



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

Financial year 2022

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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')<sup>1</sup> and I hereby certify that the annual accounts of the BEREC Office for the year 2022 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**

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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 NOTE

### 1. General background on the entity

#### Establishment

The (EU) Agency for Support for the Body of European Regulators for Electronic Communications (BEREC), hereinafter referred to as the BEREC Office, 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 fulfil the mission, the BEREC 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; and
- To carry out other tasks assigned to it by this Regulation or by other legal acts of the Union.

#### Governance

The BEREC Office is headed by a Director, who is in charge of the administrative management of the Agency. 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 (typically the heads of the Member States' NRAs in charge of telecom market regulation, a member of its collegiate body, or the replacement of either of them) and of one high level representative of the Commission. Each member of the Management Board has the right to vote.

#### 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) contributions in accordance with the signed working arrangements. In line with new SLA signed this year, the Government of Latvia started to voluntarily contribute to the cost for schooling for the children of BEREC Office staff.

## 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)<sup>2</sup>. 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 BEREC Office Management Board 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 Management Board of 26 February 2016, the Accounting Officer of the Commission, was appointed as of 18 April 2016 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.

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<sup>2</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.

### 3. Operational highlights

#### Achievements of the year

The year 2022 was a challenging year for the Agency for Support for BEREC (BEREC Office, Agency) because of its geographical proximity to the war in Ukraine, the extremely high inflation in the host Member State (Latvia) and the energy crisis in Europe.

Irrespective of the extraordinary circumstances mentioned above, with better use of the limited available human and financial resources and restructuring the priorities for the year, the BEREC Office managed to effectively deliver its Annual Work Programme for 2022<sup>3</sup>, to meet the expectations of the stakeholders and to ensure safe and secure day-to-day running of the Agency and the ICT (Information and Communication Technologies) tools made available to BEREC.

In particular, the BEREC Office ensured the necessary professional and administrative support to BEREC (the Body of European Regulators for Electronic Communications) and contributed to promoting full connectivity, supporting sustainable and open digital markets and empowering end-users by undertaking the following activities:

- Setting up 12 BEREC Working Groups (WGs) in line with the BEREC Work Programme 2022<sup>4</sup> and four ad hoc WGs for dealing with phase II cases under Articles 32/33 of the European Electronic Communications Code<sup>5</sup> (EECC);
- Organising four ordinary meetings of the BEREC Board of Regulators and the BEREC Office Management Board, four public debriefings for presenting the results from these meetings, four ordinary and one extraordinary meeting of the Contact Network and 548 BEREC WG events (including 18 meetings of the phase II cases under Articles 32/33 WGs and four workshops with external stakeholders); and
- Supporting BEREC in managing the relations with its stakeholders and interested parties by organising 14 public consultations on key draft BEREC documents and the 10th Stakeholder Forum as a means to further gather the stakeholders' feedback on BEREC draft documents, to enhance the dialogue with the interested parties in relation to improving the consistency in the implementation of the EU regulatory rules and practices and to gather input to new potential areas of work, such as artificial intelligence, future trends and regulation of digital platforms and the effective enforcement of the Digital Markets Act.

As in previous years, the BEREC Office contributed to increasing the efficiency and effectiveness of the use of the experts from the National Regulatory Authorities (NRAs) via offering a variety of ICT tools to BEREC, to enable remote and collaborative work of all BEREC bodies, which allowed unprecedentedly high level of participation in the BEREC WG events from all NRAs (close to 12 000 participants in 2022, compared to approximately 10 000 in 2021). The use of ICT tools required less travel and therefore contributed to higher sustainability of BEREC's operations.

The BEREC Office contributed to enhancing the professional knowledge of the NRA experts via the provision of four different types of training courses on sustainability and on regulatory aspects of the electronic communications.

In 2022 the BEREC Office managed the following studies for BEREC:

- External Sustainability Study on Environmental impact of electronic communications (ordered in 2021 and finalised in 2022);
- Study on NRA Independence;
- External Study on Communication Services for Businesses in Europe: Status Quo and Future Trends; and

<sup>3</sup> <https://berec.europa.eu/en/document-categories/berec-office/berec-office-work-programmes/single-programming-document-of-the-activities-of-the-agency-for-support-for-berec-berec-office-for-the-period-2022-2024>

<sup>4</sup> <https://berec.europa.eu/en/document-categories/berec/berec-strategies-and-work-programmes/berec-work-programme-2022>

<sup>5</sup> Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (Recast), *OJ L 321, 17.12.2018, p. 36–214*.

- Study on wholesale mobile access connectivity, trends and issues for emerging mobile technologies and deployments (ordered in 2022 and to be finalised in 2023).

The Agency also ensured the availability of regulatory intelligence services related to telecommunications and digital economy, the provision of financial software and historical data sets for the calculation of certain parameters underlying the weighted average cost of capital (WACC) and other financial parameters, the provision and maintenance of the General Authorisation Database and the establishment of BEREC databases of numbering ranges for value-added services and means of access to emergency services for roaming users<sup>6</sup>.

The war in Ukraine affected the work of both BEREC and the BEREC Office. Specifically, following the Russian invasion of Ukraine, BEREC with the support of the BEREC Office, closely followed the telecommunications sector's response to the crisis and the measures provided voluntarily by EU operators to refugees from the war in Ukraine. Based on data gathered by the BEREC Office from the EU and Ukrainian operators, about the applied retail measures, a Joint Statement was agreed, which established a stable framework to help people fleeing the war in Ukraine to stay connected with their families and friends back home and maintain access to information.

Furthermore, the BEREC Office coordinated the process of establishing working arrangements between the NRA from Ukraine and BEREC/BEREC Office that allowed the Ukrainian NRA to become a participant without voting rights in BEREC and the BEREC Office.

In close cooperation with the Embassy of the Czech Republic in Latvia, in November 2022 the BEREC Office held a networking event to mark BEREC's and the Eastern Partnership Regulators' summit in Riga, Latvia.

2022 was also a year of active collaboration with the host Member State's authorities in relation to the implementation of the Headquarters Agreement, which into force as of 15 June 2021. Its actual implementation required further agreement on certain provisions, such as the organisation of joint procurement, ensuring the schooling of children of the BEREC Office staff and further support by the Latvian side to the Agency. Therefore, on 16 June 2022 the BEREC Office and the Latvian Government signed a service level agreement (SLA), which was an important prerequisite for the practical implementation of many of the provisions of the Headquarters Agreement. Following that, the Latvian Government established a Liaison Office as a means to ensure the smooth operation of the Agency in Latvia and to support the BEREC Office staff and their families in their establishment in the host Member State. In line with the provisions of the SLA, the Government of Latvia also provided for the first time a voluntary contribution to the BEREC Office budget for sharing the costs for schooling offered to the children of the BEREC Office staff amounting to EUR 123 333.

## Budget and budgetary implementation

The BEREC Office Budget 2022 (revenue and expenditure), as adopted by the Management Board (MB), amounted to EUR 7 428 456 (in 2021: EUR 7 341 357). The main revenue in the 2022 BEREC Office budget was the EU contribution, which was fully cashed. In addition, as stated above, in line with the SLA with the Latvian Government, in 2022 the BEREC Office collected EUR 123 333 as a voluntary contribution from them, as host Member State, to the BEREC Office Budget to cover partially the schooling fees of the children of the BEREC Office staff. The BEREC Office also collected EUR 11 215 as Administrative operations and miscellaneous income. The contribution from the Latvian side and the revenue from administrative and miscellaneous operations were assigned to the respective budget lines.

The commitment expenditure of the BEREC Office in 2022 was distributed in three titles, as follows:

Title	EUR
Title 1 - Staff	4 190 787
Title 2 - Buildings, equipment and miscellaneous operations	1 000 498
Title 3 – Operational expenses, used for financing the BEREC Office operational activities in support to BEREC	2 237 170
<b>Total:</b>	<b>7 428 456</b>

<sup>6</sup> <https://berec.europa.eu/en/berec/berec-databases-of-numbering-ranges-for-value-added-services-and-means-of-access-to-emergency-services-for-roaming-users>

In 2022, EUR 7 427 409 of the available financial resources were committed (99.99% of the final adopted budget available for commitments) and EUR 6 148 910 were paid (82.78% of the final adopted budget available for payments).

### Overview of budget implementation over the last 5 years

Year	Total adopted budget	Commitment implementation	%	Payment implementation	%
<b>2022</b>	7 428 456	7 427 409	99.99%	6 148 910	82.78%
<b>2021</b>	7 341 357	7 338 814	99.97%	5 089 799	69.33%
<b>2020</b>	7 233 653	7 166 596	99.07%	4 422 494	61.14%
<b>2019</b>	5 701 000	5 696 940	99.93%	4 674 264	81.99%
<b>2018</b>	4 331 000	4 324 759	99.86%	3 580 804	82.68%

The budget implementation as compared to the total adopted budget in 2022 in commitments (99.99%) and payments (82.78%) was the highest of the last 5 years. As a result, the amount of payment appropriations carried-over to 2023 (EUR 1 333 573) was significantly reduced compared to 2022 (EUR 2 253 390).

### Cancellation and carry-over of appropriations

The amount that was neither committed by the end of 2022 nor carried over to 2023, EUR 1 047 (0.01% of the commitment appropriations), is to be returned to the EU Budget.

At the end of 2022 the BEREC Office carried-over to 2023 EUR 1 333 573 of payment appropriations, which consists of EUR 1 278 498 from the final adopted budget and EUR 55 075 of assigned revenue, as follows:

#### Title 1: Staff related costs:

- i. **EUR 258 751 of payment appropriations carried-over to 2023:**
  - Expenses for missions of staff in support to BEREC events that took place in Q4 2022 and will be paid in 2023;
  - Staff training which took place in 2022 and is to be invoiced in 2023 and one training for which contract was signed in 2022 that will take place in Q1 2023;
  - Liabilities under contracts for provision of interim workers' services concluded in 2022, for which the service provisions will continue in 2023.
- ii. **Commitment appropriations corresponding to internal assigned revenue EUR 51 324 carried-over to 2023:** stemming out from the voluntary financial contribution of the host Member State to the schooling costs, which was cashed in December 2022 and therefore remained unused for 2022 and will be used for covering the schooling costs for the next school year.

#### Title 2: Building, equipment and miscellaneous operating expenditure: EUR 233 211 of payment appropriations carried-over to 2023:

- Invoices for services and supplies delivered in 2022 (mainly in December) for running costs, such as rent, utilities, security services, consumables, parking places, postal and telecommunications services, that will be received in 2023;
- Purchases of ICT goods and services for which contracts were signed in 2022 and for which services/goods will be delivered in 2023;
- Expenditure for ongoing projects and activities which will be finalised in 2023 (independent audit of the 2022 annual accounts, works for basement adaptation to fit a bomb shelter, Zero trust architecture Phase 2, sTesta expenses and others).

#### Title 3: Operational expenditure in support to BEREC: EUR 841 612 of payment appropriations carried-over to 2023:

- Expenses for reimbursement of participation in BEREC meetings and events held in the last quarter of 2022 which will be paid in the beginning of 2023 (such as: WG support & experts reimbursement, BEREC and BEREC Chairs travel, Contact Network and Plenary meetings);



- Expenses for services ordered in 2022 for which invoices will be received in 2023, such as promotional items with new visual identity, organisation of the 11th BEREC stakeholder forum, BEREC calendars, AGM fees;
- Liabilities under contracts for provision of ICT services and purchases of specialised software and/or hardware for the needs of BEREC in 2022, for which the invoices will be received in 2023 (ICT support to BEREC, fees for licenses and other ICT infrastructure and services);
- Expenses for other year-specific projects in support to BEREC, launched in 2022 for which the delivery of the service will be finalised in 2023, such as study on wholesale mobile access, training on planning/moderating the work of WGS & ENGs co-chairs

The total amount of carry-over of payment appropriations from 2021 to 2022 (C8/2022) was EUR 2 253 391 (31% of total commitments established in 2021). Of this amount EUR 30 848 (1.37%) were cancelled during 2022. The cancellation rate is relatively low and associated mainly with amounts, which required expert forecast and were uncertain at the moment of the establishment of the forecast due to their nature. The highest amounts which were cancelled are as follows:

- EUR 7 390 for expert reimbursements for Contact Network and Plenary meetings of Q42021, where it was difficult to precisely estimate the amounts needed,
- EUR 6 477 for managed audio-video conference (AVC) systems in Riga caused by AVC system unavailability in March/April 2022,
- EUR 4 121 for building security system modernization works,
- EUR 2 668 for VNI interconnection of the additional offices with the BEREC Office IT infrastructure due to differences in preliminary agreement and actuals final costs,
- EUR 2 610 for the European Commission Advanced Gateway to meetings online tool fees,
- EUR 1 697 for utilities,
- EUR 1 376 for interim worker's services and other minor cancellations below EUR 1 000.

During 2022, the BEREC Office carried out five transfers of appropriations allowed by the BEREC Office Financial Regulation in order to ensure the best use of the financial resources available to the BEREC Office: four within the limits of the Director and one above Director's limit, where the Management Board approved the transfer by a Decision.<sup>7</sup>

### **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 of total expenses** from kEUR 7 005 in 2021 to kEUR 8 648 in 2022 is the combined effect of the implementation of additional activities of the BEREC Office resulting from the extraordinary circumstances of the war in Ukraine, the extremely high inflation in the host Member State (Latvia) and the energy crisis in Europe. The increase has been noted in all major areas of expenses; operating costs grew by 41% (see note **3.2**), staff costs by 15% (see note **3.3**) and other administrative expenses by 15% (see note **3.4**).
- **Increase of non-current assets** from kEUR 385 in 2021 to kEUR 470 in 2022 due to the projects of building security system modernization works and to the upgrade of the existing IT infrastructure (see notes **2.1** and **2.2**).
- **The decrease in exchange receivables and non-exchange recoverables** by kEUR 951 is driven by the decrease in the central treasury liaison account, which is in line with the increase of total expenses but is also due to the very high level of payment implementation (82.78%, the highest of the last 5 years).

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<sup>7</sup> <https://www.berec.europa.eu/en/document-categories/berec-office/decisions-of-the-management-board/decision-of-the-management-board-of-the-agency-for-support-for-berec-on-the-approval-of-budgetary-transfer-from-title-2-to-title-1-in-accordance-with-article-26-2-of-decision-no-mb201913>

# 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	31.12.2022	31.12.2021
<b>NON-CURRENT ASSETS</b>			
<i>Computer Software</i>	2.1	125	169
<i>Property, plant and equipment</i>	2.2	345	215
		<b>470</b>	<b>385</b>
<b>CURRENT ASSETS</b>			
<i>Exchange receivables and non-exchange recoverables</i>	2.3	1 628	2 579
		<b>1 628</b>	<b>2 579</b>
<b>TOTAL ASSETS</b>		<b>2 098</b>	<b>2 964</b>
<b>CURRENT LIABILITIES</b>			
<i>Payables</i>	2.4	(121)	(55)
<i>Accrued charges</i>	2.5	(617)	(422)
		<b>(738)</b>	<b>(477)</b>
<b>TOTAL LIABILITIES</b>		<b>(738)</b>	<b>(477)</b>
<b>NET ASSETS</b>			
<i>Accumulated surplus</i>		2 487	2 188
<i>Economic result of the year</i>		(1 127)	299
<b>NET ASSETS</b>		<b>1 360</b>	<b>2 487</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	2022	2021
<i>EUR '000</i>			
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>	3.1		
<i>Subsidy from the Commission</i>		7 397	7 233
<i>Revenue contribution from the Host State</i>		123	–
<i>Revenue contribution from third countries</i>		–	59
		<b>7 520</b>	<b>7 292</b>
<b>Revenue from exchange transactions</b>			
<i>Other</i>		2	12
		<b>2</b>	<b>12</b>
<b>Total revenue</b>		<b>7 522</b>	<b>7 303</b>
<b>EXPENSES</b>			
<i>Operating costs</i>	3.2	(3 014)	(2 123)
<i>Staff costs</i>	3.3	(3 236)	(2 792)
<i>Other expenses</i>	3.4	(2 398)	(2 090)
<b>Total expenses</b>		<b>(8 648)</b>	<b>(7 005)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(1 127)</b>	<b>299</b>

**CASHFLOW STATEMENT<sup>8</sup>**

	<i>EUR '000</i>	
	<b>2022</b>	<b>2021</b>
<i>Economic result of the year</i>	(1 127)	299
<b>Operating activities</b>		
<i>Depreciation and amortization</i>	137	94
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	951	455
<i>Increase/(decrease) in payables</i>	67	(133)
<i>Increase/(decrease) in accrued charges</i>	195	(355)
<b>Investing activities</b>		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(223)	(359)
<b>NET CASHFLOW</b>	<b>-</b>	<b>-</b>

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<sup>8</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. 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
<b>BALANCE AS AT 31.12.2020</b>	<b>908</b>	<b>1 280</b>	<b>2 188</b>
<i>Allocation 2020 economic result</i>	<i>1 280</i>	<i>(1 280)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>299</i>	<i>299</i>
<b>BALANCE AS AT 31.12.2021</b>	<b>2 188</b>	<b>299</b>	<b>2 487</b>
<i>Allocation 2021 economic result</i>	<i>299</i>	<i>(299)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>(1 127)</i>	<i>(1 127)</i>
<b>BALANCE AS AT 31.12.2022</b>	<b>2 487</b>	<b>(1 127)</b>	<b>1 360</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 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	31.12.2022	31.12.2021	Currency	31.12.2022	31.12.2021
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.6808</b>	4.5969
<b>CZK</b>	<b>24.1160</b>	26.8580	<b>RON</b>	<b>4.9495</b>	4.9490
<b>DKK</b>	<b>7.4365</b>	7.4364	<b>SEK</b>	<b>11.1218</b>	10.2503
<b>GBP</b>	<b>0.88693</b>	0.84028	<b>CHF</b>	<b>0.9847</b>	1.0331
<b>HRK</b>	<b>7.5345</b>	7.5156	<b>JPY</b>	<b>140.6600</b>	130.3800
<b>HUF</b>	<b>400.8700</b>	369.1900	<b>USD</b>	<b>1.0666</b>	1.1326

### 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, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. 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 2022**

There are no new EAR which became effective for annual periods beginning on or after 1 January 2022.

##### **New EAR adopted but not yet effective at 31 December 2022**

There are no new EAR adopted during 2022.

### 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**

The classification of the financial instruments is determined at initial recognition. Based on the management model and the asset contractual cash-flow characteristics the financial assets can be classified in three categories: Financial assets at amortised cost ('AC'), financial assets at fair value through net assets/equity ('FVNA') or financial assets at fair value through surplus or deficit ('FVSD'). Based on this classification, the entity has only 'financial assets at amortised cost', which are exchange receivables.

Financial assets at amortised cost are non-derivative financial assets that meet two conditions: 1) The entity holds them in order to collect the contractual cash flows. 2) On specified days, there are contractual cash flows that are solely payments of the principal and interest on the outstanding principal.

Financial assets at amortised cost are included in current assets, except for those with maturity of more than 12 months from the balance sheet reporting date.

#### **Initial recognition and measurement**

Financial assets at amortised cost are initially recognised at their fair value plus the transaction costs.

#### **Subsequent measurement**

Financial assets at amortised cost are carried at amortised cost, which is the amount initially recognised minus the principal repayments, plus or minus the cumulative amortisation of the interests using the effective interest method. In addition, the entity recognises a loss allowance for expected credit losses over the lifetime of the financial assets. At each reporting date, the annual movement in the loss allowance adjusts the carrying amount of the financial asset. In the statement of financial performance, the entity recognises an impairment gain or loss for the adjustment of the loss allowance.

#### **De-recognition**

Financial assets at amortised cost are derecognised either when the rights to receive cash flows from the investments have expired or are waived, or when the entity has transferred substantially all risks and rewards of ownership to another party.

#### 1.3.4. Receivables and recoverables

The EU accounting rules require 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. The entity classified them as financial assets at amortised cost and measured them accordingly.

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition 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. INTANGIBLE ASSETS

	'000 EUR
	<b>TOTAL</b>
Gross carrying amount at 31.12.2021	178
Additions	–
<b>Gross carrying amount at 31.12.2022</b>	<b>178</b>
Accumulated amortisation at 31.12.2021	(9)
Amortisation charge for the year	(44)
<b>Accumulated amortisation at 31.12.2022</b>	<b>(53)</b>
<b>NET CARRYING AMOUNT AT 31.12.2022</b>	<b>125</b>
NET CARRYING AMOUNT AT 31.12.2021	169

The amounts under this heading entirely comprise computer software with a depreciation rate of 25%.

#### 2.2. 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
Gross carrying amount at 31.12.2021	1	45	372	116	534
Additions	–	71	22	129	223
Disposals	–	–	(8)	(11)	(19)
<b>Gross carrying amount at 31.12.2022</b>	<b>1</b>	<b>116</b>	<b>386</b>	<b>235</b>	<b>738</b>
Accumulated depreciation at 31.12.2021	(1)	(22)	(194)	(102)	(319)
Depreciation charge for the year	–	(10)	(69)	(13)	(93)
Disposals	–	–	8	11	19
<b>Accumulated depreciation at 31.12.2022</b>	<b>(1)</b>	<b>(32)</b>	<b>(255)</b>	<b>(104)</b>	<b>(392)</b>
<b>NET CARRYING AMOUNT AT 31.12.2022</b>	<b>–</b>	<b>84</b>	<b>131</b>	<b>131</b>	<b>345</b>
NET CARRYING AMOUNT AT 31.12.2021	–	23	178	14	215

The substantial increase under this heading mainly concerns the completion of works performed to upgrade the current rented premises. Based on a mutual agreement with a State-owned company, BEREC Office performed modernization works to the security systems, which reached a value of kEUR 71. Overall the increase in assets is mainly due to the shared desk policy adopted by the BEREC Office by acquiring adjustable height desks for offices, folding tables, desks for managers, high office storage cupboard and standard reception desks. An increase can be also seen in the IT related assets, by acquisition of T-CAM packages, printers and computers.

## 2.3. 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. 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 31.12.2022 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	
	31.12.2022	31.12.2021
<b>Recoverables from non-exchange transactions</b>		
<i>Member States</i>	210	204
	<b>210</b>	<b>204</b>
<b>Receivables from exchange transactions</b>		
<i>Central treasury liaison accounts</i>	1 149	2 100
<i>Deferred charges relating to exchange transactions</i>	256	273
<i>Others</i>	13	2
	<b>1 417</b>	<b>2 375</b>
<b>Total</b>	<b>1 628</b>	<b>2 579</b>

The heading recoverables from Member States comprises mainly VAT amounts to be recovered from the Latvian Tax Authorities. In accordance with the Headquarters Agreement between the Agency for Support for the Body of European Regulators for Electronic Communications and the Government of the Republic of Latvia<sup>9</sup> and the protocol on privileges and immunities of the European Union, the BEREC Office is entitled to VAT reimbursements.

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 decrease of kEUR 951 in the central treasury liaison accounts results from the high level of operational payments and the general increase in payments due to price inflation in Latvia and higher wage costs. The implementation of payment appropriations was the highest in last 5 years and it increased from 69.33 % in 2021 to 82.78 % in 2022, while funding received only slightly increased.

## LIABILITIES

### 2.4. 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

<sup>9</sup> Headquarters Agreement between the Agency for Support for the Body of European Regulators for Electronic Communications and the Government of the Republic of Latvia signed on 21 December 2020.



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).

	<i>EUR '000</i>	
	31.12.2022	31.12.2021
<i>Other payables</i>	89	5
<i>Pre-financing received from EC - balancing subsidy</i>	32	50
<b>Total</b>	<b>121</b>	<b>55</b>

The prefinancing liability for the balancing subsidy comprises unused amounts of the 2022 balancing subsidy that are to be reimbursed by the BEREC Office to the Commission in 2023.

## 2.5. ACCRUED CHARGES

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.

	<i>EUR '000</i>	
	31.12.2022	31.12.2021
<i>Accrued charges</i>	617	422

Accrued charges include estimated operational expenses of kEUR 357, primarily relating to the expenses for services ordered in 2022 for which invoices will be received in 2023, such as: organisation of the 11th BEREC stakeholder forum; fees for licenses and other ICT infrastructure and services.

Included under this heading are also accrued administrative expenses of 147 kEUR such as rent, utilities, security services, consumables, parking places, postal and telecommunications services. The heading also includes accrued staff expenses related to untaken leave and indexation of salaries of kEUR 113.

### 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 heading mainly includes amounts received from the Commission during the year and recoveries of operational expenses. 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>	
	2022	2021
<i>Commission subsidy</i>	7 397	7 233
<i>Revenue contribution from the Host State</i>	123	–
<i>Revenue contribution of EFTA countries - EEA</i>	–	59
<b>Total</b>	<b>7 520</b>	<b>7 292</b>

In 2022 the BEREC Office received the Commission subsidy of kEUR 7 428, which was fully cashed. The amounts included under this heading correspond to the amounts of the Commission subsidy used during 2022. The unused amount of kEUR 32 is recorded under accounts payable (see note 2.4) and will be reimbursed to the Commission in 2023.

Moreover, in line with the Service Level Agreement with the Latvian Government, in 2022 the BEREC Office collected additional revenue kEUR 123 as a voluntary contribution from the host Member State to the BEREC Office Budget to cover partially the schooling fees of the children of the BEREC Office staff.

#### EXPENSES

##### 3.2. OPERATING COSTS

	<i>EUR '000</i>	
	2022	2021
<i>Operating costs</i>	3 014	2 123

Operating costs are the costs incurred by the BEREC Office in connection with its mission to support BEREC and to carry out its annual work programme for 2022 (mainly the organisation of BEREC events, including travel costs of participating experts, ICT support to BEREC, communication activities and studies).

The increase in the operating costs is related to resuming of physical activity after the lifting of COVID-19 restrictions, the organization of BEREC meetings in person and events with the stakeholders, including expert reimbursements, IT and security related projects for the work of BEREC. There is also an increase in communication activities as evaluation and impact assessment services on the effect of electronic communications on the environment, study on NRA independence, and study on communication services for businesses in Europe.

### 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	
	2022	2021
<i>Staff costs</i>	3 236	2 792

The increase under this heading is due to an exceptional double indexation of salaries that took place during 2022. In addition to the annual indexation, the correction coefficient for Latvia was increased with a retroactive date as of 1 July 2022 from 80% to 85.9%.

### 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	
	2022	2021
<i>External non IT services</i>	979	1 212
<i>External IT services</i>	455	360
<i>Property, plant and equipment related expenses</i>	292	275
<i>Communications &amp; publications</i>	201	26
<i>Operating leasing expenses</i>	145	121
<i>Missions</i>	137	53
<i>Training costs</i>	101	71
<i>Office supplies and maintenance</i>	73	67
<i>Other</i>	15	3
<b>Total</b>	<b>2 398</b>	<b>2 090</b>

The increase under this heading is linked to the implementation of the BEREC Office's additional activities as result of its geographical proximity to the war in Ukraine, the energy crisis in Europe and the resume of physical activities following the lift of the COVID restrictions.

In particular the increase in Communications and Publication relates to the development of a new Anaplan module including training and manuals for users, research phase for the future Intranet of the Agency, the establishment of the Liaison Office in line with the SLA with the Government of Latvia and organization of the world telecommunications day in Riga (first edition after COVID-19). More, the increase in External IT services is due the additional development of the corporate ABB tool, as well as the implementation of the Digital workplace for the BEREC Office.

The decrease of expenses in the External non IT services is due to the fact that in 2021 the BEREC Office commissioned a one-time study dedicated to the future Headquarters of the BEREC Office and used more interim workers' service compared to 2022 to fill in vacant posts, which could not be filled mainly in relation to the COVID-19 restrictions.

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:

	Future amounts to be paid			EUR '000
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	132	517	74	723

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

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.

	<i>EUR '000</i>	
	31.12.2022	31.12.2021
<i>Outstanding commitments not yet expensed</i>	714	1 891

### 4.2. SERVICES IN-KIND

In compliance with the Headquarters Agreement between the Agency for Support for the Body of European Regulators for Electronic Communications and the Government of the Republic of Latvia and the Service Level Agreement between the Agency for Support for the Body of European Regulators for Electronic Communications 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 01.01.2022 until 31.12.2022 for the rented premises the BEREC Office has paid monthly between 6.18 EUR/m<sup>2</sup> and 6.87 EUR/m<sup>2</sup>. According to a study published, in 2022 the average rental price of office space in Riga was for A class offices between 13 - 17 EUR/m<sup>2</sup>/month and for B class offices between 7,50-14,00 EUR/m<sup>2</sup>/month. The additional office costs vary between 2-45 EUR/m<sup>2</sup>/month.

### 4.3. KEY MANAGEMENT ENTITLMENTS

	31.12.2022	31.12.2021
<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.

## 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

At the end of the year, the financial assets are composed of exchange receivables. 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 are composed of exchange receivables. 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.

### 5.4. LIQUIDITY RISK

The financial liabilities are composed of accounts payable. 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 (kEUR), some financial data in the tables below may appear not to add-up.*

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# 1. BUDGETARY PRINCIPLES AND STRUCTURE

## 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>10</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 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.

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<sup>10</sup> OJ L 337, 18.12.2009, p. 1.

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2022	2021
<b>Revenue</b>		<b>7 563</b>	<b>7 363</b>
of which:			
European Union subsidy	2	7 428	7 283
Third countries contribution (including EFTA and candidates)	3	-	74
Other contributions (Members States and National Regulatory Authorities)	4	123	-
Administrative operations and miscellaneous income	5	11	6
<b>Expenditure</b>		<b>(6 228)</b>	<b>(5 094)</b>
of which:			
Staff expenditure	1	(4 067)	(3 594)
Administrative expenditure	2	(767)	(636)
Operational expenditure	3	(1 395)	(864)
<b>Payment appropriat. carried over to the following year</b>		<b>(1 278)</b>	<b>(2 249)</b>
of which:			
Staff expenditure	1	(204)	(215)
Administrative expenditure	2	(233)	(572)
Operational expenditure	3	(842)	(1 462)
<b>Cancellation of unused approp. carried over from year n-1</b>		<b>26</b>	<b>31</b>
<b>Evolution of assigned revenue (B)-(A)</b>		<b>(51)</b>	<b>(1)</b>
Unused appropriations at the end of current year (A)		55	4
Unused appropriations at the end of previous year (B)		4	4
<b>Exchange rate differences</b>		<b>(0)</b>	<b>0</b>
<b>Budget result</b>		<b>32</b>	<b>50</b>

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

EUR '000

	2022	2021
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(1 127)</b>	<b>299</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	<b>2 545</b>	<b>2 342</b>
<i>Adjustments for accrual cut-off (net)</i>	185	(485)
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	137	94
<i>Recovery orders issued in the year and not yet cashed</i>	-	-
<i>Payments made from carry-over of payment appropriations</i>	2,223	2,713
<i>Other individually immaterial</i>	1	20
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	<b>(1 386)</b>	<b>(2 591)</b>
<i>Members' cash contributions collected in the year</i>	-	(59)
<i>Asset acquisitions (less unpaid amounts)</i>	(167)	(360)
<i>New pre-financing received in the year and remaining open as at 31 December</i>	32	50
<i>Payment appropriations carried over to next year</i>	(1 282)	(2 253)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	31	31
<b>BUDGET RESULT OF THE YEAR</b>	<b>32</b>	<b>50</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	7 428	7 428	7 428	-	7 428	7 428	-	7 428	100 %	-
Total Chapter 20	7 428	7 428	7 428	-	7 428	7 428	-	7 428	100 %	-
<b>Total Title 2</b>	<b>7 428</b>	<b>7 428</b>	<b>7 428</b>	<b>-</b>	<b>7 428</b>	<b>7 428</b>	<b>-</b>	<b>7 428</b>	<b>100 %</b>	<b>-</b>

### 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	
4000 Other contributions (Members States and National Regulatory Authorities)	0	0	123	-	123	123	-	123	-	-
Total Chapter 40	0	0	123	-	123	123	-	123	-	-
<b>Total Title 4</b>	<b>0</b>	<b>0</b>	<b>123</b>	<b>-</b>	<b>123</b>	<b>123</b>	<b>-</b>	<b>123</b>	<b>-</b>	<b>-</b>

### 4.3. Implementation of budget revenue – Title 5

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	10=5-8
5000 Administrative operations and miscellaneous income	0	0	11	-	11	11	-	11	-	-
Total Chapter 50	0	0	11	-	11	11	-	11	-	-
<b>Total Title 5</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>-</b>	<b>11</b>	<b>11</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>7 428</b>	<b>7 428</b>	<b>7 563</b>	<b>-</b>	<b>7 563</b>	<b>7 563</b>	<b>-</b>	<b>7 563</b>	<b>102 %</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 appropri- available
	Initial adopted budget	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
1100 Temporary Agents' salaries and allowances and employer's social security contributions	1 610	-	94	1 705	-	-	-	1 705
1111 Contract staff and Seconded National Experts	1 503	-	(33)	1 470	-	-	-	1 470
<b>Total Chapter 11</b>	<b>3 113</b>	<b>-</b>	<b>62</b>	<b>3 174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 174</b>
1200 Recruitment expenses	10	-	(3)	7	-	-	-	7
<b>Total Chapter 12</b>	<b>10</b>	<b>-</b>	<b>(3)</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>
1300 Mission expenses, duty travel expenses and other ancillary expenditure	150	-	(13)	137	-	-	-	137
<b>Total Chapter 13</b>	<b>150</b>	<b>-</b>	<b>(13)</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137</b>
1400 Medical expenditure	11	-	(3)	8	-	-	-	8
<b>Total Chapter 14</b>	<b>11</b>	<b>-</b>	<b>(3)</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>
1500 Training	102	-	(4)	98	-	-	-	98
<b>Total Chapter 15</b>	<b>102</b>	<b>-</b>	<b>(4)</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98</b>
1600 External services	449	-	297	746	-	135	135	881
<b>Total Chapter 16</b>	<b>449</b>	<b>-</b>	<b>297</b>	<b>746</b>	<b>-</b>	<b>135</b>	<b>135</b>	<b>881</b>
1700 Representation, receptions and events, and miscellaneous staff expenses	20	-	(0)	20	-	-	-	20
<b>Total Chapter 17</b>	<b>20</b>	<b>-</b>	<b>(0)</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>
<b>Total Title 1</b>	<b>3 855</b>	<b>-</b>	<b>336</b>	<b>4 191</b>	<b>-</b>	<b>135</b>	<b>135</b>	<b>4 325</b>

## 5.1.2. Breakdown &amp; changes in commitment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial adopted budget	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 Rental of buildings and associated costs	250	-	(2)	248	-	-	-	248
<b>Total Chapter 20</b>	<b>250</b>	<b>-</b>	<b>(2)</b>	<b>248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248</b>
2100 Information and Communication Technology and Security	513	-	3	516	-	0	0	516
<b>Total Chapter 21</b>	<b>513</b>	<b>-</b>	<b>3</b>	<b>516</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>516</b>
2200 Movable property and logistic services	100	-	(60)	40	-	-	-	40
<b>Total Chapter 22</b>	<b>100</b>	<b>-</b>	<b>(60)</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>
2300 Legal and other operating services	266	-	(106)	160	-	-	-	160
<b>Total Chapter 23</b>	<b>266</b>	<b>-</b>	<b>(106)</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160</b>
2400 Non-operational media and public relations	35	-	-	35	-	-	-	35
<b>Total Chapter 24</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>
2500 Non-operational meetings	3	-	(1)	2	-	-	-	2
<b>Total Chapter 25</b>	<b>3</b>	<b>-</b>	<b>(1)</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Total Title 2</b>	<b>1 167</b>	<b>-</b>	<b>(166)</b>	<b>1 000</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>1 001</b>

## 5.1.3. Breakdown &amp; changes in commitment appropriations – Title 3

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial adopted budget	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
3001 BEREC Programme Management Support	653	-	(42)	611	-	-	-	611
<b>Total Chapter 30</b>	<b>653</b>	<b>-</b>	<b>(42)</b>	<b>611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>611</b>
3101 Operation and Strategic Support to BEREC	1 754	-	(128)	1 626	-	-	-	1 626
<b>Total Chapter 31</b>	<b>1 754</b>	<b>-</b>	<b>(128)</b>	<b>1 626</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 626</b>
<b>Total Title 3</b>	<b>2 407</b>	<b>-</b>	<b>(170)</b>	<b>2 237</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 237</b>
<b>GRAND TOTAL</b>	<b>7 428</b>	<b>-</b>	<b>0</b>	<b>7 428</b>	<b>-</b>	<b>135</b>	<b>135</b>	<b>7 563</b>



## 5.2. Breakdown & changes in payment appropriations

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

*EUR '000*

Item	Initial adopted budget	Budget appropriations			Final adopted budget	Additional appropriations			Total approp. available
		Amending budgets	Transfers			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 and employer's social security contributions	1 610	-	94	1 705	-	-	-	1 705	
1111 Contract staff and Seconded National Experts	1 503	-	(33)	1 470	-	-	-	1 470	
<b>Total Chapter 11</b>	<b>3 113</b>	<b>-</b>	<b>62</b>	<b>3 174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 174</b>	
1200 Recruitment expenses	10	-	(3)	7	-	-	-	7	
<b>Total Chapter 12</b>	<b>10</b>	<b>-</b>	<b>(3)</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	
1300 Mission expenses, duty travel expenses and other ancillary expenditure	150	-	(13)	137	8	-	8	145	
<b>Total Chapter 13</b>	<b>150</b>	<b>-</b>	<b>(13)</b>	<b>137</b>	<b>8</b>	<b>-</b>	<b>8</b>	<b>145</b>	
1400 Medical expenditure	11	-	(3)	8	-	-	-	8	
<b>Total Chapter 14</b>	<b>11</b>	<b>-</b>	<b>(3)</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	
1500 Training	102	-	(4)	98	12	-	12	110	
<b>Total Chapter 15</b>	<b>102</b>	<b>-</b>	<b>(4)</b>	<b>98</b>	<b>12</b>	<b>-</b>	<b>12</b>	<b>110</b>	
1600 External services	449	-	297	746	185	135	319	1 065	
<b>Total Chapter 16</b>	<b>449</b>	<b>-</b>	<b>297</b>	<b>746</b>	<b>185</b>	<b>135</b>	<b>319</b>	<b>1 065</b>	
1700 Representation, receptions and events, and miscellaneous staff expenses	20	-	(0)	20	14	-	14	34	
<b>Total Chapter 17</b>	<b>20</b>	<b>-</b>	<b>(0)</b>	<b>20</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>34</b>	
<b>Total Title 1</b>	<b>3 855</b>	<b>-</b>	<b>336</b>	<b>4 191</b>	<b>219</b>	<b>135</b>	<b>354</b>	<b>4 544</b>	

5.2.2. Breakdown & changes in payment appropriations – Title 2

*EUR '000*

Item	Budget appropriations				Additional appropriations			Total appropri. available
	Initial adopted budget	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 Rental of buildings and associated costs	250	-	(2)	248	49	-	49	298
<b>Total Chapter 20</b>	<b>250</b>	<b>-</b>	<b>(2)</b>	<b>248</b>	<b>49</b>	<b>-</b>	<b>49</b>	<b>298</b>
2100 Information and Communication Technology and Security	513	-	3	516	286	0	286	801
<b>Total Chapter 21</b>	<b>513</b>	<b>-</b>	<b>3</b>	<b>516</b>	<b>286</b>	<b>0</b>	<b>286</b>	<b>801</b>
2200 Movable property and logistic services	100	-	(60)	40	79	-	79	119
<b>Total Chapter 22</b>	<b>100</b>	<b>-</b>	<b>(60)</b>	<b>40</b>	<b>79</b>	<b>-</b>	<b>79</b>	<b>119</b>
2300 Legal and other operating services	266	-	(106)	160	95	-	95	255
<b>Total Chapter 23</b>	<b>266</b>	<b>-</b>	<b>(106)</b>	<b>160</b>	<b>95</b>	<b>-</b>	<b>95</b>	<b>255</b>
2400 Non-operational media and public relations	35	-	-	35	63	-	63	98
<b>Total Chapter 24</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>63</b>	<b>-</b>	<b>63</b>	<b>98</b>
2500 Non-operational meetings	3	-	(1)	2	-	-	-	2
<b>Total Chapter 25</b>	<b>3</b>	<b>-</b>	<b>(1)</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Total Title 2</b>	<b>1 167</b>	<b>-</b>	<b>(166)</b>	<b>1 000</b>	<b>572</b>	<b>0</b>	<b>572</b>	<b>1 573</b>

5.2.3. Breakdown & changes in payment appropriations – Title 3

*EUR '000*

Item	Budget appropriations				Additional appropriations			Total appropriable
	Initial adopted budget	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
3001 BEREC Programme Management Support	653	-	(42)	611	135	-	135	746
<b>Total Chapter 30</b>	<b>653</b>	<b>-</b>	<b>(42)</b>	<b>611</b>	<b>135</b>	<b>-</b>	<b>135</b>	<b>746</b>
3101 Operation and Strategic Support to BEREC	1 754	-	(128)	1 626	1 328	-	1 328	2 953
<b>Total Chapter 31</b>	<b>1 754</b>	<b>-</b>	<b>(128)</b>	<b>1 626</b>	<b>1 328</b>	<b>-</b>	<b>1 328</b>	<b>2 953</b>
<b>Total Title 3</b>	<b>2 407</b>	<b>-</b>	<b>(170)</b>	<b>2 237</b>	<b>1 462</b>	<b>-</b>	<b>1 462</b>	<b>3 699</b>
<b>GRAND TOTAL</b>	<b>7 428</b>	<b>-</b>	<b>0</b>	<b>7 428</b>	<b>2 253</b>	<b>135</b>	<b>2 388</b>	<b>9 816</b>

## 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 2023			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 and employer's social security contributions	1 705	1 705	-	-	1 705	100 %	-	-	-	-	-	0	-
1111 Contract staff and Seconded National Experts	1 470	1 470	-	-	1 470	100 %	-	-	-	-	-	0	-
<b>Total Chapter 11</b>	<b>3 174</b>	<b>3 174</b>	<b>-</b>	<b>-</b>	<b>3 174</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
1200 Recruitment expenses	7	7	-	-	7	100 %	-	-	-	-	-	0	-
<b>Total Chapter 12</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
1300 Mission expenses, duty travel expenses and other ancillary expenditure	137	137	-	-	137	100 %	-	-	-	-	-	0	-
<b>Total Chapter 13</b>	<b>137</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>137</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
1400 Medical expenditure	8	8	-	-	8	100 %	-	-	-	-	-	0	-
<b>Total Chapter 14</b>	<b>8</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
1500 Training	98	98	-	-	98	100 %	-	-	-	-	-	0	-
<b>Total Chapter 15</b>	<b>98</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>98</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
1600 External services	881	746	-	83	829	94 %	51	-	51	-	-	0	-
<b>Total Chapter 16</b>	<b>881</b>	<b>746</b>	<b>-</b>	<b>83</b>	<b>829</b>	<b>94 %</b>	<b>51</b>	<b>-</b>	<b>51</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
1700 Representation, receptions and events, and miscellaneous staff expenses	20	20	-	-	20	100 %	-	-	-	-	-	0	-
<b>Total Chapter 17</b>	<b>20</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>Total Title 1</b>	<b>4 325</b>	<b>4 191</b>	<b>-</b>	<b>83</b>	<b>4 274</b>	<b>99 %</b>	<b>51</b>	<b>-</b>	<b>51</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>

## 5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2023			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 Rental of buildings and associated costs	248	248	-	-	248	100 %	-	-	-	-	-	0	-
<b>Total Chapter 20</b>	<b>248</b>	<b>248</b>	<b>-</b>	<b>-</b>	<b>248</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
2100 Information and Communication Technology and Security	516	515	-	0	515	100 %	-	-	-	1	-	-	1
<b>Total Chapter 21</b>	<b>516</b>	<b>515</b>	<b>-</b>	<b>0</b>	<b>515</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
2200 Movable property and logistic services	40	40	-	-	40	100 %	-	-	-	-	-	0	-
<b>Total Chapter 22</b>	<b>40</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
2300 Legal and other operating services	160	160	-	-	160	100 %	-	-	-	-	-	0	-
<b>Total Chapter 23</b>	<b>160</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>160</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
2400 Non-operational media and public relations	35	35	-	-	35	100 %	-	-	-	0	-	0	0
<b>Total Chapter 24</b>	<b>35</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>
2500 Non-operational meetings	2	2	-	-	2	100 %	-	-	-	0	-	0	0
<b>Total Chapter 25</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Total Title 2</b>	<b>1 001</b>	<b>1 000</b>	<b>-</b>	<b>0</b>	<b>1 000</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>

5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2023			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	611	611	-	-	611	100 %	-	-	-	0	-	0	0
<b>Total Chapter 30</b>	<b>611</b>	<b>611</b>	<b>-</b>	<b>-</b>	<b>611</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>
3101 Operation and Strategic Support to BEREC	1 626	1 625	-	-	1 625	100 %	-	-	-	0	-	0	0
<b>Total Chapter 31</b>	<b>1 626</b>	<b>1 625</b>	<b>-</b>	<b>-</b>	<b>1 625</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Total Title 3</b>	<b>2 237</b>	<b>2 237</b>	<b>-</b>	<b>-</b>	<b>2 237</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>7 563</b>	<b>7 427</b>	<b>-</b>	<b>83</b>	<b>7 511</b>	<b>99 %</b>	<b>51</b>	<b>-</b>	<b>51</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</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 2023					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 Temporary Agents' salaries and allowances and employer's social security contributions	1 705	1 705	-	-	1 705	100 %	-	-	-	-	-	-	-	-	
1111 Contract staff and Seconded National Experts	1 470	1 470	-	-	1 470	100 %	-	-	-	-	-	-	-	-	
<b>Total Chapter 11</b>	<b>3 174</b>	<b>3 174</b>	<b>-</b>	<b>-</b>	<b>3 174</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
1200 Recruitment expenses	7	7	-	-	7	100 %	-	-	-	-	-	-	-	-	
<b>Total Chapter 12</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>100 %</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 expenditure	145	113	8	-	121	83 %	24	-	-	24	-	-	-	-	
<b>Total Chapter 13</b>	<b>145</b>	<b>113</b>	<b>8</b>	<b>-</b>	<b>121</b>	<b>83 %</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
1400 Medical expenditure	8	8	-	-	8	100 %	-	-	-	-	-	-	-	-	
<b>Total Chapter 14</b>	<b>8</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
1500 Training	110	96	12	-	108	98 %	2	-	-	2	0	-	-	0	
<b>Total Chapter 15</b>	<b>110</b>	<b>96</b>	<b>12</b>	<b>-</b>	<b>108</b>	<b>98 %</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	
1600 External services	1 065	569	182	79	830	78 %	177	-	55	232	-	2	-	2	
<b>Total Chapter 16</b>	<b>1 065</b>	<b>569</b>	<b>182</b>	<b>79</b>	<b>830</b>	<b>78 %</b>	<b>177</b>	<b>-</b>	<b>55</b>	<b>232</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	

EUR '000

Item	Total approp. availab.	from final adopt. budget	Payments made				Appropriations carried over to 2023				Appropriations lapsing			
			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
1700 Representation, receptions and events, and miscellaneous staff expenses	34	20	14	-	34	99 %	-	-	-	-	-	0	-	0
Total Chapter 17	34	20	14	-	34	99 %	-	-	-	-	-	0	-	0
<b>Total Title 1</b>	<b>4 544</b>	<b>3 987</b>	<b>216</b>	<b>79</b>	<b>4 283</b>	<b>94 %</b>	<b>204</b>	<b>-</b>	<b>55</b>	<b>259</b>	<b>0</b>	<b>3</b>	<b>-</b>	<b>3</b>



## 5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2023					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	298	178	48	-	226	76 %	70	-	-	70	-	2	-	2	
<b>Total Chapter 20</b>	<b>298</b>	<b>178</b>	<b>48</b>	<b>-</b>	<b>226</b>	<b>76 %</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	
2100 Information and Communication Technology and Security	801	385	277	0	662	83 %	130	-	-	130	1	8	-	9	
<b>Total Chapter 21</b>	<b>801</b>	<b>385</b>	<b>277</b>	<b>0</b>	<b>662</b>	<b>83 %</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>130</b>	<b>1</b>	<b>8</b>	<b>-</b>	<b>9</b>	
2200 Movable property and logistic services	119	35	78	-	114	96 %	5	-	-	5	-	0	-	0	
<b>Total Chapter 22</b>	<b>119</b>	<b>35</b>	<b>78</b>	<b>-</b>	<b>114</b>	<b>96 %</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	
2300 Legal and other operating services	255	143	95	-	239	94 %	16	-	-	16	-	0	-	0	
<b>Total Chapter 23</b>	<b>255</b>	<b>143</b>	<b>95</b>	<b>-</b>	<b>239</b>	<b>94 %</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	
2400 Non-operational media and public relations	98	23	63	-	86	88 %	12	-	-	12	0	0	-	0	
<b>Total Chapter 24</b>	<b>98</b>	<b>23</b>	<b>63</b>	<b>-</b>	<b>86</b>	<b>88 %</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	
2500 Non-operational meetings	2	2	-	-	2	100 %	-	-	-	-	0	-	-	0	
<b>Total Chapter 25</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	
<b>Total Title 2</b>	<b>1 573</b>	<b>767</b>	<b>562</b>	<b>0</b>	<b>1 328</b>	<b>84 %</b>	<b>233</b>	<b>-</b>	<b>-</b>	<b>233</b>	<b>1</b>	<b>10</b>	<b>-</b>	<b>11</b>	

5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2023				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	746	430	134	-	565	76 %	181	-	-	181	0	0	-	0
<b>Total Chapter 30</b>	<b>746</b>	<b>430</b>	<b>134</b>	<b>-</b>	<b>565</b>	<b>76 %</b>	<b>181</b>	<b>-</b>	<b>-</b>	<b>181</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>
3101 Operation and Strategic Support to BEREC	2 953	965	1 310	-	2 275	77 %	661	-	-	661	0	18	-	18
<b>Total Chapter 31</b>	<b>2 953</b>	<b>965</b>	<b>1 310</b>	<b>-</b>	<b>2 275</b>	<b>77 %</b>	<b>661</b>	<b>-</b>	<b>-</b>	<b>661</b>	<b>0</b>	<b>18</b>	<b>-</b>	<b>18</b>
<b>Total Title 3</b>	<b>3 699</b>	<b>1 395</b>	<b>1 445</b>	<b>-</b>	<b>2 840</b>	<b>77 %</b>	<b>842</b>	<b>-</b>	<b>-</b>	<b>842</b>	<b>0</b>	<b>18</b>	<b>-</b>	<b>18</b>
<b>GRAND TOTAL</b>	<b>9 816</b>	<b>6 149</b>	<b>2 223</b>	<b>80</b>	<b>8 451</b>	<b>86 %</b>	<b>1 278</b>	<b>-</b>	<b>55</b>	<b>1 334</b>	<b>1</b>	<b>31</b>	<b>-</b>	<b>32</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 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	9=4+8
1100 Temporary Agents' salaries and allowances and employer's social security contributions	-	-	-	-	1 705	1 705	-	-	-
1111 Contract staff and Seconded National Experts	-	-	-	-	1 470	1 470	-	-	-
<b>Total Chapter 11</b>	-	-	-	-	<b>3 174</b>	<b>3 174</b>	-	-	-
1200 Recruitment expenses	-	-	-	-	7	7	-	-	-
<b>Total Chapter 12</b>	-	-	-	-	<b>7</b>	<b>7</b>	-	-	-
1300 Mission expenses, duty travel expenses and other ancillary expenditure	8	-	8	-	137	113	-	24	24
<b>Total Chapter 13</b>	<b>8</b>	-	<b>8</b>	-	<b>137</b>	<b>113</b>	-	<b>24</b>	<b>24</b>
1400 Medical expenditure	-	-	-	-	8	8	-	-	-
<b>Total Chapter 14</b>	-	-	-	-	<b>8</b>	<b>8</b>	-	-	-
1500 Training	12	-	12	-	98	96	-	2	2
<b>Total Chapter 15</b>	<b>12</b>	-	<b>12</b>	-	<b>98</b>	<b>96</b>	-	<b>2</b>	<b>2</b>
1600 External services	185	(2)	182	-	829	648	-	181	181
<b>Total Chapter 16</b>	<b>185</b>	<b>(2)</b>	<b>182</b>	-	<b>829</b>	<b>648</b>	-	<b>181</b>	<b>181</b>
1700 Representation, receptions and events, and miscellaneous staff expenses	14	(0)	14	-	20	20	-	-	-
<b>Total Chapter 17</b>	<b>14</b>	<b>(0)</b>	<b>14</b>	-	<b>20</b>	<b>20</b>	-	-	-
<b>Total Title 1</b>	<b>219</b>	<b>(3)</b>	<b>216</b>	-	<b>4 274</b>	<b>4 067</b>	-	<b>207</b>	<b>207</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 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	9=4+8
2000 Rental of buildings and associated costs	49	(2)	48	-	248	178	-	70	70
<b>Total Chapter 20</b>	<b>49</b>	<b>(2)</b>	<b>48</b>	<b>-</b>	<b>248</b>	<b>178</b>	<b>-</b>	<b>70</b>	<b>70</b>
2100 Information and Communication Technology and Security	286	(8)	277	-	515	385	-	130	130
<b>Total Chapter 21</b>	<b>286</b>	<b>(8)</b>	<b>277</b>	<b>-</b>	<b>515</b>	<b>385</b>	<b>-</b>	<b>130</b>	<b>130</b>
2200 Movable property and logistic services	79	(0)	78	-	40	35	-	5	5
<b>Total Chapter 22</b>	<b>79</b>	<b>(0)</b>	<b>78</b>	<b>-</b>	<b>40</b>	<b>35</b>	<b>-</b>	<b>5</b>	<b>5</b>
2300 Legal and other operating services	95	(0)	95	-	160	143	-	16	16
<b>Total Chapter 23</b>	<b>95</b>	<b>(0)</b>	<b>95</b>	<b>-</b>	<b>160</b>	<b>143</b>	<b>-</b>	<b>16</b>	<b>16</b>
2400 Non-operational media and public relations	63	(0)	63	-	35	23	-	12	12
<b>Total Chapter 24</b>	<b>63</b>	<b>(0)</b>	<b>63</b>	<b>-</b>	<b>35</b>	<b>23</b>	<b>-</b>	<b>12</b>	<b>12</b>
2500 Non-operational meetings	-	-	-	-	2	2	-	-	-
<b>Total Chapter 25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Title 2</b>	<b>572</b>	<b>(10)</b>	<b>562</b>	<b>-</b>	<b>1 000</b>	<b>767</b>	<b>-</b>	<b>233</b>	<b>233</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 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	9=4+8	
3001 BEREC Programme Management Support	135	(0)	134	-	611	430	-	181	181	
<b>Total Chapter 30</b>	<b>135</b>	<b>(0)</b>	<b>134</b>	<b>-</b>	<b>611</b>	<b>430</b>	<b>-</b>	<b>181</b>	<b>181</b>	
3101 Operation and Strategic Support to BEREC	1 328	(18)	1 310	-	1 625	965	-	661	661	
<b>Total Chapter 31</b>	<b>1 328</b>	<b>(18)</b>	<b>1 310</b>	<b>-</b>	<b>1 625</b>	<b>965</b>	<b>-</b>	<b>661</b>	<b>661</b>	
<b>Total Title 3</b>	<b>1 462</b>	<b>(18)</b>	<b>1 445</b>	<b>-</b>	<b>2 237</b>	<b>1 395</b>	<b>-</b>	<b>842</b>	<b>842</b>	
<b>GRAND TOTAL</b>	<b>2 253</b>	<b>(31)</b>	<b>2 223</b>	<b>-</b>	<b>7 511</b>	<b>6 228</b>	<b>-</b>	<b>1 282</b>	<b>1 282</b>	

## 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.