy used during 2019. Unused amounts are recorded under accounts payable (see note **2.3**) and will be reimbursed to the Commission in 2020. The corresponding accrued expenses will be recorded in the financial statements of the Commission.

#### EXPENSES

#### 3.2. OPERATING COSTS

EUR '000

	Note	2019	2018
<i>Operating costs</i>		1 913	1 104

Included under this heading are costs incurred by BEREC Office in relation to the fulfilment of its mission in support of BEREC (mainly organisation of BEREC events, including travel costs of the experts participating, ICT support to BEREC, communication activities and studies).

#### 3.3. STAFF COSTS

EUR '000

	2019	2018
<i>Staff costs</i>	1 986	1 879

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 European Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office-PMO).

The pensions of BEREC Office staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement, depends on factors such as age and years of service. Both the BEREC Office staff and the Commission contribute to the pension scheme and the contribution percentage is revised yearly to reflect the changes in the Staff Regulation. The cost to the Commission is not reflected in the BEREC Office's accounts. Similarly, the future benefits, payable to the BEREC Office staff, are accounted for in the liabilities of the Commission, as it is the Commission who will pay out these benefits. No provisions related to the future pensions are made in these accounts.

### 3.4. OTHER EXPENSES

	EUR '000	
	2019	2018
<i>External non IT services</i>	733	410
<i>External IT services</i>	228	196
<i>Missions</i>	213	180
<i>Property, plant and equipment related expenses</i>	145	113
<i>Training costs</i>	89	82
<i>Operating leasing expenses</i>	85	73
<i>Office supplies and maintenance</i>	75	49
<i>Communications &amp; publications</i>	20	16
<i>Other</i>	19	25
<b>Total</b>	<b>1 607</b>	<b>1 144</b>

The operating leasing expenses relate to the rental charges of the office building in Riga. The property, plant and equipment related expenses are service costs (e.g. maintenance, insurance, etc.) for these premises.

#### 3.4.1. Operating lease expenses

	EUR '000			
	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	75	297	263	635

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR '000

	31.12.2019	31.12.2018
<i>Outstanding commitments not yet expensed</i>	733	567

The outstanding commitments not yet expensed comprises the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2019 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 for 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 expenses/lease expenses and terms for standard lease.

The rental price agreed according to the rental contract of June 2017 was 5.09 EUR/m<sup>2</sup> and was applicable until 30/06/2019. As of 1<sup>st</sup> of July 2019 the rental contract was amended so as to include additional surface, i.e. a total of 1 116 m<sup>2</sup>, rented by the BEREC Office. The new gross usable space is based on needs to accommodate the growing staff and includes also additional meeting rooms and a garage. The new rental price amounts to EUR 5.29/m<sup>2</sup>, i.e. EUR 5 907.79 per month.

According to a study published on the Latvian government's website, in 2019 the average rental price of office space in Riga was between 16 - 18 EUR/m<sup>2</sup>.

### 4.3. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of the BEREC Office is the Director, who executes the role of the Authorising Officer by Delegation.

	31.12.2019	31.12.2018
<i>Director</i>	AD 14	AD 14

The Director is remunerated in accordance with the Staff Regulations of the European Union that is published on the Europa website. The Staff Regulation an official document describing the remuneration and other conditions of employment of all EU staff.

### 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.

### 4.5. EVENTS AFTER REPORTING DATE

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts. For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1. TYPES OF RISK

**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 Office 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 Office 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.

### 5.2. CURRENCY RISKS

#### Exposure to currency risk at year-end

At 31 December 2019 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 euros. At the year-end the BEREC Office thus does not have any exposure to currency risks.

### 5.3. CREDIT RISK

#### Financial assets that are neither past due nor impaired

At 31.12.2019 the financial assets comprise exchange receivables that are neither past due nor impaired of kEUR 822. The past due not impaired non-exchange recoverables (kEUR 343) 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 822 entirely relate to entities without external credit rating that never defaulted in the past. Non-exchange recoverables of kEUR 343 are composed of amounts due by the Member States, namely Latvia, and are largely VAT related.

### 5.4. LIQUIDITY RISK

#### Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are mainly composed of accounts payable (kEUR 48). All the accounts payable have remaining contractual maturity of less than 1 year.

# THE BUDGET IMPLEMENTATION REPORTS 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

1.	BUDGETARY PRINCIPLES, STRUCTURE AND HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION .....	28
2.	RESULT OF THE IMPLEMENTATION OF THE BUDGET .....	30
3.	RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT .....	31
4.	IMPLEMENTATION OF BUDGET REVENUE .....	32
5.	IMPLEMENTATION OF BUDGET EXPENDITURE .....	33
6.	OUTSTANDING COMMITMENTS .....	47
7.	GLOSSARY .....	51

# 1. BUDGETARY PRINCIPLES, STRUCTURE AND HIGHLIGHTS OF THE BUDGETARY 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 1211/2009<sup>7</sup> 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, external services related to staff 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 2019 BEREC Office Budget (revenue and expenditure), as adopted by the Budgetary Authority, amounted to kEUR 5 701 (in 2018 – kEUR 4 331). Out of the total appropriations amount (kEUR 5 701), kEUR 5 697 were committed (99.93%) and kEUR 4 674 (81.99 %) were paid.

An amount of kEUR 1 022 (18.01 % of total established commitments) was carried-over from 2019 for payments still to be processed in 2020. The total carry-forward from 2018 to 2019 was of kEUR 744 (17.18 % of total commitments established in 2018). kEUR 28 (3.82 %) were cancelled during 2019.

The amount that was neither committed by the end of 2019 nor carried forward to 2020 is to be returned to the EU Budget. The general rule is that, if the implementation of commitment appropriations (voted budget) in the budget for 2019 remained below 95 %, penalties amounting to a 2 % reduction in the 2021 budget would be foreseen. This indicator for the BEREC Office is 99.93 %, meaning that only EUR 4 060 (0.07 %) is to be returned to the EU Budget.

During 2019, the BEREC Office Director / Authorizing Officer carried out 5 transfers of appropriations allowed by the BEREC Office Financial Regulation<sup>8</sup> (in 2018 – 5, in 2017 – 5).

<sup>7</sup> OJ L 337, 18.12.2009, p. 1

<sup>8</sup> The BEREC Office Financial Regulations in force in 2019 were as follows: from 1 January to 30 June 2019 - MC Decision MC/2014/1 on the financial regulation applicable to the BEREC Office in conformity with the Framework Financial Regulation for the bodies referred to in Article 208 of Council Regulation (EU, Euratom) No 966/2012 on the Financial Regulation applicable to the general budget of the EU, [https://bereg.europa.eu/eng/document\\_register/subject\\_matter/bereg\\_office/decisions\\_of\\_the\\_management\\_board/3976-decision-of-the-bereg-office-mc-on-the-financial-regulation-applicable-to-the-bereg-office-in-conformity-with-the-framework-financial-regulation-for-the-bodies-referred-to-in-article-208-of-council-regulation-eu-euratom-no-9662012-on-the-financial-regulation-applicable-to-the-general-budget-of-the-european-union-hereinafter-the-general-financial-regulation](https://bereg.europa.eu/eng/document_register/subject_matter/bereg_office/decisions_of_the_management_board/3976-decision-of-the-bereg-office-mc-on-the-financial-regulation-applicable-to-the-bereg-office-in-conformity-with-the-framework-financial-regulation-for-the-bodies-referred-to-in-article-208-of-council-regulation-eu-euratom-no-9662012-on-the-financial-regulation-applicable-to-the-general-budget-of-the-european-union-hereinafter-the-general-financial-regulation), and from 1 July to 31 December 2019 - MB Decision No MB/2019/13 on the financial regulation applicable to the BEREC Office, [https://bereg.europa.eu/eng/document\\_register/subject\\_matter/bereg\\_office/decisions\\_of\\_the\\_management\\_board/8699-decision-no-mb201913-of-the-management-board-of-the-bereg-office-on-the-financial-regulation-applicable-to-the-bereg-office](https://bereg.europa.eu/eng/document_register/subject_matter/bereg_office/decisions_of_the_management_board/8699-decision-no-mb201913-of-the-management-board-of-the-bereg-office-on-the-financial-regulation-applicable-to-the-bereg-office)

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2019	2018
<b>Revenue</b>		<b>5 701</b>	<b>4 331</b>
of which:			
European Union subsidy	2	5 701	4 331
Administrative operations and miscellaneous income	5	-	0
<b>Expenditure</b>		<b>(4 674)</b>	<b>(3 581)</b>
of which:			
Staff expenditure	1	(2 723)	(2 356)
Administrative expenditure	2	(644)	(435)
Operational expenditure	3	(1 307)	(789)
<b>Payment appropriat. carried over to the following year</b>		<b>(1 023)</b>	<b>(744)</b>
of which:			
Staff expenditure	1	(189)	(91)
Administrative expenditure	2	(184)	(80)
Operational expenditure	3	(649)	(573)
<b>Cancellation of unused appropri. carried over from year n-1</b>		<b>28</b>	<b>17</b>
<b>Evolution of assigned revenue (B)-(A)</b>		<b>0</b>	<b>(0)</b>
Unused appropriations at the end of current year (A)		-	0
Unused appropriations at the end of previous year (B)		0	-
<b>Exchange rate differences</b>		<b>(0)</b>	<b>0</b>
<b>Budget result</b>		<b>33</b>	<b>23</b>

### 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR '000	
	2019	2018
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>164</b>	<b>181</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	<b>894</b>	<b>590</b>
<i>Adjustments for accrual cut-off (net)</i>	107	1
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	59	53
<i>Payments made from carry-over of payment appropriations</i>	716	536
<i>Other individually immaterial</i>	11	-
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	<b>(1 025)</b>	<b>(748)</b>
<i>Asset acquisitions (less unpaid amounts)</i>	(63)	(44)
<i>New pre-financing received in the year and remaining open as at 31 December</i>	32	23
<i>Payment appropriations carried over to next year</i>	(1 023)	(744)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	28	17
<b>BUDGET RESULT OF THE YEAR</b>	<b>33</b>	<b>23</b>

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1. Implementation of budget revenue – Title 2

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
2000 European Union subsidy	5 701	5 701	5 701	-	5 701	5 701	-	5 701	100 %	-
Total Chapter 20	5 701	5 701	5 701	-	5 701	5 701	-	5 701	100 %	-
<b>Total Title 2</b>	<b>5 701</b>	<b>5 701</b>	<b>5 701</b>	<b>-</b>	<b>5 701</b>	<b>5 701</b>	<b>-</b>	<b>5 701</b>	<b>100 %</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>5 701</b>	<b>5 701</b>	<b>5 701</b>	<b>-</b>	<b>5 701</b>	<b>5 701</b>	<b>-</b>	<b>5 701</b>	<b>100 %</b>	<b>-</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1. Breakdown & changes in commitment appropriations

#### 5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total apppr. available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100 Basic salaries	923	-	(54)	870	-	0	0	870
1101 Family allowances	184	-	(11)	172	-	-	-	172
1102 Expatriation and foreign-residence allowances	178	-	(23)	155	-	-	-	155
1110 Contract staff	723	-	(268)	455	-	-	-	455
1111 Seconded national experts	253	-	(39)	214	-	-	-	214
1120 Insurance against sickness	42	-	(1)	41	-	-	-	41
1121 Insurance against accidents and occupation disease	5	-	(1)	5	-	-	-	5
1122 Insurance against unemployment	17	-	(2)	16	-	-	-	16
1130 Childbirth and death allowances and grants	0	-	(0)	0	-	-	-	0
1131 Travel expenses for annual leave	30	-	(7)	24	-	-	-	24
<b>Total Chapter 11</b>	<b>2 355</b>	<b>-</b>	<b>(405)</b>	<b>1 950</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>1 950</b>
1200 Travel expenses	27	-	(8)	18	-	-	-	18
1210 Travel expenses on entering/leaving	2	-	(1)	1	-	-	-	1
1211 Installation, resettlement and transfer allowances	10	-	(10)	-	-	-	-	-
1212 Removal expenses	14	-	(14)	-	-	-	-	-
1213 Daily subsistence allowances	10	-	6	15	-	-	-	15
<b>Total Chapter 12</b>	<b>62</b>	<b>-</b>	<b>(27)</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>
1300 Mission expenses, duty travel expenses and other ancillary expenditure	193	-	19	212	-	-	-	212
<b>Total Chapter 13</b>	<b>193</b>	<b>-</b>	<b>19</b>	<b>212</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>212</b>
1400 Medical service	9	-	-	9	-	-	-	9
<b>Total Chapter 14</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>
1500 Training	81	-	0	81	-	-	-	81
<b>Total Chapter 15</b>	<b>81</b>	<b>-</b>	<b>0</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>
1600 External services	290	-	320	611	-	-	-	611
<b>Total Chapter 16</b>	<b>290</b>	<b>-</b>	<b>320</b>	<b>611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>611</b>
1700 Representation, receptions and events and miscellaneous staff costs	14	-	2	16	-	-	-	16
<b>Total Chapter 17</b>	<b>14</b>	<b>-</b>	<b>2</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>
<b>Total Title 1</b>	<b>3 004</b>	<b>-</b>	<b>(90)</b>	<b>2 914</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>2 914</b>

5.1.2. Breakdown & changes in commitment appropriations – Title 2

		Budget appropriations				Additional appropriations			Total	EUR '000
Item	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	Total approp. available		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7		
2000 Rent	80	-	5	85	-	-	-	85		
2001 Insurance	3	-	(1)	2	-	-	-	2		
2002 Water, gas, electricity and heating	38	-	(2)	35	-	-	-	35		
2004 Fitting-out and maintenance of premises	3	-	1	4	-	-	-	4		
2005 Security and surveillance of buildings	39	-	9	49	-	-	-	49		
<b>Total Chapter 20</b>	<b>163</b>	<b>-</b>	<b>13</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175</b>		
2100 Computer equipment	75	-	(3)	72	-	-	-	72		
2101 Software	13	-	4	17	-	-	-	17		
2102 Other external data processing services	269	-	15	284	-	-	-	284		
<b>Total Chapter 21</b>	<b>357</b>	<b>-</b>	<b>16</b>	<b>373</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>373</b>		
2210 Furniture	6	-	20	26	-	-	-	26		
<b>Total Chapter 22</b>	<b>6</b>	<b>-</b>	<b>20</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26</b>		
2300 Stationery and office supplies	17	-	13	30	-	-	-	30		
2330 Legal expenses	3	-	(2)	1	-	-	-	1		
2359 Other operating expenses	138	-	53	191	-	-	-	191		
<b>Total Chapter 23</b>	<b>158</b>	<b>-</b>	<b>64</b>	<b>222</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222</b>		
2400 Postage and delivery charges	3	-	(1)	1	-	-	-	1		
2410 Telecommunication charges	33	-	(15)	18	-	-	-	18		
<b>Total Chapter 24</b>	<b>36</b>	<b>-</b>	<b>(17)</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>		
2500 Meetings in general	25	-	(11)	14	-	-	-	14		
<b>Total Chapter 25</b>	<b>25</b>	<b>-</b>	<b>(11)</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>		
<b>Total Title 2</b>	<b>744</b>	<b>-</b>	<b>85</b>	<b>829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>829</b>		

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

Item	Initial adopted budget	Budget appropriations			Additional appropriations			Total approp. available
		Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3001 Support to the BEREC expert working groups	435	-	52	487	-	-	-	487
3002 Activities under Articles 7 and 7a framework directive	15	-	(10)	5	-	-	-	5
<b>Total Chapter 30</b>	<b>450</b>	<b>-</b>	<b>42</b>	<b>492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>492</b>
3101 Other support activities to BEREC and NRAs	1 503	-	(36)	1 467	-	-	-	1 467
<b>Total Chapter 31</b>	<b>1 503</b>	<b>-</b>	<b>(36)</b>	<b>1 467</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 467</b>
<b>Total Title 3</b>	<b>1 953</b>	<b>-</b>	<b>6</b>	<b>1 959</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 959</b>
<b>GRAND TOTAL</b>	<b>5 701</b>	<b>-</b>	<b>-</b>	<b>5 701</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>5 701</b>

## 5.2. Breakdown & changes in payment appropriations

### 5.2.1. Breakdown & changes in payment appropriations – Title 1

		Budget appropriations				Additional appropriations			Total	EUR '000
Item	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	Total	appror. available	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7		
1100 Basic salaries	923	-	(54)	870	-	0	0	0	870	
1101 Family allowances	184	-	(11)	172	-	-	-	-	172	
1102 Expatriation and foreign-residence allowances	178	-	(23)	155	-	-	-	-	155	
1110 Contract staff	723	-	(268)	455	-	-	-	-	455	
1111 Seconded national experts	253	-	(39)	214	0	-	0	0	214	
1120 Insurance against sickness	42	-	(1)	41	-	-	-	-	41	
1121 Insurance against accidents and occupation disease	5	-	(1)	5	-	-	-	-	5	
1122 Insurance against unemployment	17	-	(2)	16	-	-	-	-	16	
1130 Childbirth and death allowances and grants	0	-	(0)	0	-	-	-	-	0	
1131 Travel expenses for annual leave	30	-	(7)	24	-	-	-	-	24	
<b>Total Chapter 11</b>	<b>2 355</b>	<b>-</b>	<b>(405)</b>	<b>1 950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 951</b>	
1200 Travel expenses	27	-	(8)	18	3	-	3	3	22	
1210 Travel expenses on entering/leaving	2	-	(1)	1	-	-	-	-	1	
1211 Installation, resettlement and transfer allowances	10	-	(10)	-	-	-	-	-	-	
1212 Removal expenses	14	-	(14)	-	-	-	-	-	-	
1213 Daily subsistence allowances	10	-	6	15	-	-	-	-	15	
<b>Total Chapter 12</b>	<b>62</b>	<b>-</b>	<b>(27)</b>	<b>35</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>38</b>	
1300 Mission expenses, duty travel expenses and other ancillary expenditure	193	-	19	212	8	-	8	8	220	
<b>Total Chapter 13</b>	<b>193</b>	<b>-</b>	<b>19</b>	<b>212</b>	<b>8</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>220</b>	
1400 Medical service	9	-	-	9	4	-	4	4	13	
<b>Total Chapter 14</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>13</b>	
1500 Training	81	-	0	81	32	-	32	32	113	
<b>Total Chapter 15</b>	<b>81</b>	<b>-</b>	<b>0</b>	<b>81</b>	<b>32</b>	<b>-</b>	<b>32</b>	<b>32</b>	<b>113</b>	
1600 External services	290	-	320	611	39	-	39	39	650	
<b>Total Chapter 16</b>	<b>290</b>	<b>-</b>	<b>320</b>	<b>611</b>	<b>39</b>	<b>-</b>	<b>39</b>	<b>39</b>	<b>650</b>	
1700 Representation, receptions and events and miscellaneous staff costs	14	-	2	16	4	-	4	4	20	
<b>Total Chapter 17</b>	<b>14</b>	<b>-</b>	<b>2</b>	<b>16</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>20</b>	
<b>Total Title 1</b>	<b>3 004</b>	<b>-</b>	<b>(90)</b>	<b>2 914</b>	<b>91</b>	<b>0</b>	<b>91</b>	<b>91</b>	<b>3 004</b>	

## 5.2.2. Breakdown &amp; changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000 Rent	80	-	5	85	17	-	17	102
2001 Insurance	3	-	(1)	2	-	-	-	2
2002 Water, gas, electricity and heating	38	-	(2)	35	4	-	4	39
2004 Fitting-out and maintenance of premises	3	-	1	4	-	-	-	4
2005 Security and surveillance of buildings	39	-	9	49	6	-	6	54
<b>Total Chapter 20</b>	<b>163</b>	<b>-</b>	<b>13</b>	<b>175</b>	<b>26</b>	<b>-</b>	<b>26</b>	<b>202</b>
2100 Computer equipment	75	-	(3)	72	12	-	12	84
2101 Software	13	-	4	17	1	-	1	18
2102 Other external data processing services	269	-	15	284	8	-	8	292
<b>Total Chapter 21</b>	<b>357</b>	<b>-</b>	<b>16</b>	<b>373</b>	<b>21</b>	<b>-</b>	<b>21</b>	<b>394</b>
2210 Furniture	6	-	20	26	-	-	-	26
<b>Total Chapter 22</b>	<b>6</b>	<b>-</b>	<b>20</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26</b>
2300 Stationery and office supplies	17	-	13	30	1	-	1	31
2330 Legal expenses	3	-	(2)	1	-	-	-	1
2359 Other operating expenses	138	-	53	191	31	-	31	222
<b>Total Chapter 23</b>	<b>158</b>	<b>-</b>	<b>64</b>	<b>222</b>	<b>32</b>	<b>-</b>	<b>32</b>	<b>254</b>
2400 Postage and delivery charges	3	-	(1)	1	0	-	0	1
2410 Telecommunication charges	33	-	(15)	18	1	-	1	19
<b>Total Chapter 24</b>	<b>36</b>	<b>-</b>	<b>(17)</b>	<b>19</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>20</b>
2500 Meetings in general	25	-	(11)	14	-	-	-	14
<b>Total Chapter 25</b>	<b>25</b>	<b>-</b>	<b>(11)</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>
<b>Total Title 2</b>	<b>744</b>	<b>-</b>	<b>85</b>	<b>829</b>	<b>80</b>	<b>-</b>	<b>80</b>	<b>909</b>

5.2.3. Breakdown & changes in payment appropriations – Title 3

		Budget appropriations				Additional appropriations			Total	Total
Item		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
3001	Support to the BEREC expert working groups	435	–	52	487	129	–	129	615	
3002	Activities under Articles 7 and 7a framework directive	15	–	(10)	5	–	–	–	5	
<b>Total Chapter 30</b>		<b>450</b>	<b>–</b>	<b>42</b>	<b>492</b>	<b>129</b>	<b>–</b>	<b>129</b>	<b>621</b>	
3101	Other support activities to BEREC and NRAs	1 503	–	(36)	1 467	444	–	444	1 911	
<b>Total Chapter 31</b>		<b>1 503</b>	<b>–</b>	<b>(36)</b>	<b>1 467</b>	<b>444</b>	<b>–</b>	<b>444</b>	<b>1 911</b>	
<b>Total Title 3</b>		<b>1 953</b>	<b>–</b>	<b>6</b>	<b>1 959</b>	<b>573</b>	<b>–</b>	<b>573</b>	<b>2 532</b>	
<b>GRAND TOTAL</b>		<b>5 701</b>	<b>–</b>	<b>–</b>	<b>5 701</b>	<b>744</b>	<b>0</b>	<b>744</b>	<b>6 445</b>	

EUR '000

## 5.3. Implementation of commitment appropriations

### 5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1100 Basic salaries	870	870	-	-	870	100 %	-	-	-	-	-	0	0
1101 Family allowances	172	172	-	-	172	100 %	-	-	-	-	-	-	-
1102 Expatriation and foreign-residence allowances	155	155	-	-	155	100 %	-	-	-	-	-	-	-
1110 Contract staff	455	455	-	-	455	100 %	-	-	-	-	-	-	-
1111 Seconded national experts	214	214	-	-	214	100 %	-	-	-	-	-	-	-
1120 Insurance against sickness	41	41	-	-	41	100 %	-	-	-	-	-	-	-
1121 Insurance against accidents and occupation disease	5	5	-	-	5	100 %	-	-	-	-	-	-	-
1122 Insurance against unemployment	16	16	-	-	16	100 %	-	-	-	-	-	-	-
1130 Childbirth and death allowances and grants	0	0	-	-	0	100 %	-	-	-	-	-	-	-
1131 Travel expenses for annual leave	24	24	-	-	24	100 %	-	-	-	-	-	-	-
<b>Total Chapter 11</b>	<b>1 950</b>	<b>1 950</b>	<b>-</b>	<b>-</b>	<b>1 950</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>
1200 Travel expenses	18	18	-	-	18	100 %	-	-	-	-	-	-	-
1210 Travel expenses on entering/leaving	1	1	-	-	1	100 %	-	-	-	-	-	-	-
1213 Daily subsistence allowances	15	15	-	-	15	100 %	-	-	-	-	-	-	-
<b>Total Chapter 12</b>	<b>35</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1300 Mission expenses, duty travel expenses and other ancillary expenditure	212	212	-	-	212	100 %	-	-	-	-	-	-	-
<b>Total Chapter 13</b>	<b>212</b>	<b>212</b>	<b>-</b>	<b>-</b>	<b>212</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1400 Medical service	9	9	-	-	9	100 %	-	-	-	-	-	-	-
Total Chapter 14	9	9	-	-	9	100 %	-	-	-	-	-	-	-
1500 Training	81	81	-	-	81	100 %	-	-	-	-	-	-	-
Total Chapter 15	81	81	-	-	81	100 %	-	-	-	-	-	-	-
1600 External services	611	610	-	-	610	100 %	-	-	-	1	-	-	1
Total Chapter 16	611	610	-	-	610	100 %	-	-	-	1	-	-	1
1700 Representation, receptions and events and miscellaneous staff costs	16	16	-	-	16	99 %	-	-	-	0	-	-	0
Total Chapter 17	16	16	-	-	16	99 %	-	-	-	0	-	-	0
<b>Total Title 1</b>	<b>2 914</b>	<b>2 912</b>	<b>-</b>	<b>-</b>	<b>2 912</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>0</b>	<b>1</b>

## 5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
2000 Rent	85	85	-	-	85	100 %	-	-	-	-	-	-	-
2001 Insurance	2	2	-	-	2	100 %	-	-	-	-	-	-	-
2002 Water, gas, electricity and heating	35	35	-	-	35	100 %	-	-	-	-	-	-	-
2004 Fitting-out and maintenance of premises	4	4	-	-	4	100 %	-	-	-	-	-	-	-
2005 Security and surveillance of buildings	49	49	-	-	49	100 %	-	-	-	-	-	-	-
<b>Total Chapter 20</b>	<b>175</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>175</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2100 Computer equipment	72	72	-	-	72	100 %	-	-	-	-	-	-	-
2101 Software	17	17	-	-	17	100 %	-	-	-	-	-	-	-
2102 Other external data processing services	284	284	-	-	284	100 %	-	-	-	-	-	-	-
<b>Total Chapter 21</b>	<b>373</b>	<b>373</b>	<b>-</b>	<b>-</b>	<b>373</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2210 Furniture	26	26	-	-	26	100 %	-	-	-	-	-	-	-
<b>Total Chapter 22</b>	<b>26</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2300 Stationery and office supplies	30	30	-	-	30	100 %	-	-	-	0	-	-	0
2330 Legal expenses	1	1	-	-	1	100 %	-	-	-	-	-	-	-
2359 Other operating expenses	191	191	-	-	191	100 %	-	-	-	-	-	-	-
<b>Total Chapter 23</b>	<b>222</b>	<b>222</b>	<b>-</b>	<b>-</b>	<b>222</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>
2400 Postage and delivery charges	1	1	-	-	1	100 %	-	-	-	-	-	-	-
2410 Telecommunication charges	18	18	-	-	18	100 %	-	-	-	-	-	-	-
<b>Total Chapter 24</b>	<b>19</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2500 Meetings in general	14	14	-	-	14	100 %	-	-	-	-	-	-	-
<b>Total Chapter 25</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Title 2</b>	<b>829</b>	<b>829</b>	<b>-</b>	<b>-</b>	<b>829</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>

## 5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
3001 Support to the BEREC expert working groups	487	487	-	-	487	100 %	-	-	-	-	-	-	-
3002 Activities under Articles 7 and 7a framework directive	5	5	-	-	5	100 %	-	-	-	-	-	-	-
3101 Other support activities to BEREC and NRAs	1 467	1 464	-	-	1 464	100 %	-	-	-	3	-	-	3
<b>Total Chapter 31</b>	<b>1 467</b>	<b>1 464</b>	<b>-</b>	<b>-</b>	<b>1 464</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Total Title 3</b>	<b>1 959</b>	<b>1 956</b>	<b>-</b>	<b>-</b>	<b>1 956</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>GRAND TOTAL</b>	<b>5 701</b>	<b>5 697</b>	<b>-</b>	<b>-</b>	<b>5 697</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>0</b>	<b>4</b>

## 5.4. Implementation of payment appropriations

### 5.4.1. Implementation of payment appropriations - Title 1

EUR '000

Item	Total approp. availab.	Payments made						Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
1100 Basic salaries	870	870	-	-	870	100 %	-	-	-	-	-	-	-	0	0
1101 Family allowances	172	172	-	-	172	100 %	-	-	-	-	-	-	-	-	-
1102 Expatriation and foreign-residence allowances	155	155	-	-	155	100 %	-	-	-	-	-	-	-	-	-
1110 Contract staff	455	455	-	-	455	100 %	-	-	-	-	-	-	-	-	-
1111 Seconded national experts	214	213	0	-	214	100 %	1	-	-	1	-	0	-	0	0
1120 Insurance against sickness	41	41	-	-	41	100 %	-	-	-	-	-	-	-	-	-
1121 Insurance against accidents and occupation disease	5	5	-	-	5	100 %	-	-	-	-	-	-	-	-	-
1122 Insurance against unemployment	16	16	-	-	16	100 %	-	-	-	-	-	-	-	-	-
1130 Childbirth and death allowances and grants	0	0	-	-	0	100 %	-	-	-	-	-	-	-	-	-
1131 Travel expenses for annual leave	24	24	-	-	24	100 %	-	-	-	-	-	-	-	-	-
<b>Total Chapter 11</b>	<b>1 951</b>	<b>1 950</b>	<b>0</b>	<b>-</b>	<b>1 950</b>	<b>100 %</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1200 Travel expenses	22	18	3	-	22	100 %	-	-	-	-	-	-	-	-	-
1210 Travel expenses on entering/leaving	1	1	-	-	1	100 %	-	-	-	-	-	-	-	-	-
1213 Daily subsistence allowances	15	15	-	-	15	100 %	-	-	-	-	-	-	-	-	-
<b>Total Chapter 12</b>	<b>38</b>	<b>35</b>	<b>3</b>	<b>-</b>	<b>38</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1300 Mission expenses, duty travel expenses and other ancillary	220	204	8	-	211	96 %	9	-	-	9	-	0	-	0	0

Annual accounts of the Agency for Support for BEREC for 2019

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
expenditure														
Total Chapter 13	220	204	8	-	211	96 %	9	-	-	9	-	0	-	0
1400 Medical service	13	7	4	-	11	85 %	2	-	-	2	-	-	-	-
Total Chapter 14	13	7	4	-	11	85 %	2	-	-	2	-	-	-	-
1500 Training	113	63	31	-	94	83 %	18	-	-	18	-	1	-	1
Total Chapter 15	113	63	31	-	94	83 %	18	-	-	18	-	1	-	1
1600 External services	650	451	39	-	490	75 %	159	-	-	159	1	1	-	2
Total Chapter 16	650	451	39	-	490	75 %	159	-	-	159	1	1	-	2
1700 Representation, receptions and events and miscellaneous staff costs	20	14	1	-	15	77 %	2	-	-	2	0	2	-	2
Total Chapter 17	20	14	1	-	15	77 %	2	-	-	2	0	2	-	2
<b>Total Title 1</b>	<b>3 004</b>	<b>2 723</b>	<b>86</b>	<b>-</b>	<b>2 809</b>	<b>93 %</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>189</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>6</b>

## 5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
2000 Rent	102	68	17	-	85	83 %	17	-	-	17	-	-	-	-
2001 Insurance	2	2	-	-	2	100 %	-	-	-	-	-	-	-	-
2002 Water, gas, electricity and heating	39	32	4	-	36	91 %	3	-	-	3	-	-	-	-
2004 Fitting-out and maintenance of premises	4	2	-	-	2	49 %	2	-	-	2	-	-	-	-
2005 Security and surveillance of buildings	54	44	6	-	50	92 %	5	-	-	5	-	-	-	-
<b>Total Chapter 20</b>	<b>202</b>	<b>148</b>	<b>26</b>	<b>-</b>	<b>174</b>	<b>86 %</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2100 Computer equipment	84	52	12	-	64	76 %	20	-	-	20	-	-	-	-
2101 Software	18	17	1	-	17	97 %	1	-	-	1	-	-	-	-
2102 Other external data processing services	292	199	8	-	207	71 %	85	-	-	85	-	-	-	-
<b>Total Chapter 21</b>	<b>394</b>	<b>267</b>	<b>21</b>	<b>-</b>	<b>289</b>	<b>73 %</b>	<b>106</b>	<b>-</b>	<b>-</b>	<b>106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2210 Furniture	26	17	-	-	17	66 %	9	-	-	9	-	-	-	-
<b>Total Chapter 22</b>	<b>26</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>66 %</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2300 Stationery and office supplies	31	25	1	-	26	84 %	5	-	-	5	0	0	-	0
2330 Legal expenses	1	-	-	-	-	0 %	1	-	-	1	-	-	-	-
2359 Other operating expenses	222	157	25	-	182	82 %	34	-	-	34	-	6	-	6
<b>Total Chapter 23</b>	<b>254</b>	<b>182</b>	<b>26</b>	<b>-</b>	<b>208</b>	<b>82 %</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>0</b>	<b>6</b>	<b>-</b>	<b>6</b>
2400 Postage and delivery charges	1	1	0	-	1	92 %	0	-	-	0	-	-	-	-
2410 Telecommunication charges	19	15	1	-	16	85 %	3	-	-	3	-	0	-	0
<b>Total Chapter 24</b>	<b>20</b>	<b>16</b>	<b>1</b>	<b>-</b>	<b>17</b>	<b>86 %</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>
2500 Meetings in general	14	14	-	-	14	100 %	-	-	-	-	-	-	-	-
<b>Total Chapter 25</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Title 2</b>	<b>909</b>	<b>644</b>	<b>75</b>	<b>-</b>	<b>719</b>	<b>79 %</b>	<b>184</b>	<b>-</b>	<b>-</b>	<b>184</b>	<b>0</b>	<b>6</b>	<b>-</b>	<b>6</b>

5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
3001 Support to the BEREC expert working groups	615	430	126	-	556	90 %	56	-	-	56	-	3	-	3
3002 Activities under Articles 7 and 7a framework directive	5	2	-	-	2	44 %	3	-	-	3	-	-	-	-
<b>Total Chapter 30</b>	<b>621</b>	<b>433</b>	<b>126</b>	<b>-</b>	<b>559</b>	<b>90 %</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
3101 Other support activities to BEREC and NRAs	1 911	875	429	-	1 303	68 %	590	-	-	590	3	15	-	18
<b>Total Chapter 31</b>	<b>1 911</b>	<b>875</b>	<b>429</b>	<b>-</b>	<b>1 303</b>	<b>68 %</b>	<b>590</b>	<b>-</b>	<b>-</b>	<b>590</b>	<b>3</b>	<b>15</b>	<b>-</b>	<b>18</b>
<b>Total Title 3</b>	<b>2 532</b>	<b>1 307</b>	<b>555</b>	<b>-</b>	<b>1 862</b>	<b>74 %</b>	<b>649</b>	<b>-</b>	<b>-</b>	<b>649</b>	<b>3</b>	<b>18</b>	<b>-</b>	<b>21</b>
<b>GRAND TOTAL</b>	<b>6 445</b>	<b>4 674</b>	<b>716</b>	<b>-</b>	<b>5 390</b>	<b>84 %</b>	<b>1 023</b>	<b>-</b>	<b>-</b>	<b>1 023</b>	<b>4</b>	<b>28</b>	<b>0</b>	<b>33</b>

## 6. OUTSTANDING COMMITMENTS

### 6.1. Outstanding commitments– Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	
1100 Basic salaries	-	-	-	-	870	870	-	-	-
1101 Family allowances	-	-	-	-	172	172	-	-	-
1102 Expatriation and foreign-residence allowances	-	-	-	-	155	155	-	-	-
1110 Contract staff	-	-	-	-	455	455	-	-	-
1111 Seconded national experts	0	(0)	0	-	214	213	1	0	0
1120 Insurance against sickness	-	-	-	-	41	41	-	-	-
1121 Insurance against accidents and occupation disease	-	-	-	-	5	5	-	-	-
1122 Insurance against unemployment	-	-	-	-	16	16	-	-	-
1130 Childbirth and death allowances and grants	-	-	-	-	0	0	-	-	-
1131 Travel expenses for annual leave	-	-	-	-	24	24	-	-	-
<b>Total chapter 11</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>-</b>	<b>1 950</b>	<b>1 950</b>	<b>1</b>	<b>0</b>	<b>0</b>
1200 Travel expenses	3	-	3	-	18	18	-	-	-
1210 Travel expenses on entering/leaving	-	-	-	-	1	1	-	-	-
1213 Daily subsistence allowances	-	-	-	-	15	15	-	-	-
<b>Total chapter 12</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>35</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>
1300 Mission expenses, duty travel expenses and other ancillary expenditure	8	(0)	8	-	212	204	-	9	9
<b>Total chapter 13</b>	<b>8</b>	<b>(0)</b>	<b>8</b>	<b>-</b>	<b>212</b>	<b>204</b>	<b>-</b>	<b>9</b>	<b>9</b>

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1400 Medical service	4	-	4	-	9	7	-	2	2
Total chapter 14	4	-	4	-	9	7	-	2	2
1500 Training	32	(1)	31	-	81	63	-	18	18
Total chapter 15	32	(1)	31	-	81	63	-	18	18
1600 External services	39	(1)	39	-	610	451	-	159	159
Total chapter 16	39	(1)	39	-	610	451	-	159	159
1700 Representation, receptions and events and miscellaneous staff costs	4	(2)	1	-	16	14	-	2	2
Total chapter 17	4	(2)	1	-	16	14	-	2	2
<b>Total Title 1</b>	<b>91</b>	<b>(5)</b>	<b>86</b>	<b>-</b>	<b>2 912</b>	<b>2 723</b>	<b>1</b>	<b>189</b>	<b>189</b>

## 6.2. Outstanding commitments – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	
2000 Rent	17	-	17	-	85	68	-	17	17
2001 Insurance	-	-	-	-	2	2	-	-	-
2002 Water, gas, electricity and heating	4	-	4	-	35	32	-	3	3
2004 Fitting-out and maintenance of premises	-	-	-	-	4	2	-	2	2
2005 Security and surveillance of buildings	6	-	6	-	49	44	-	5	5
<b>Total chapter 20</b>	<b>26</b>	<b>-</b>	<b>26</b>	<b>-</b>	<b>175</b>	<b>148</b>	<b>-</b>	<b>27</b>	<b>27</b>
2100 Computer equipment	12	-	12	-	72	52	-	20	20
2101 Software	1	-	1	-	17	17	-	1	1
2102 Other external data processing services	8	-	8	-	284	199	-	85	85
<b>Total chapter 21</b>	<b>21</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>373</b>	<b>267</b>	<b>-</b>	<b>106</b>	<b>106</b>
2210 Furniture	-	-	-	-	26	17	-	9	9
<b>Total chapter 22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>17</b>	<b>-</b>	<b>9</b>	<b>9</b>
2300 Stationery and office supplies	1	(0)	1	-	30	25	-	5	5
2330 Legal expenses	-	-	-	-	1	-	-	1	1
2359 Other operating expenses	31	(6)	25	-	191	157	-	34	34
<b>Total chapter 23</b>	<b>32</b>	<b>(6)</b>	<b>26</b>	<b>-</b>	<b>222</b>	<b>182</b>	<b>-</b>	<b>40</b>	<b>40</b>
2400 Postage and delivery charges	0	-	0	-	1	1	-	0	0
2410 Telecommunication charges	1	(0)	1	-	18	15	-	3	3
<b>Total chapter 24</b>	<b>1</b>	<b>(0)</b>	<b>1</b>	<b>-</b>	<b>19</b>	<b>16</b>	<b>-</b>	<b>3</b>	<b>3</b>
2500 Meetings in general	-	-	-	-	14	14	-	-	-
<b>Total chapter 25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Title 2</b>	<b>80</b>	<b>(6)</b>	<b>75</b>	<b>-</b>	<b>829</b>	<b>644</b>	<b>-</b>	<b>184</b>	<b>184</b>

### 6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancel-lations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	
3001 Support to the BEREC expert working groups	129	(3)	126	–	487	430	–	56	56
3002 Activities under Articles 7 and 7a framework directive	–	–	–	–	5	2	–	3	3
<b>Total chapter 30</b>	<b>129</b>	<b>(3)</b>	<b>126</b>	<b>–</b>	<b>492</b>	<b>433</b>	<b>–</b>	<b>59</b>	<b>59</b>
3101 Other support activities to BEREC and NRAs	444	(15)	429	–	1 464	875	–	590	590
<b>Total chapter 31</b>	<b>444</b>	<b>(15)</b>	<b>429</b>	<b>–</b>	<b>1 464</b>	<b>875</b>	<b>–</b>	<b>590</b>	<b>590</b>
<b>Total Title 3</b>	<b>573</b>	<b>(18)</b>	<b>555</b>	<b>–</b>	<b>1 956</b>	<b>1 307</b>	<b>–</b>	<b>649</b>	<b>649</b>
<b>GRAND TOTAL</b>	<b>744</b>	<b>(28)</b>	<b>716</b>	<b>–</b>	<b>5 697</b>	<b>4 674</b>	<b>1</b>	<b>1 022</b>	<b>1 022</b>

## 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.

### Accounting Officer

The role, powers and responsibilities of the accounting officer are set out in the Financial Regulation:

- proper implementation of payments,
- collection of revenue,
- recovery of amounts and offsetting,
- keeping, preparing and presenting the accounts,
- laying down the accounting rules and methods and the chart of accounts,
- laying down and validating the accounting systems and validating systems laid down by the authorising officer to supply or justify accounting information (local systems),
- treasury management,
- designation of the Imprest Administrators,
- opening and closing bank accounts in the name of the Institution.

### 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 approved by the Budgetary Authority.

Cf. Budget

### 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 and commitment appropriations equal payment appropriations.

#### Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure.

Main sources of external assigned revenue *are financial contributions from third countries to programmes financed by the Union.*

*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.

#### Authorising Officer by Delegation (AOD)

The AOD is responsible in each entity 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.

The AOD is responsible for taking all financial decision concerning actions under his/her responsibility. Particularly, he/she must take decisions to implement the budget based on his/her risk analysis.

#### 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 result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences.

For agencies, the resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for agencies.

#### 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.

#### Budgetary authority

Institutions with decisional powers on budgetary matters: for the EU institutions, the European Parliament and the Council of Ministers.

For the agencies and joint undertakings, their board is the budgetary authority.

#### 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. Financial Regulation Art. 7: *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. Financial Regulation Art. 7: *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.

For reference, Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

### Funds Source

Type of appropriations

### 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 Treaty on the Functioning of the European Union. 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.

Only for joint undertakings, as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called "N+3" rule). Hence, lapsing appropriations for JUs could be re-activated until financial year "N+3".

### Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty on the Functioning of the European Union giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain articles from the treaty 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. (Financial Regulation Art. 9). 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

Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid or legal commitments having not fully given rise to liquidation by payments. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

### Outturn

Cf. Budget result

### Payment

A payment is a 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 (Financial Regulation Art. 7).

### RAL

Sum of outstanding commitments. Cf. Outstanding commitments

### Recovery

The recovery order is the procedure by which the Authorising officer by Delegation (AOD) 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.

### Result

Cf. Budget result

### 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 (Cf. 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. However, they are expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The Financial Regulation identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.