

Body of European Regulators
for Electronic Communications

BEREC
OFFICE

Annual accounts of the
Agency for Support for
BEREC

(the BEREC Office)

Financial year 2020

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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')¹ and I hereby certify that the annual accounts of the BEREC Office for the year 2020 have been prepared in accordance with the 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 BEREC Office's 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**

¹ 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 NOTE

1.1. General background on the entity

Establishment

The BEREC Office is an (EU) Agency for Support for the Body of European Regulators for Electronic Communications (BEREC). It was established by Regulation (EU) No 2018/1971 of the European Parliament and of the Council of 11 December 2018, replacing the previous Regulation (EC) No 1211/2009. The BEREC Office seat is in Riga, Latvia.

Mission

The BEREC Office is an EU Agency supporting BEREC in the fulfilment of its mission to ensure the consistent implementation of the European regulatory framework for electronic communications. To achieve this, the BEREC Office provides all necessary professional and administrative support for the work of BEREC, including financial, organisational and ICT services, and contributes to BEREC's regulatory work for the benefit of people in Europe.

Main operational activities

In order to fulfill the mission, the Office has the following tasks:

- To provide professional and administrative support services to BEREC, in particular in fulfilling its regulatory tasks;
- To collect information from the national regulatory authorities (NRAs) and to exchange and transmit information in relation to the regulatory tasks assigned to BEREC;
- To produce, 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;
- To disseminate regulatory best practices among NRAs;
- To assist BEREC in establishing and maintaining registries and databases, in establishing and managing an information and communications system and in conducting public consultations;
- To assist in the preparation of the work and provide other administrative and content-related support to ensure the smooth functioning of the Board of Regulators;
- To assist 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;
- To carry out other tasks assigned to it by this Regulation or by other legal acts of the Union.

Governance

BEREC Office is headed by a Director, who is in charge of the administrative management of the BEREC Office. The Director is appointed by a Management Board which is responsible for the Agency's governance.

The Management Board is composed of the persons appointed as members of the Board of Regulators and of one high level representative of the Commission. Each member of the Management Board has the right to vote. Each appointing NRA may appoint a person other than the member of the Board of Regulators as member of the Management Board. That person shall be the head of the NRA, a member of its collegiate body, or the replacement of either of them.

Sources of financing

The main source of the BEREC Office revenue is the subsidy from the EU.

Additionally, the BEREC Office collects third countries (including EFTA and candidate countries) contribution in accordance with the signed working arrangements.

1.2. Annual accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the Framework Financial Regulation (FFR)². As per this regulation, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

Accounting Officer

In accordance with the FFR, the Management Board of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts, which are consolidated in those of the EU.

Following the decision MC/2016/03 of the BEREC Management Board of 26 February 2016, the Accounting Officer of the Commission shall, as of 18 April 2016, act as the Accounting Officer of BEREC Office.

Composition of the annual accounts

The annual accounts cover the period from 1 January to 31 December and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

Process from provisional accounts to discharge

The provisional annual accounts prepared by the Accounting Officer are transmitted, by 1 March of the following year, to the European Court of Auditors (ECA) and to the audit company selected by the entity. Following the audit, the Accounting Officer prepares the final annual accounts and submits them to the Management Board for opinion.

The final annual accounts, together with the opinion of the Management Board, are sent to the Accounting Officer of the Commission, the Court of Auditors, the European Parliament and the Council by 1 July of the following financial year. The ECA scrutinises the final annual accounts and includes any findings in the annual report for the European Parliament and the Council.

It falls to the Council to recommend, and then to the European Parliament to decide, whether to grant discharge to the Director in respect of the implementation of the budget for a given financial year. Amongst other elements this decision is also based on a review of the accounts and the annual report of the ECA.

² 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

1.3. Operational highlights

Achievement of the year

In 2020, the Body of European Regulators for Electronic Communications (BEREC) has effectively delivered the expected results in accordance with its Work Programme 2020³. The Agency has demonstrated rapid adaptability to the COVID-19 crisis by adjusting its infrastructure to an on-line mode of provision of support to BEREC, 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.

In particular, the introduction of new forms of online meetings using audio-visual conference facilities, live streaming services and online-voting tools ensured the Office and BEREC continued its operations with hardly any disruption. The fast adaption of the staff of the Office to the new circumstances and new patterns of work - dictated by the pandemic - was another element to contribute to the delivery of the work programme.

Understanding the emerging necessity for urgent environmental actions, BEREC and the BEREC Office have added, in 2020, among their expertise a sustainability group. They have committed resources towards a greener mode of operation. The objective of this group is twofold. Firstly, from the internal dimension the group aims to propose tools and actions that will reduce the environmental footprint of relevant operations. The second objective, focusing on the market, aims to identify the regulatory interventions that will reduce the environmental effects of production and usage of telecommunication equipment and services.

Adapting to the restrictions created by COVID-19, BEREC and BEREC Office resumed their activities and meetings in virtual form as of March 2020. The BEREC Office invested additional resources in improving the IT infrastructure for supporting the on-line BEREC events, which made possible the organisation of more events simultaneously and allowing more experts to take part in the meetings. The number of events organized virtually increased greatly. For example, there were 543 BEREC Working Group meetings held and 9 workshops organized during the course of the year for BEREC Working Groups. The number of experts participating in virtual events increased significantly, resulting in more than 8 000 experts who took part virtually in the events. Such an achievement in having a high number of participants would have never been reached if the events had been held in a physical format.

Another achievement among operational activities was the conclusion of several contracts following the procurement processes for fulfilling deliverables of the Work Programme.

These were:

- Contract for provision of the study on consumer behaviour & attitudes towards digital platforms as means of communication;
- Contract for provision of the study on evaluation and impact assessment services on the effect of electronic communications on the environment;
- Contract for Acquisition of historical datasets for calculation of certain parameters underlying Weighted Average Cost of Capital (WACC);
- Contract for Acquisition of financial software for calculation of financial parameters underlying the WACC;
- Contract for provision of training courses to BEREC community on regulatory framework for electronic communications and other topics related to BEREC activities.

The introduction of new forms of online meetings and events allowed BEREC and the BEREC Office could continue its operations smoothly and continuously. The BEREC Office improved the existing video conferencing infrastructure by introducing a new tailor-made videoconference solution. It upgraded the video conference system in the BEREC premises in Brussels, even under COVID 19 restrictions. It also ensured a new video streaming solution with live captioning and advanced features for audience engagement. A new way of handling electronic voting procedures was established by introducing a new voting tool. These developments and investment in ICT infrastructure were possible due to savings generated in other operational areas, mainly reimbursement of experts and organization of physical meetings. Because of restrictions caused by COVID-19 this expenditure did not materialize.

³ https://berec.europa.eu/eng/document_register/subject_matter/berec_office/office_annual_work_programmes/8997-draft-single-programming-document-of-the-activities-of-the-agency-for-support-for-berec-berec-office-for-the-period-2021-2023

The benefits of having virtual meetings brought willingness from our stakeholders and BEREC members to have more frequent meetings, compared to the established tradition in previous years. In 2020, in addition to traditional meetings and events, BEREC Office organised two extraordinary contact network meetings, an extraordinary plenary meeting and moreover, two virtual BEREC Stakeholder forums, instead of the usual annual event.

The new BEREC website development was kicked-off, divided into two major projects: development of the new content management system and migration of the current website on the new platform that is in progress; and the website design and content development – to be started in 2021.

In order to fulfil the requirements of the European Electronic Communications Code (EECC) and the BEREC Regulation, BEREC Office:

- upgraded the existing online platform BERECNet into an information and communication system - BERECNet+ (Art 41 BEREC Regulation);
- supported the establishment of a General Authorization Database (Art 4.1 I (i) BEREC Regulation);
- supported the establishment a database of information and communication system (Art 4.1 I (ii) BEREC Regulation).

Budget and budgetary implementation

The budget of the BEREC Office is distributed in 3 Titles, as follows:

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 related to the functioning of the BEREC Office such as administrative costs on infrastructure, equipment and IT needs.

Title 3 corresponds to the Agency's operational activities in support to BEREC.

The 2020 BEREC Office Budget (revenue and expenditure), as adopted by the BEREC Office Management Board, amounted to kEUR 7 234 for both commitments and payments (in 2019 – kEUR 5 701). In 2020 the BEREC Office cashed kEUR 7 218 out of the total revenue voted by the Management Board, which constituted 99.78 % of revenue collection.

Commitment appropriations had an implementation of kEUR 7 167 (99% of the total amount available for commitment appropriations) and kEUR 4 422 were paid (65% of the total amount of available payment appropriations).

Overview of budget execution over the last 5 years

Year	Total budget	Commitment execution	%	Payment execution	%
2020	7 233 652,74	7 166 595,79	99,07%	4 422 493,91	61,14%
2019	5 701 000,00	5 696 939,89	99,93%	4 674 263,82	81,99%
2018	4 331 000,00	4 324 758,70	99,86%	3 580 804,46	82,68%
2017	4 246 000,00	4 243 465,01	99,94%	3 690 674,14	86,92%
2016	4 246 000,00	4 084 575,06	96,20%	3 277 546,69	77,19%

Compared to previous years the level of budget execution of commitments could be considered as being at the usual levels and in any event within the threshold established by the Management Board (MB) for budget execution, namely above 95 % of the appropriations available for commitments.

In terms of payment appropriations, the level of payments is at the lowest compared to the previous 4 years. The overall reason for the low payment rate is the need to re-design many projects financed from the BEREC Office budget, incl. in support to BEREC, in the context of the outbreak of COVID-19. The expenditure under Title 3 was specifically affected by the crisis due to the originally planned high level of

payments related to physical BEREC meetings or other events, which needed to be redesigned. Consequently, the level of payments under Title 3 reached during 2020 was only 18%, as shown below.

Carry overs

Amount of kEUR 2 744 (38% of total established commitments) were carried-over from 2020 for payments still to be processed in 2021 (C8/2021).

Carry-over of appropriations from 2020 to 2021 (kEUR 2 744) relates to:

Title 1: Staff related costs, such as:

- expenses related to services provided in 2020 by the European Commission (EC) to the BEREC Office, which will be invoiced in 2021, such as: PMO fees, training fees, production of EC staff badges, issuing laissez-passer and others;
- liabilities under contracts concluded in 2020 for provision of schooling to children of the BEREC Office staff and for the interim workers' services, for which service delivery will continue in 2021.

Title 2: Building, equipment and miscellaneous operating expenditure:

- invoices for services and supplies (including IT) delivered in 2020 for premises' utilities, security services, consumables, postal and telecommunications services, IT purchases and related services, for which invoices will be received in 2021;
- expenses related to services provided in 2020 by the EC to the BEREC Office for use of EC IT applications and other services, such as: EC document management and archiving system HAN (HERMES-Ares-NomCom), EC Accounting Officer services;
- IT equipment and services (incl. consultancy services for development of a new ABM tool) for the BEREC Office ordered under contracts signed by 31 December 2020, which will be delivered in 2021.

Title 3: Operational expenditure in support to BEREC:

- expenses for acquisition of the study on consumer behaviour towards digital platforms as a means of communication;
- expenses for organisation of trainings on regulatory issues for experts from the national regulatory authorities;
- expenses under SC for setup and execution of services on the BERECNET+ ;
- liabilities under contracts for provision of ICT Support to BEREC concluded in 2020, for which monthly services will continue in 2021;
- other year-specific services contracted in 2020 for which the delivery of the service will continue in 2021: back-up and disaster recovery, update and optimization, unified communication services in the BEREC presence in Brussels, purchase of servers, delivery of BERECnet in cooperation with EUIPO.

The total carry-forward of payment appropriations from 2019 to 2020 (C8/2020) was kEUR 1 023 (17% of total commitments established in 2019). KEUR 39 (4%) were cancelled during 2020.

The amount, which was neither committed by the end of 2020 nor carried forward to 2021 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 2020 would remain below 95%, penalties amounting to a 2% reduction in the 2021 budget would be foreseen. This indicator for the BEREC Office is 99 %, meaning that kEUR 67 (1%) is to be returned to the EU Budget.

During 2020 the BEREC Office Director / Authorizing Officer carried out 5 transfers of appropriations allowed by the BEREC Office Financial Regulation⁴, in order to ensure the best use of the financial resources available to the BEREC Office. For details see the column "transfers" in the tables "breakdown and changes in commitment appropriations" and "breakdown and changes in payment appropriations".

⁴ 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://berec.europa.eu/eng/document_register/subject_matter/berec_office/decisions_of_the_management_board/3976-decision-of-the-berec-office-mc-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-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://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

Impact of the activities on the financial statements

In the financial statements, the impact of the above mentioned activities can be noted in the:

- Increase in revenues related to the subsidy from the European Commission by 25% (kEUR 5 669 in 2019 and kEUR 7 050 in 2020).
- Decrease of operating expenses by 20% (kEUR 1 913 in 2019 and kEUR 1 599 in 2020). The decrease by kEUR 314 is due to the re-design of many projects financed, the cancellation of physical meetings and other events in the context of the outbreak of COVID-19.
- Increase of the economic result of the year from a surplus of kEUR 164 in 2019 to a surplus of kEUR 1 280 in 2020, due to a greater increase – in absolute value – of revenues compared to expenses.

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.

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BALANCE SHEET

EUR '000

	Note	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2.1	119	131
		119	131
CURRENT ASSETS			
<i>Exchange receivables and non-exchange recoverables</i>	2.2	3 034	1 165
		3 034	1 165
TOTAL ASSETS		3 153	1 296
CURRENT LIABILITIES			
<i>Payables</i>	2.3	(188)	(48)
<i>Accrued charges and deferred income</i>	2.4	(777)	(340)
		(965)	(388)
TOTAL LIABILITIES		(965)	(388)
NET ASSETS		2 188	908
<i>Accumulated surplus</i>		908	744
<i>Economic result of the year</i>		1 280	164
NET ASSETS		2 188	908

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2020	2019
<i>EUR '000</i>			
REVENUE			
Revenue from non-exchange transactions			
<i>Subsidy from the Commission</i>	3.1	7 050	5 669
<i>Revenue contributions from third countries</i>	3.1	93	-
		7 143	5 669
Revenue from exchange transactions			
<i>Financial revenue and other exchange revenue</i>		1	0
		1	0
Total revenue		7 143	5 669
EXPENSES			
<i>Operating costs</i>	3.2	(1 599)	(1 913)
<i>Staff costs</i>	3.3	(2 417)	(1 986)
<i>Other expenses</i>	3.4	(1 848)	(1 607)
Total expenses		(5 864)	(5 505)
ECONOMIC RESULT OF THE YEAR		1 280	164

CASHFLOW STATEMENT⁵

EUR '000

	2020	2019
<i>Economic result of the year</i>	1 280	164
Operating activities		
<i>Depreciation and amortization</i>	62	59
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(1 869)	(302)
<i>Increase/(decrease) in payables</i>	139	25
<i>Increase/(decrease) in accrued charges & deferred income</i>	437	117
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(49)	(63)
NET CASHFLOW	-	-

⁵ 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. 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 and registered on intercompany accounts which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2018	563	181	744
<i>Allocation 2018 economic result</i>	181	(181)	-
<i>Economic result of the year</i>	-	164	164
BALANCE AS AT 31.12.2019	744	164	908
<i>Allocation 2019 economic result</i>	164	(164)	-
<i>Economic result of the year</i>	-	1 280	1 280
BALANCE AS AT 31.12.2020	908	1 280	2 188

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 stakeholders.

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	31.12.2020	31.12.2019	Currency	31.12.2020	31.12.2019
BGN	1.9558	1.9558	PLN	4.5597	4.2568
CZK	26.2420	25.4080	RON	4.8683	4.783
DKK	7.4409	7.4715	SEK	10.0343	10.4468
GBP	0.8990	0.8508	CHF	1.0802	1.0854
HRK	7.5519	7.4395	JPY	126.4900	121.9400
HUF	363.8900	330.5300	USD	1.2271	1.1234

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.

1.2.4. Application of new and amended European Union Accounting Rules (EAR)

New EAR which are effective for annual periods beginning on or after 1 January 2020

There are no new EAR which became effective for annual periods beginning on or after 1 January 2020.

New EAR adopted but not yet effective at 31 December 2020

On 17 December 2020 the Accounting Officer of the European Commission adopted the revised EAR 11 'Financial Instruments', which is effective for accounting periods beginning on or after 1 January 2021. The revised EAR 11 has been updated in line with the new IPSAS 41 'Financial Instruments' and establishes the principles for the financial reporting of the financial assets and financial liabilities held by the EU entities. For more information please refer to the EU annual accounts of 2020. No material impact of this change is expected due to the small amount of financial instruments in the financial statements of the entity.

1.3. BALANCE SHEET

1.3.1. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer 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>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

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

Leases

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.

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 an asset nor a liability recognised in the balance sheet.

1.3.2. 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 tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. 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.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.3. 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. Based on this classification the entity only has '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.

Initial recognition and measurement

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

Loans and receivables are carried at amortised cost using the effective interest method.

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.

1.3.4. 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.

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.

1.3.5. 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, or pre-financing received (see note **1.4.1**).

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount, at the moment 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. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.3.6. 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, or 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. These 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, revenue 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. For the EU entities, transfers mostly comprise funds received from the Commission (e.g. balancing subsidy to the traditional agencies, operating subsidy for the delegation agreements).

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.

(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 the incurring of liabilities that result in decreases in net assets. 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 either a possible obligation 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 where it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

A contingent liability also arises in the rare circumstances where a present obligation exists but cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the accounts. They are 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 consolidated annual accounts of the EU.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

	EUR '000				
	Plant and equipment	Furniture and vehicles	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2019</i>	1	40	170	132	344
<i>Additions</i>	-	2	39	9	49
<i>Disposals</i>	-	-	(6)	(34)	(40)
Gross carrying amount at 31.12.2020	1	42	203	107	353
<i>Accumulated depreciation at 31.12.2019</i>	(1)	(13)	(95)	(103)	(213)
<i>Depreciation charge for the year</i>	-	(4)	(35)	(21)	(60)
<i>Disposals</i>	-	-	5	34	39
Accumulated depreciation at 31.12.2020	(1)	(18)	(125)	(90)	(234)
NET CARRYING AMOUNT AT 31.12.2020	-	24	77	17	119
<i>NET CARRYING AMOUNT AT 31.12.2019</i>	-	27	75	29	131

2.2. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

Exchange transactions are transactions in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Non-exchange transactions are transactions in which an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

At 31.12.2020 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	
	31.12.2020	31.12.2019
Recoverables from non-exchange transactions		
<i>Member States</i>	218	343
<i>Third states</i>	16	-
	233	343
Receivables from exchange transactions		
<i>Central treasury liaison accounts</i>	2 611	711
<i>Deferred charges relating to exchange transactions</i>	177	110
<i>Customers</i>	3	-
<i>Others</i>	9	1
	2 800	822
Total	3 034	1 165

The heading recoverables from Member States comprises mainly VAT amounts to be recovered from the Latvian Tax Authorities. In accordance with the Seat Agreement⁶ 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 BEREC Office, the treasury of BEREC Office was integrated into the Commission's treasury system. Because of this, BEREC Office does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading Central treasury liaison accounts.

The increase in the central treasury amounts is primarily due to the under-implementation of the annual budget caused by the COVID 19 impacts on activities.

LIABILITIES

2.3. PAYABLES

Payables are liabilities to pay for goods or services that have been received or supplied and - unlike accrued charges - have already been invoiced or formally agreed with the supplier. Payables can relate to both exchange transactions (such as the purchase of goods and services) and non-exchange transactions (e.g. cost claims from beneficiaries of grants, pre-financing or other EU funding).

	EUR '000	
	31.12.2020	31.12.2019
<i>Current payables</i>	97	16
<i>Payables to the Commission</i>	91	32
Total	188	48

The amount payable to the Commission comprises the unused amount of the 2020 Commission subsidy that is to be reimbursed by the BEREC Office in 2021.

The increase in current payables by kEUR 81 is mainly due to the increase of purchase of goods and services; moreover operational IT related projects (unified communication services, web streaming ad-on for live translations and captioning project and video streaming and recording service project).

2.4. ACCRUED CHARGES AND DEFERRED INCOME

Accruals are liabilities to pay for goods or services that have been received or supplied but - unlike payables - have not yet been invoiced. or formally agreed with the supplier. They include amounts due to employees (e.g. accruals for untaken holidays). The calculation of accruals is based on the open amount of budgetary commitments at year-end. The portion of the estimated accrued charges relating to pre-financing paid has been recorded as a reduction of the pre-financing amounts.

At 31.12.2020 the BEREC Office does not have any deferred revenue. All the amounts under this heading comprise accrued charges.

	EUR '000	
	31.12.2020	31.12.2019
<i>Accrued charges</i>	777	340

The heading includes estimated operating expenses of kEUR 552, administrative expenses of kEUR 156 and staff expenses of kEUR 69.

⁶ 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

The accrued administrative expenses are mainly composed of non-IT services (kEUR 103), IT services (kEUR 30) and office maintenance and supplies (kEUR 23).

The accrued staff expenses include accrued charges for untaken leave of kEUR 69.

The increase of the total amount compared to 2019 is mainly related to operating activities started only during the last quarter of the year for which no invoice was received before the year end.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

3.1. NON-EXCHANGE REVENUE

Revenue from non-exchange transactions relates to transactions where the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange. The amounts included under this heading correspond mainly to the amounts of the Commission subsidy used during the current year and recoveries of operational expenses from beneficiaries issued during the year.

	<i>EUR '000</i>	
	2020	2019
<i>Commission subsidy</i>	7 050	5 669
<i>Revenue contribution from third countries</i>	93	-
Total	7 143	5 669

In 2020 the BEREC Office received the Commission subsidy of kEUR 7 140 in one single financial transfer. The amounts included under this heading correspond to the amounts of the Commission subsidy used during 2020. Unused amounts are recorded under accounts payable (see note **2.3**) and will be reimbursed to the Commission in 2021. The corresponding accrued expenses will be recorded in the financial statements of the Commission.

EXPENSES

3.2. OPERATING COSTS

	<i>EUR '000</i>	
	2020	2019
<i>Operating costs</i>	1 599	1 913

Operating costs 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).

The decrease by kEUR 314 is due to re-design of many projects financed, and the cancellation of physical meetings and other events in the context of the outbreak of COVID-19.

3.3. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment-related benefits. Based on the service level agreement between the entity and the Commission, the calculations of staff-related costs is carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO). The pensions of the entity 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 several factors, the most important of which is years of service. Both the entity staff and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the entity accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the entity, as the obligation falls to the Commission. Consequently, both the annual cost to the EU budget, and the future benefits payable to the entity staff, are accounted for in the Commission's annual accounts as part of its provision for pensions and other post-employment benefits. The pension costs included in the Commission's Statement of Financial Performance represent current service cost (rights accrued

during the year due to service) and interest cost (unwinding of the liability discounting) which have arisen following the year-end actuarial valuation of the employee benefits liabilities.

	EUR '000	
	2020	2019
<i>Staff costs</i>	2 417	1 986

3.4. OTHER EXPENSES

Included under this heading are expenses of administrative nature such as external non IT services, operating leasing expenses, communications and publications, training costs etc.

	EUR '000	
	2020	2019
<i>External non IT services</i>	1 016	733
<i>External IT services</i>	322	228
<i>Property, plant and equipment related expenses</i>	146	145
<i>Operating leasing expenses</i>	109	85
<i>Communications & publications</i>	72	20
<i>Office supplies and maintenance</i>	60	75
<i>Training costs</i>	59	89
<i>Missions</i>	40	213
<i>Other</i>	22	19
Total	1 848	1 607

The external non IT services increased by kEUR 283 mainly due to the tuition for school related to the year 2020/2021

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. The future amounts to be paid under these contract are as follows:

	EUR '000			
	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	98	387	239	724

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

	<i>EUR '000</i>	
	31.12.2020	31.12.2019
<i>Outstanding commitments not yet expensed</i>	2 118	733

The outstanding commitments not yet expensed comprise the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the current year's statement of financial performance. The RAL represents the open budgetary commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual 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.

From 01.01.2020 until 30.04.2020, for 1116 m² (1st floor premises, 2nd floor premises and the garage) they BEREC Office has paid monthly 6.209,10 EUR, thus 5,56 EUR/m².

From 01.05.2020 until 30.06.2020, for 1116 m² (1st floor premises, 2nd floor premises and the garage) they BEREC Office has paid monthly rent 7.693,84 EUR, thus 6,89 EUR/m².

From 09.07.2020-31.12.2020 for 1195,8 m² (1st floor premises, 2nd floor premises, 3.5 premises and the garage) the BEREC Office has paid monthly a total of 8.336,29 EUR, thus 6,97 EUR/m².

According to a study published⁷ in 2020 the average rental price of office space in Riga was between 17 - 18 EUR/m².

4.3. KEY MANAGEMENT ENTITLEMENTS

	31.12.2020	31.12.2019
<i>Director</i>	<i>AD 14</i>	<i>AD 14</i>

The Director, or head of entity, is remunerated in accordance with the Staff Regulations of the European Union, which establish the rights and obligations of all officials of the EU. The Staff Regulations are published on the Europa website.

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

4.4. RELATED PARTIES

The related parties of the entity are the other EU consolidated entities and the key management personnel of these entities. As transactions between the relevant entity and the parties involved take place as part of the normal operations of the entity and on terms and conditions that are normal for such transactions, no specific disclosures are required.

⁷ <http://www.ober-haus.com/real-estate-market-report/#latvia>

4.5. OTHER EVENTS

On 1 February 2020 the United Kingdom ceased to be a Member State of the European Union. Following the conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the 'Withdrawal Agreement') between the two parties, the United Kingdom committed to pay all its obligations under the current MFF and previous financial perspectives following from its membership of the Union. The United Kingdom has paid into the 2020 EU Budget during the year, and received payments, as if it were a Member State.

At the date of transmission of these accounts, and based on the Withdrawal Agreement concluded and already in operation, there is no financial impact to be reported in these accounts. For further information on the impact of the Withdrawal Agreement on the EU, please see the 2020 consolidated EU annual accounts.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cash flows 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 entity has no significant interest rate risk and other price risk).

(1) Currency risk is the risk that the entity operations will be affected by changes in exchange rates. This risk arises from the change in the 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. The entity 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 non-payment or other failure to meet a contractual obligation. The default events include a delay in 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 the end of the year, the financial assets are composed of exchange receivables and non-exchange recoverables. The financial liabilities are composed of accounts payable. Their ending balances are mainly quoted in EUR, the entity is thus not exposed to currency risk.

5.3. CREDIT RISK

At the end of the year, the financial assets comprise exchange receivables and non-exchange recoverables that are neither past due nor impaired, the entity is thus not exposed to credit risk.

5.4. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are mainly composed of accounts payable (EUR 188). 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.

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1. BUDGETARY PRINCIPLES AND STRUCTURE

1.4. 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.

1.5. STRUCTURE AND PRESENTATION OF THE BUDGET

In accordance with Article 11 of Council Regulation (EC) No 1211/2009⁸ 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 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

Budget lines relating to staff expenditure such as salaries, training and costs associated to recruitment procedures, external services related to staff and staff welfare.

TITLE 2

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

Title 3 corresponds to the organisation's operational activities.

⁸ OJ L 337, 18.12.2009, p. 1

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2020	2019
Revenue		7 222	5 701
of which:			
European Community subsidy	2	7 140	5 701
Third countries contribution (including EFTA and candidates)	3	78	-
Administrative operations and miscellaneous income	5	4	0
Expenditure		(4 422)	(4 674)
of which:			
Staff expenditure	1	(3 205)	(2 723)
Administrative expenditure	2	(721)	(644)
Operational expenditure	3	(497)	(1 307)
Payment appropriat. carried over to the following year		(2 744)	(1 023)
of which:			
Staff expenditure	1	(194)	(189)
Administrative expenditure	2	(466)	(184)
Operational expenditure	3	(2 084)	(649)
Cancellation of unused appropri. carried over from year n-1		39	28
Evolution of assigned revenue (B)-(A)		(4)	0
Unused appropriations at the end of current year (A)		4	0
Budget result		91	33

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2020	2019
ECONOMIC RESULT OF THE YEAR	1 280	164
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	1 507	894
<i>Adjustments for accrual cut-off (net)</i>	452	107
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	61	59
<i>Recovery orders issued in the year and not yet cashed</i>	19	-
<i>Payments made from carry-over of payment appropriations</i>	983	716
<i>Other individually immaterial</i>	(8)	11
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	(2 696)	(1 025)
<i>Members' cash contributions collected in the year</i>	(78)	
<i>Asset acquisitions (less unpaid amounts)</i>	(4)	(63)
<i>New pre-financing received in the year and remaining open as at 31 December</i>	91	32
<i>Payment appropriations carried over to next year</i>	(2 744)	(1 023)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	39	28
BUDGET RESULT OF THE YEAR	91	33

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 Community subsidy	7 140	7 140	7 140	–	7 140	7 140	–	7 140	100 %	–
Total Chapter 20	7 140	7 140	7 140	–	7 140	7 140	–	7 140	100 %	–
Total Title 2	7 140	7 140	7 140	–	7 140	7 140	–	7 140	100 %	–

4.2. Implementation of budget revenue – Title 3

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	
3000 Third countries contribution (including EFTA and candidates)	93	93	93	–	93	78	–	78	83 %	16
Total Chapter 30	93	93	93	–	93	78	–	78	83 %	16
Total Title 3	93	93	93	–	93	78	–	78	83 %	16

4.3. Implementation of budget revenue – Title 5

EUR '000

	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	
5000 Administrative operations and miscellaneous income	-	-	7	-	7	4	-	4	-	3
Total Chapter 50	-	-	7	-	7	4	-	4	-	3
Total Title 5	-	-	7	-	7	4	-	4	-	3
GRAND TOTAL	7 234	7 234	7 240	-	7 240	7 222	-	7 222	100 %	19

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 appropri. 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 Temporary agents' salaries and allowances	1 338	-	(16)	1 323	-	-	-	1 323
1111 Contract staff and seconded national experts (SNE)	1 099	-	(84)	1 016	-	-	-	1 016
1120 Employer's social security contributions - temporary agents	80	-	(16)	64	-	-	-	64
Total Chapter 11	2 518	-	(115)	2 402	-	-	-	2 402
1200 Recruitment expenses	30	-	(6)	24	-	-	-	24
Total Chapter 12	30	-	(6)	24	-	-	-	24
1300 Mission expenses, duty travel expenses and other ancillary expenditure	249	-	(206)	43	-	-	-	43
Total Chapter 13	249	-	(206)	43	-	-	-	43
1400 Medical service	12	-	(4)	8	-	-	-	8
Total Chapter 14	12	-	(4)	8	-	-	-	8
1500 Training	90	-	(46)	44	-	-	-	44
Total Chapter 15	90	-	(46)	44	-	-	-	44
1600 External services	438	-	434	873	-	4	4	876
Total Chapter 16	438	-	434	873	-	4	4	876
1700 Representation, receptions and events, and miscellaneous staff expenses	20	-	(16)	5	-	-	-	5
Total Chapter 17	20	-	(16)	5	-	-	-	5
Total Title 1	3 357	-	41	3 399	-	4	4	3 402

5.1.2. Breakdown & changes in commitment appropriations – Title 2

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
2000 Rental of buildings and associated costs	233	–	(26)	206	–	–	–	206
Total Chapter 20	233	–	(26)	206	–	–	–	206
2100 Data processing and telecommunications	423	–	62	485	–	–	–	485
Total Chapter 21	423	–	62	485	–	–	–	485
2200 Movable property and associated expenditure	55	–	(33)	22	–	–	–	22
Total Chapter 22	55	–	(33)	22	–	–	–	22
2300 Legal and other operating services	269	–	180	449	–	–	–	449
Total Chapter 23	269	–	180	449	–	–	–	449
2400 Non-operational media and public relations	68	–	(50)	18	–	–	–	18
Total Chapter 24	68	–	(50)	18	–	–	–	18
2500 Non-operational meetings	22	–	(16)	6	–	–	–	6
Total Chapter 25	22	–	(16)	6	–	–	–	6
Total Title 2	1 070	–	117	1 187	–	–	–	1 187

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 BEREC Programme Management Support	920	-	(402)	518	-	-	-	518
Total Chapter 30	920	-	(402)	518	-	-	-	518
3101 Operation and strategic support to BEREC	1 886	-	244	2 129	-	-	-	2 129
Total Chapter 31	1 886	-	244	2 129	-	-	-	2 129
Total Title 3	2 806	-	(158)	2 648	-	-	-	2 648
GRAND TOTAL	7 234	-	0	7 234	-	4	4	7 237

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item	Budget appropriations			Final adopted budget 4=1+2+3	Additional appropriations			Total approp. available 8=4+7
	Initial budget adopted 1	Amending budgets 2	Transfers 3		Carry-overs 5	Assigned revenue 6	Total 7=5+6	
1100 Temporary agents' salaries and allowances	1 338	-	(16)	1 323	-	-	-	1 323
1111 Contract staff and seconded national experts (SNE)	1 099	-	(84)	1 016	1	-	1	1 016
1120 Employer's social security contributions - temporary agents	80	-	(16)	64	-	-	-	64
Total Chapter 11	2 518	-	(115)	2 402	1	-	1	2 403
1200 Recruitment expenses	30	-	(6)	24	-	-	-	24
Total Chapter 12	30	-	(6)	24	-	-	-	24
1300 Mission expenses, duty travel expenses and other ancillary expenditure	249	-	(206)	43	9	-	9	52
Total Chapter 13	249	-	(206)	43	9	-	9	52
1400 Medical service	12	-	(4)	8	2	-	2	10
Total Chapter 14	12	-	(4)	8	2	-	2	10
1500 Training	90	-	(46)	44	18	-	18	62
Total Chapter 15	90	-	(46)	44	18	-	18	62
1600 External services	438	-	434	873	159	4	162	1 035
Total Chapter 16	438	-	434	873	159	4	162	1 035
1700 Representation, receptions and events, and miscellaneous staff expenses	20	-	(16)	5	2	-	2	7
Total Chapter 17	20	-	(16)	5	2	-	2	7
Total Title 1	3 357	-	41	3 399	189	4	193	3 592

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

		Budget appropriations			Additional appropriations			Total	Total
		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
2000	Rental of buildings and associated costs	233	-	(26)	206	27	-	27	234
Total Chapter 20		233	-	(26)	206	27	-	27	234
2100	Data processing and telecommunications	423	-	62	485	108	-	108	593
Total Chapter 21		423	-	62	485	108	-	108	593
2200	Movable property and associated expenditure	55	-	(33)	22	14	-	14	36
Total Chapter 22		55	-	(33)	22	14	-	14	36
2300	Legal and other operating services	269	-	180	449	35	-	35	484
Total Chapter 23		269	-	180	449	35	-	35	484
2400	Non-operational media and public relations	68	-	(50)	18	-	-	-	18
Total Chapter 24		68	-	(50)	18	-	-	-	18
2500	Non-operational meetings	22	-	(16)	6	-	-	-	6
Total Chapter 25		22	-	(16)	6	-	-	-	6
Total Title 2		1 070	-	117	1 187	184	-	184	1 372

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

		Budget appropriations			Additional appropriations			Total	Total
		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	BEREC Programme Management Support	920	-	(402)	518	59	-	59	577
Total Chapter 30		920	-	(402)	518	59	-	59	577
3101	Operation and strategic support to BEREC	1 886	-	244	2 129	590	-	590	2 719
Total Chapter 31		1 886	-	244	2 129	590	-	590	2 719
Total Title 3		2 806	-	(158)	2 648	649	-	649	3 297
GRAND TOTAL		7 234	-	0	7 234	1 023	4	1 026	8 260

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 2021			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 Temporary agents' salaries and allowances	1 323	1 323	-	-	1 323	100 %	-	-	-	-	-	-	-
1111 Contract staff and seconded national experts (SNE)	1 016	1 016	-	-	1 016	100 %	-	-	-	-	-	-	-
1120 Employer's social security contributions - temporary agents	64	64	-	-	64	100 %	-	-	-	-	-	-	-
Total Chapter 11	2 402	2 402	-	-	2 402	100 %	-	-	-	-	-	-	-
1200 Recruitment expenses	24	24	-	-	24	100 %	-	-	-	-	-	-	-
Total Chapter 12	24	24	-	-	24	100 %	-	-	-	-	-	-	-
1300 Mission expenses, duty travel expenses and other ancillary expenditure	43	43	-	-	43	100 %	-	-	-	0	-	-	0
Total Chapter 13	43	43	-	-	43	100 %	-	-	-	0	-	-	0
1400 Medical service	8	8	-	-	8	100 %	-	-	-	-	-	-	-
Total Chapter 14	8	8	-	-	8	100 %	-	-	-	-	-	-	-
1500 Training	44	44	-	-	44	100 %	-	-	-	-	-	-	-
Total Chapter 15	44	44	-	-	44	100 %	-	-	-	-	-	-	-
1600 External services	876	873	-	-	873	100 %	4	-	4	-	-	-	-
Total Chapter 16	876	873	-	-	873	100 %	4	-	4	-	-	-	-
1700 Representation, receptions and events, and miscellaneous staff expenses	5	5	-	-	5	100 %	-	-	-	-	-	-	-

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			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
Total Chapter 17	5	5	-	-	5	100 %	-	-	-	-	-	-	-	-
Total Title 1	3 402	3 399	-	-	3 399	100 %	4	-	4	0	-	-	0	

5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			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
2000 Rental of buildings and associated costs	206	206	-	-	206	100 %	-	-	-	-	-	-	-
Total Chapter 20	206	206	-	-	206	100 %	-	-	-	-	-	-	-
2100 Data processing and telecommunications	485	485	-	-	485	100 %	-	-	-	-	-	-	-
Total Chapter 21	485	485	-	-	485	100 %	-	-	-	-	-	-	-
2200 Movable property and associated expenditure	22	22	-	-	22	100 %	-	-	-	0	-	-	0
Total Chapter 22	22	22	-	-	22	100 %	-	-	-	0	-	-	0
2300 Legal and other operating services	449	449	-	-	449	100 %	-	-	-	0	-	-	0
Total Chapter 23	449	449	-	-	449	100 %	-	-	-	0	-	-	0
2400 Non-operational media and public relations	18	18	-	-	18	100 %	-	-	-	-	-	-	-
Total Chapter 24	18	18	-	-	18	100 %	-	-	-	-	-	-	-
2500 Non-operational meetings	6	6	-	-	6	100 %	-	-	-	-	-	-	-
Total Chapter 25	6	6	-	-	6	100 %	-	-	-	-	-	-	-
Total Title 2	1 187	1 187	-	-	1 187	100 %	-	-	-	0	-	-	0

5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made						Appropriations carried over to 2021			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 BEREC Programme Management Support	518	478	-	-	478	92 %	-	-	-	40	-	-	40	
Total Chapter 30	518	478	-	-	478	92 %	-	-	-	40	-	-	40	
3101 Operation and strategic support to BEREC	2 129	2 103	-	-	2 103	99 %	-	-	-	27	-	-	27	
Total Chapter 31	2 129	2 103	-	-	2 103	99 %	-	-	-	27	-	-	27	
Total Title 3	2 648	2 581	-	-	2 581	97 %	-	-	-	67	-	-	67	
GRAND TOTAL	7 237	7 167	-	-	7 167	99 %	4	-	4	67	-	-	67	

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 2021				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 assig. 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 Temporary agents' salaries and allowances	1 323	1 323	-	-	1 323	100 %	-	-	-	-	-	-	-	-
1111 Contract staff and seconded national experts (SNE)	1 016	1 016	1	-	1 016	100 %	-	-	-	-	-	-	-	-
1120 Employer's social security contributions - temporary agents	64	64	-	-	64	100 %	-	-	-	-	-	-	-	-
Total Chapter 11	2 403	2 402	1	-	2 403	100 %	-	-	-	-	-	-	-	-
1200 Recruitment expenses	24	23	-	-	23	98 %	0	-	-	0	-	-	-	-
Total Chapter 12	24	23	-	-	23	98 %	0	-	-	0	-	-	-	-
1300 Mission expenses, duty travel expenses and other ancillary expenditure	52	43	9	-	52	100 %	-	-	-	-	0	0	-	0
Total Chapter 13	52	43	9	-	52	100 %	-	-	-	-	0	0	-	0
1400 Medical service	10	8	0	-	8	84 %	-	-	-	-	-	2	-	2
Total Chapter 14	10	8	0	-	8	84 %	-	-	-	-	-	2	-	2
1500 Training	62	42	16	-	57	93 %	3	-	-	3	-	2	-	2
Total Chapter 15	62	42	16	-	57	93 %	3	-	-	3	-	2	-	2
1600 External services	1 035	685	155	-	841	81 %	187	-	4	191	-	4	-	4
Total Chapter 16	1 035	685	155	-	841	81 %	187	-	4	191	-	4	-	4

Annual accounts of the Agency for Support for BEREC for 2020

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021				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
1700 Representation, receptions and events, and miscellaneous staff expenses	7	1	2	-	3	39 %	4	-	-	4	-	0	-	0
Total Chapter 17	7	1	2	-	3	39 %	4	-	-	4	-	0	-	0
Total Title 1	3 592	3 205	182	-	3 387	94 %	194	-	4	198	0	7	-	7

5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made						Appropriations carried over to 2021				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 Rental of buildings and associated costs	234	177	27	-	204	87 %	29	-	-	29	-	0	-	0	
Total Chapter 20	234	177	27	-	204	87 %	29	-	-	29	-	0	-	0	
2100 Data processing and telecommunications	593	311	96	-	406	69 %	174	-	-	174	-	13	-	13	
Total Chapter 21	593	311	96	-	406	69 %	174	-	-	174	-	13	-	13	
2200 Movable property and associated expenditure	36	18	14	-	32	89 %	4	-	-	4	0	0	-	0	
Total Chapter 22	36	18	14	-	32	89 %	4	-	-	4	0	0	-	0	
2300 Legal and other operating services	484	197	35	-	232	48 %	252	-	-	252	0	0	-	0	
Total Chapter 23	484	197	35	-	232	48 %	252	-	-	252	0	0	-	0	
2400 Non-operational media and public relations	18	12	-	-	12	65 %	7	-	-	7	-	-	-	-	
Total Chapter 24	18	12	-	-	12	65 %	7	-	-	7	-	-	-	-	
2500 Non-operational meetings	6	6	-	-	6	100 %	-	-	-	-	-	-	-	-	
Total Chapter 25	6	6	-	-	6	100 %	-	-	-	-	-	-	-	-	
Total Title 2	1 372	721	172	-	893	65 %	466	-	-	466	0	13	-	13	

5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made						Appropriations carried over to 2021				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 BEREC Programme Management Support	577	167	59	-	226	39 %	311	-	-	311	40	-	-	40	
Total Chapter 30	577	167	59	-	226	39 %	311	-	-	311	40	-	-	40	
3101 Operation and strategic support to BEREC	2 719	330	570	-	900	33 %	1 773	-	-	1 773	27	20	-	46	
Total Chapter 31	2 719	330	570	-	900	33 %	1 773	-	-	1 773	27	20	-	46	
Total Title 3	3 297	497	629	-	1 126	34 %	2 084	-	-	2 084	67	20	-	86	
GRAND TOTAL	8 260	4 422	983	-	5 406	65 %	2 744	-	4	2 748	67	39	-	106	

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. outstanding at year-end		
	1	2	3	4=1+2-3	5	6	7	8=5-6-7		9=4+8
1100	Temporary agents' salaries and allowances	-	-	-	-	1 323	1 323	-	-	-
1111	Contract staff and seconded national experts (SNE)	1	-	1	-	1 016	1 016	-	-	-
1120	Employer's social security contributions - temporary agents	-	-	-	-	64	64	-	-	-
Total Chapter 11		1	-	1	-	2 402	2 402	-	-	-
1200	Recruitment expenses	-	-	-	-	24	23	-	0	0
Total Chapter 12		-	-	-	-	24	23	-	0	0
1300	Mission expenses, duty travel expenses and other ancillary expenditure	9	(0)	9	-	43	43	-	-	-
Total Chapter 13		9	(0)	9	-	43	43	-	-	-
1400	Medical service	2	(2)	0	-	8	8	-	-	-
Total Chapter 14		2	(2)	0	-	8	8	-	-	-
1500	Training	18	(2)	16	-	44	42	-	3	3
Total Chapter 15		18	(2)	16	-	44	42	-	3	3
1600	External services	159	(4)	155	-	873	685	-	187	187
Total Chapter 16		159	(4)	155	-	873	685	-	187	187
1700	Representation, receptions and events, and miscellaneous staff expenses	2	(0)	2	-	5	1	-	4	4
Total Chapter 17		2	(0)	2	-	5	1	-	4	4
Total Title 1		189	(7)	182	-	3 399	3 205	-	194	194

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 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
2000 Rental of buildings and associated costs	27	(0)	27	–	206	177	–	29	29
Total Chapter 20	27	(0)	27	–	206	177	–	29	29
2100 Data processing and telecommunications	108	(13)	96	–	485	311	–	174	174
Total Chapter 21	108	(13)	96	–	485	311	–	174	174
2200 Movable property and associated expenditure	14	(0)	14	–	22	18	–	4	4
Total Chapter 22	14	(0)	14	–	22	18	–	4	4
2300 Legal and other operating services	35	(0)	35	–	449	197	–	252	252
Total Chapter 23	35	(0)	35	–	449	197	–	252	252
2400 Non-operational media and public relations	–	–	–	–	18	12	–	7	7
Total Chapter 24	–	–	–	–	18	12	–	7	7
2500 Non-operational meetings	–	–	–	–	6	6	–	–	–
Total Chapter 25	–	–	–	–	6	6	–	–	–
Total Title 2	184	(13)	172	–	1 187	721	–	466	466

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 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	
3001 BERE Programme Management Support	59	-	59	-	478	167	-	311	311
Total Chapter 30	59	-	59	-	478	167	-	311	311
3101 Operation and strategic support to BEREC	590	(20)	570	-	2 103	330	-	1 773	1 773
Total Chapter 31	590	(20)	570	-	2 103	330	-	1 773	1 773
Total Title 3	649	(20)	629	-	2 581	497	-	2 084	2 084
GRAND TOTAL	1 023	(39)	983	-	7 167	4 422	-	2 744	2 744

7. GLOSSARY

Administrative appropriations

Appropriations to cover the running costs of the entities (staff, buildings, office equipment).

Adopted budget

Draft budget becomes the adopted budget as soon as approved by the budgetary authority.

Amending budget

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

Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance) 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.

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

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.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

Revenue and expenditure are shown in the budget structure 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 commitment

Operation by which the authorising officer responsible reserves the budget appropriations necessary to cover for subsequent payments to honour legal commitments.

Cancellation of appropriations

Appropriations which have not been used by the end of the financial year and which cannot be carried over, shall be cancelled.

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 value of legal obligations (contracts, grant agreements or decisions) that could be signed in the current financial year.

De-commitment

Operation whereby the authorising officer responsible cancels wholly or partly the reservation of appropriations previously made by means of a budgetary commitment.

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.

Economic result

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

Entitlements established

Right to collect income from a debtor as recognised through the issuing of a recovery order.

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 currencies at the date of the accounts.

Expenditure

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

Grants

Direct financial contributions from the budget to third-party beneficiaries, engaged in activities that serve Union policies.

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, as represented by an appropriation.

For joint undertakings (and EIT), 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 can be re-activated until financial year "N+3".

Legal basis / basic act

The legal act adopted by the legislative authority (usually the Council and European Parliament) specifying the objective of a Union spending programme, the purpose of the appropriations, the rules for intervention, expiry date and the relevant financial rules to serve as a legal basis for the implementation of the spending programme.

Legal commitment

The act whereby the Authorising Officer enters into an obligation towards third parties which results in a charge for the Union budget.

Common forms of legal commitments are contracts in the case of procurement, grant agreements and grant decisions.

Non-differentiated appropriations

Appropriations which meet annual needs and must therefore be committed during the budget year. Only amounts qualifying for automatic carryover can be disbursed in the following year. Non-differentiated appropriations which have not been used, i.e. committed, by the end of the year, are cancelled (unless, exceptionally, permission is given by a Commission decision for a non-automatic carryover). Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

Operational appropriations

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

Outstanding commitments

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

Payment appropriations

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

RAL (Reste à liquider)

Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outstanding commitments

Surplus

Positive difference between revenue and expenditure, which has to be returned to the funding authority. Cf. Budget result

Transfer between budget lines

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.