

Final Accounts

2013

Financial Statements
Report on the implementation of the budget
Report on budgetary and financial management

According to Article 99 of the BEREC Office Financial Regulation¹, these final accounts have been prepared by the Accounting Officer under her own responsibility, following the applicable accounting principles, rules and methods and taking into account the Court of Auditors' observations in relation to the Provisional accounts submitted on 3 March 2014.

The Final Accounts will be submitted to the Management Committee for their opinion, at their meeting on 6 June 2014.

The accounting officer shall send the final accounts, together with the opinion of the Management Committee, to the accounting officer of the Commission, the Court of Auditors, the European Parliament and the Council, by 1 July 2014.

The accounting officer of the Office shall also send to the Court of Auditors, with a copy to the accounting officer of the Commission, at the same date as the transmission of her final accounts, a representation letter covering those final accounts.

Riga, 26 March 2014

Accounting Officer



Véronique BAGGE

¹ Decision MC/2014/1 of the Management Committee of the Office of the Body of European Regulators for Electronic Communications on the financial regulation applicable to the BEREC Office in conformity with the framework Financial regulation for the bodies referred to in Article 208 of Council regulation (EU, Euratom) No 966/2012 on the Financial Regulation applicable to the general budget of the European Union: http://berec.europa.eu/eng/document_register/subject_matter/berec_office/download/0/3976-decision-of-the-berec-office-mc-on-the-f_0.pdf

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1 Introduction

The Body of European Regulators for Electronic Communications (referred to as "BEREC") and the Office (referred to as the "Office" or the "BEREC Office") were created within Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009² ("BEREC Regulation"), with the objective to increase the consistency in the implementation of the EU regulatory framework and thus to improve the functioning of the single market.

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

The Commission attends BEREC's meetings as observer and is represented at high level as well.

The NRAs from the EFTA States and from the States that are candidates for accession to the European Union have also observer status and are represented at high level.

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

BEREC has the following role:

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

BEREC is supported by the BEREC Office. The Office is established as a European Union body with legal personality within the meaning of Article 185 of Council Regulation no 1605/2002 on the Financial Rules applicable to the general budget of the European Communities^{3,4}.

² OJ L 337, 18.12.2009, p.1

³ OJ L 248, 16.9.2001, p. 1.

⁴ Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p.1)

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

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

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

BEREC Office comprises a Management Committee and an Administrative Manager. The Management Committee is composed of 1 representative of all 28 Members States' NRAs and the Commission.

The BEREC Office is structured as follows:

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

As per 31 December 2013 the BEREC Office had 25 employees.

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

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

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

- BEREC web page: <http://berec.europa.eu>
- Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office Text with EEA relevance, Official Journal L 337, 18.12.2009, p. 1 - 10
- Decision No 349 of 2011 taken by common accord between the Representatives of the Governments of the Member States on the location of the seat of the Office of the Body of European Regulators for Electronic Communications (BEREC), Official Journal L 156, 23.06.2010, p. 12
- Current EU regulatory framework for electronic communications: http://ec.europa.eu/information_society/policy/ecomms/eu-rules/index_en.htm
- BEREC Office premises:
 - o Zigfrida Annas Meierovica Bulvaris 14, 2nd Floor, Riga LV-1050
 - o Tel. +371 6611 7590; e-mail: berec@berec.europa.eu

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

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

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

The general accounts are accrual accounts which means that the effects of transactions and other events are recognised when those transactions or events occur (and not only when cash or its equivalent is received or paid).

The financial statements are drawn up in accordance with generally accepted accounting principles as outlined in the accounting rules referred to in Article 143 of Regulation (EU, Euratom) No 966/2012⁵. The rules applied are the rules adopted by the accounting officer of the Commission, which are based on internationally accepted accounting standards for the public sector. The general accounts allow for the preparation of the financial statements as they show all revenues and expenses for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

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

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

The accounting policies have been applied consistently throughout the period.

According to Article 99 of its Financial Regulation⁶, the BEREC Office's Accounting Officer, after receiving the Court of Auditors' observations on the provisional accounts of the Office, shall draw up the final accounts of the Office, under their own responsibility. The Administrative Manager shall send them to the Management Committee, which shall give an opinion on these accounts. The accounting officer shall send the final accounts, together with the opinion of the Management Committee, 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.

⁵ OJ L 298, 26.10.2012, p.1

⁶ Decision MC/2014/1 of the Management Committee of the Office of the Body of European Regulators for Electronic Communications on the financial regulation applicable to the BEREC Office in conformity with the framework Financial regulation for the bodies referred to in Article 208 of Council regulation (EU, Euratom) No 966/2012 on the Financial Regulation applicable to the general budget of the European Union:

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1.1 *Legal Framework*

This report has been prepared in accordance with Article 92 of the Financial Regulation of the BEREC Office adopted on 9 January 2014 by the Management Committee decision MC(14)01.

1.2 *Accounting principles*

Based on Article 95 of the Financial Regulation of the BEREC Office, the financial statements are drawn up in accordance with the generally accepted accounting principles specified in the detailed rules for implementing the general Financial Regulation, namely:

a) Going concern basis principle

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

b) Principle of prudence

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

c) Principle of consistent accounting methods

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

d) Principle of comparability of information

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

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

e) Materiality principle

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

Transactions may be aggregated where:

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

f) No-netting principle

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

g) Principle of reality over appearance

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

h) Accrual-based accounting principle

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

Currency

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

Transactions in foreign currencies

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

Due to the fact that the BEREC Office's seat was outside of the Eurozone in 2013 (in Riga, Latvia), a substantial number of transactions during the reporting period occurred in Latvian Lats (LVL).

1.3 Financial autonomy

The BEREC Office became financially autonomous on 12 September 2011. Previously all financial and budgetary transactions were under the responsibility of the parent DG INFSO, in 2012 renamed to DG CONNECT.

The first financial statements drawn up for 2011, only covered the period from 12 September to 31 December 2011. In 2012, the BEREC Office was fully autonomous and presented the financial statements that covered the period from 1 January to 31 December 2012.

The current Financial Statements and Reports on Implementation of Budget cover the period between 1 January 2013 and 31 December 2013.

Subsequently, the figures for 2013 are comparable with figures from 2012, but not fully comparable with the figures for 2011.

1.4 *Declaration of Assurance of the Administrative Manager*

I, the undersigned, Ando Rehemaa, Administrative Manager of BEREC Office in my capacity as Authorising Officer,

- declare that the information contained in this report gives a true and fair view;
- state that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. This reasonable assurance is based on my own judgement based on my personal involvement in the details of budget management procedure in 2013 and on the information at my disposal, such as the self-assessment, ex-ante controls, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors; and
- confirm that I am not aware of any matter not reported here that could harm the interests of the institution.

Done in Riga, on

31/03/2014



Ando Rehemaa
Administrative Manager

1.5 *Certificate of the Accounting Officer*

These Final Accounts of the BEREC Office for the year 2013 have been prepared in accordance with the Financial Regulation of the Office⁷ and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the final accounts of the BEREC Office in accordance with Article 50 of the Financial Regulation of the Office.

I have obtained from the Authorising Officer, who guaranteed its reliability, all the information necessary for the production of the accounts that show the Office's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present a true and fair view of the financial position of the Office in all material aspects.

Done in Riga, on *26 March 2014*



Veronique Bagge
Accounting Officer

⁷ Decision MC/2014/1 of the Management Committee of the Office of the Body of European Regulators for Electronic Communications on the financial regulation applicable to the BEREC Office in conformity with the framework Financial regulation for the bodies referred to in Article 208 of Council regulation (EU, Euratom) No 966/2012 on the Financial Regulation applicable to the general budget of the European Union:
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2 Financial Statement

2.1 Balance Sheet

ASSETS	31.12.2013	31.12.2012	Variation
A. NON CURRENT ASSETS			
Intangible assets	852.00	1 144.00	-292.00
Property, plant and equipment	41 523.00	49 618.00	-8 095.00
Plant and equipment	406.00	650.00	-244.00
Computer hardware	21 779.00	32 253.00	-10 474.00
Furniture and vehicles	9 537.00	2 967.00	6 570.00
Other fixtures and fittings	9 801.00	13 748.00	-3 947.00
TOTAL NON CURRENT ASSETS	42 375.00	50 762.00	-8 387.00
B. CURRENT ASSETS			
Short-term receivables	29 229.91	33 490.81	-4 260.90
Current receivables	26 629.36	29 606.24	-2 976.88
Sundry receivables	2 198.02	3 884.57	-1 686.55
Other short-term receivables	402.53		402.53
Cash and cash equivalents	953 098.14	1 548 079.83	-594 981.69
TOTAL CURRENT ASSETS	982 328.05	1 581 570.64	-599 242.59
TOTAL ASSETS	1 024 703.05	1 632 332.64	-607 629.59
LIABILITIES	31.12.2013	31.12.2012	Variation
A. NET ASSETS			
Reserves	0.00	0.00	0.00
Accumulated surplus/deficit	184 182.97	89 017.48	95 165.49
Economic outturn for the year - profit+/loss-	-84 887.48	95 165.49	-180 052.97
TOTAL NET ASSETS	99 295.49	184 182.97	-84 887.48
B. CURRENT LIABILITIES			
Provisions for risks and charges	22 356.27	42 691.99	-20 335.72
Accounts payable	903 051.29	1 405 457.68	-502 406.39
Current payables	121.38	12 880.32	-12 758.94
Sundry payables	0.00	14 341.04	-14 341.04
Other	382 244.63	371 953.42	10 291.21
Accrued charges	285 565.95	319 141.71	-33 575.76
Accrued charges with consolidated EU entities	96 678.68	52 811.71	43 866.97
Deferred income with consolidated EU entities	0.00	0.00	0.00
Accounts payable with consolidated EU entities	520 685.28	1 006 282.90	-485 597.62
Pre-financing received consolidated EU entities	0.00	967 381.72	-967 381.72
Other accounts payable consolidated EU entities	0.00	38 901.18	-38 901.18
TOTAL CURRENT LIABILITIES	925 407.56	1 448 149.67	-522 742.11
TOTAL LIABILITIES	1 024 703.05	1 632 332.64	-607 629.59

2.2 Economic Outturn Account

	2013	2012	Variation
Operational Revenues - Miscellaneous	1 218.93	668.21	550.72
Adjustments / Provisions	20 335.72	0.00	20 335.72
Exchange rate differences	2 901.46		2 901.46
EU SUBSIDY (COMMISSION)	3 036 899.16	2 645 664.71	391 234.45
TOTAL OPERATIONAL INCOME	3 061 355.27	2 646 332.92	415 022.35
Administrative expenses	- 2 314 245.90	-1 785 055.98	-529 189.92
All Staff expenses	-1 510 308.98	-1 326 108.46	-184 200.52
Fixed asset related expenses	-17 791.28	-10 756.92	-7 034.36
Other administrative expenses	-786 145.64	-448 190.60	-337 955.04
Operational expenses	-831 766.55	-765 963.76	-65 802.80
Operational expenses	-802 695.79	-704 805.09	-97 890.70
Exchange rate differences	-29 070.76	-25 624.29	-3 446.47
Adjustments / Provisions	0.00	-35 534.38	35 534.38
TOTAL OPERATIONAL EXPENSES	-3 146 012.45	-2 551 019.74	-594 992.71
SURPLUS/DEFICIT OPERATIONAL ACTIVITIES	-84 657.18	95 313.18	-179 970.36
Financial revenues	0.00	0.00	0.00
Financial expenses	-230.30	-147.69	-82.61
SURPLUS/DEFICIT NON-OPERATIONAL ACTIVITIES	-230.30	-147.69	-82.61
SURPLUS/DEFICIT ORDINARY ACTIVITIES	-84 887.48	95 165.49	-180 052.97
Extraordinary gains (+)	0.00	0.00	0.00
Extraordinary losses (-)	0.00	0.00	0.00
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	0.00	0.00	0.00
ECONOMIC RESULT FOR THE YEAR	-84 887.48	95 165.49	-180 052.97

2.3 Cash Flow (Indirect method)

	2013	2012
CASH FLOWS FROM ORDINARY ACTIVITIES		
Surplus/(deficit) from ordinary activities	-84 887.48	95 165.49
Operating activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	292.00	25.20
Depreciation (tangible fixed assets) +	16 184.28	10 731.72
Decrease in Provisions for risks and liabilities	-20 335.72	35 534.38
Increase in Short term Receivables	4 260.90	-25 217.05
Increase in Accounts payable	- 16 808.77	261 700.00
Increase in Liabilities with consolidated EU entities	-485 597.62	555 768.25
Other non-cash movements	1 315.00	-1 089.70
Net cash Flow from operating activities	-585 577.41	932 618.29
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase of tangible and intangible fixed assets (-)	-9 404.28	-24 482.11
Net cash flow from investing activities	-9 404.28	-24 482.11
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the period	1 548 079.83	639 943.65
Cash and cash equivalents at the end of the period	953 098.14	1 548 079.83

2.4 *Statement of Changes in Net Assets*

	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Net assets (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2012	0.00	0.00	89 017.48	95 165.49	184 182.97
Changes in accounting policies	0.00	0.00	0.00		0.00
Balance as of 1 January 2013	0.00	0.00	89 017.48	95 165.49	184 182.97
Fair value movements					0.00
Movement in Guarantee Fund reserve					0.00
Allocation of the Economic Result of previous year			95 165.49	-95 165.49	0.00
Amounts credited to Member States					0.00
Economic result of the year	0.00	0.00		-84 887.48	-84 887.48
Balance as of 31 December 2013	0.00	0.00	184 182.97	-84 887.48	99 295.49

2.5 Budgetary outturn account

	2013	2012
REVENUE		
Balancing Commission subsidy	+	3,190,000.00
Other subsidy from Commission	+	0.00
Fee income	+	0.00
Other income	+	1,218.93
TOTAL REVENUE (a)		3,190,000.00
EXPENDITURE		
<i>Title I: Staff</i>		
Payments	-	1,904,649.31
Appropriations carried over	-	254,704.78
<i>Title II: Administrative Expenses</i>		
Payments	-	123,941.77
Appropriations carried over	-	48,456.05
<i>Title III: Operating Expenditure</i>		
Payments	-	694,988.85
Appropriations carried over	-	158,821.97
TOTAL EXPENDITURE (b)		2,721,920.30
OUTTURN FOR THE FINANCIAL YEAR (a-b)		468,079.70
Cancellation of unused payment appropriations carried over from previous year	+	173,613.91
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	0.00
Exchange differences for the year (gain +/-loss -)	+/-	-26,169.27
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		519,100.84
Balance year N-1	+/-	544,925.64
Positive balance from year N-1 reimbursed in year N to the Commission	-	-544,925.64
Result used for determining amounts in general accounting		519,100.84
Commission subsidy - agency registers accrued revenue and Commission accrued expense		3,036,899.16
Pre-financing remaining open to be reimbursed by agency to Commission in year N+1		519,100.84
Not included in the budget outturn: Interest generated by 31/12/N on the Commission balancing subsidy funds and to be reimbursed to the Commission (liability)	+	1,584.46
		2,781.18

2.6 Reconciliation of the accrual based result with the budget result

	sign +/-	amount
Economic result (- for loss) of the consolidation reporting package including table M2	+/-	-84 887.48
Adjustment for accrual items (items not in the budgetary result but included in the economic result)		
<i>A</i> Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-	-371 953.42
<i>B</i> Adjustments for Accrual Cut-off (cut- off 31.12.N)	+	382 244.63
<i>C</i> Amount from liaison account with Commission booked in the Economic Outturn Account	-	0.00
<i>D</i> Unpaid invoices at year end but booked in charges (class 6)	+	121.38
<i>E</i> Depreciation of intangible and tangible assets	+	16 120.52
<i>F</i> Provisions	+	-20 335.72
<i>G</i> Value reductions	+	0.00
<i>H</i> Recovery Orders issued in 2013 in class 7 and not yet cashed	-	0.00
<i>Ia</i> Pre-financing given in previous year and cleared in the year	+	0.00
<i>Ib</i> Pre-financing received in previous year and cleared in the year	-	0.00
<i>J</i> Payments made from carry-over of payment appropriations	+	437 608.93
<i>K</i> Other	+/-	-1 315.00
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)		
<i>M</i> Asset acquisitions (less unpaid amounts)	-	-9 404.28
<i>N</i> New pre-financing paid in the year 2013 and remaining open as at 31.12.2013	-	0.00
<i>O</i> New pre-financing received in the year 2013 and remaining open as at 31.12.2013	+	519 100.84
<i>P</i> Budgetary recovery orders issued before 2013 and cashed in the year	+	0.00
<i>Q</i> Budgetary recovery orders issued in 2013 on balance sheet accounts (not 7 or 6 accounts) and cashed	+	0.00
<i>R</i> Capital payments on financial leasing (they are budgetary payments but not in the economic result)	-	0.00
<i>S</i> Payment appropriations carried over to 2014	-	-461 121.17
<i>T</i> Cancellation of unused carried over payment appropriations from previous year	+	173 613.91
<i>U</i> Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	0.00
<i>V</i> Payments for pensions (they are budgetary payments but booked against provisions)	-	0.00
<i>W</i> Payments for stocks of leave and supplementary hours (they are budgetary payments but booked against provisions)	-	0.00
<i>X</i> Other	+/-	-57 047.74
Total		522 745.40
Budgetary result (+ for surplus)		519 100.84
Including amount of exchange rate differences		-26 169.30
Delta not explained		3 644.56

3 Annex to Financial Statements

3.1 Notes to the Balance Sheet

3.1.1 Non-current assets

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

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

The BEREC Office has tagged the assets with label stickers. The physical inventory check of the BEREC Office's assets was performed between 22 July 2013 and 29 August 2013 and its results were formalised during the meeting on 4 September 2013. A physical inventory will be performed annually at the BEREC Office.

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

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

Intangible fixed assets:

Computer software	25.0%
-------------------	-------

Tangible fixed assets:

Specific equipment	25.0%
Computers, servers, printers etc.	25.0%
Telecommunications and audio-visual equipment	25.0%
Office furniture	10.0%, 12.5% and 25.0%

3.1.1.1 Intangible fixed assets

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

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

INTANGIBLE ASSETS	Internally generated Computer Software	Other Computer Software	Total
Gross carrying amounts 01.01.2013	0.00	1 169.20	1 169.20
Additions	0.00	0.00	0.00
Gross carrying amounts 31.12.2013	0.00	1 169.20	1 169.20
Accumulated amortization and impairment 01.01.2013	0.00	-25.20	-25.20
Amortization	0.00	-292.00	-292.00
Accumulated amortization and impairment 31.12.2013	0.00	-317.20	-317.20
Net carrying amounts 31.12.2013	0.00	852.00	852.00

3.1.1.2 Tangible fixed assets

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

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

FIXED ASSETS	Plant and equipment	Computer hardware	Furniture	Other fixtures and fittings	Total
Gross carrying amounts 01.01.2013	975.00	53 860.81	3 470.84	14 341.04	72 647.69
Additions	0.00	1 932.18	7 472.10	0.00	9 404.28
Disposals	0.00	-6 226.98	0.00	0.00	-6 226.98
Other changes	0.00	-1 158.58	0.00	-512.18	-1 670.76
Gross carrying amounts 31.12.2013	975.00	48 407.43	10 942.94	13 828.86	74 154.23
Accumulated amortization and impairment 01.01.2013	-325.00	-21 607.81	-503.84	-593.04	-23 029.69
Depreciation (depreciation expenditure-depreciation of disposed items)	-244.00	-5 020.62	-902.10	-3 434.82	-9 601.54
Accumulated amortization and impairment 31.12.2013	-569.00	-26 628.43	-1 405.94	-4 027.86	-32 631.23
Net carrying amounts 31.12.2013	406.00	21 779.00	9 537.00	9 801.00	41 523.00

Notable events during the financial year 2013 related fixed assets were:

- a) Retirement of 2 items due to theft. The items' value was compensated via the amounts received from the insurance company.
These amounts are shown in the balance as *Miscellaneous Revenue*.
- b) Retirement of other 5 items (computers) with Net Book Value of 0, due to obsolescence.
Based on the decision to withdraw from service of the Inventory Committee lead by the Administrative Manager, these items will be subject to be disposed of by a specialised company.

3.1.2 Current assets

3.1.2.1 Short-term pre-financing

Pre-financing is a payment intended to provide the beneficiary with a float, i.e. cash advance.

During 2013, the BEREC Office exceptionally provided a low value pre-financing (under 500 Euro) to a commercial supplier given specific conditions on Latvian market. The pre-financing was fully cleared during the year.

3.1.2.2 Short-term receivables

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

The BEREC Office receivables comprise mainly the VAT to be recovered from Latvian Taxation Authorities. In accordance with the seat agreement and the protocol on privileges and immunities of the European Union, the BEREC Office is entitled to VAT reimbursements for purchases with a value of more than 125 LVL (equivalent of 177.86 EUR).

For 2013, BEREC Office submitted a claim for reimbursement of VAT for period 01.01.2013-31.07.2013 and was reimbursed by the Latvian Government in November 2013.

In 2014, the Office will submit the claim for the remaining period between 01.08.2013 and 31.12.2013. The amount of the receivable is 26,629.36 Euro

3.1.2.3 Cash and equivalents

At the beginning of 2013, the Office had 2 accounts open in UniCredit Germany (current accounts in EUR and LVL currency).

During 2013, BEREC Office opened two additional accounts with ING Belgium (current accounts in EUR and current account with multi-currency LVL and EUR).

Due to passing to EUR of Latvia starting from .1 January 2014, at the end of 2013, both accounts in LVL currency were closed and the remaining balances transferred to Euro.

The bank balances at the end of the reporting period were:

31/12/2013		
	In currency of account	Equivalent in EURO
EUR account (Euro)	953,098.14 EUR	953,098.14 EUR
LVL account (Latvian Lats)	0.00 LVL	0.00 EUR

In 2013, the BEREC Office received two financial transfers corresponding to the subsidy (pre-financing) from the European Commission for the amount of 3,556,000.00 EUR. The first subsidy of 2,500,000.00 EUR was received on 23 May 2013 and the second subsidy of 1,056,000.00 EUR on 28 November 2013.

3.1.3 Current liabilities

3.1.3.1 Short-terms provisions

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

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

On 19 November 2013 the Court of Justice issued its ruling on this case, the result of which is that the European Commission is required to submit to the European Parliament and the Council new proposals which take into account the serious and sudden deterioration in the economic and social situation identified by the Council in 2011. Following that ruling, the Commission decided on 10 December 2013 to submit new proposals for the salary adjustments of 2011 and 2012. The proposal foresees adjustments of 0.9% for 2011 (date of effect 1 July 2011) and 0.9% for 2012 (date of effect 1 July 2012). On the basis of this proposal, considered as best available estimate

at this moment, the amount of the previous provision was decreased to a level of 22,356.27 EUR.

3.1.3.2 Accounts payable

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

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

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

The most significant amount payable represents the Commission subsidy (pre-financing) to be reimbursed, in value of 519,100.84 EUR.

3.2 *Notes to the economic outturn account*

3.2.1 Operational revenue

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

The BEREC Office revenue during year 2013 consists mainly of the European Commission subsidy in total cashed value of 3,556,000.00 EUR.

An additional amount of 1,218.93 EUR was collected following insurance claim for stolen goods and was integrated into the Office's revenue as assigned revenue. The amount is to be used for purchases of similar nature to the original goods.

3.2.2 Operational expenses

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

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

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

Fixed assets expenses reflect depreciation charges for the year.

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

During 2013, starting from August, rent was paid to the Latvian State, as per the conditions of the Seat Agreement and subject to contract between the BEREC Office and Valsts Akciju Sabiedriba Valsts Nekustamie Ipasumi (VNI).

The BEREC Office has also paid running costs (public utilities: electricity, water, heating, etc.).

Provisions for risks and liabilities for annual salary increase - subject to a decision by the European Court of Justice - amount to a total of 22,356.27 EUR.

Operational expenses include the following:

- Realised/Unrealised Exchange rate losses for 29,070.76 EUR;
- Other operational expenses to cover the BEREC Office operational activities (budget title 3: Operational activities) amounting to 802,695.79 EUR.

3.2.3 Financial expenses

Financial expenses in 2013 amounted to 230.30 EUR, representing bank charges.

3.3 *Contingent liabilities*

Operating lease

The BEREC Office does not have operating lease expenses during 2013.

Commitments for future funding

Contractual commitments, for which budget commitments as of 31.12.2013 had not yet been made, were not present.

Carry-over from 2013 to 2014

Budget Title	Type of expenditure	Automatic Carryover of Payment Appropriations to 2014	Automatic Carryover of Payment Appropriations to 2013
1	Staff	254 704.78	184 353.65
2	Administrative expenses	48 456.05	156 615.62
3	Operational expenditure	158 821.97	270 253.57
	Total	461 982.80	611 222.84

Legal cases

The BEREC Office has 1 court case with 2 different objects open at the end of 2013. It is related to a former probationer. No financial risk associated with the legal cases existed in 2013.

Related parties

The BEREC Office is managed by the Administrative Manager, who also performs the duties of Authorising Officer, under the supervision of the Management Committee. In accordance with the BEREC Office Financial Regulation Article 40, the Administrative Manager may delegate his/her powers of budget implementation to staff of the Office covered by the Staff Regulations.

During period 01.01.2013-31.12.2013 the BEREC Office had in total 1 Authorising Officer and 2 Authorising Officer by sub-delegation who are temporary agents in the following grades:

Person/Grade	Number of persons
Administrative Manager/AD14	1
Head of Programme Unit /AD9	1
Programme Manager in Programme Management Unit/AD7	1
Total	3

3.4 *Other Significant Disclosures*

Non-exchange transactions: free rental of premises during period 01.01.2013-01.08.2013 provided by the Latvian Government.

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

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

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

As stated in the Seat Agreement and the Memorandum of Understanding between the Government of Latvia and the BEREC Office, the Latvian Government covered the first 2 years of rental expenses/lease expenses of the BEREC Office building. The Latvian Government has also supervised and financed the construction and infrastructure adaptation works required to make the office building in Riga operational according to plans supplied by the BEREC Office.

The premises have a total gross usable space of 780.83 m². This gross usable space is based on the needs of an estimated staff of 30 persons and meeting room space appropriate for the activities of the BEREC Office. The monthly cost of rent is 2,444.25 EUR.

3.5 *Events after the balance sheet date*

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

3.6 *Events concerning year 2012, after the final accounts approval*

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

4 Reports on implementation of the budget 2013

4.1 *Budgetary principles*

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

a) Principles of unity and budget accuracy

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

An appropriation must not be entered in the budget if it is not for an item of expenditure considered necessary.

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

b) Principle of annuality

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

c) Principle of equilibrium

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

d) Principle of unit of account

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

e) Principle of universality

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

f) Principle of specification

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

g) Principle of sound financial management

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

h) Principle of transparency

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

4.2 *Budget 2013– Initial and Amended*

The tables below present the Budget 2013 in terms of appropriations for revenue, commitment and payment.

The initial Budget of the BEREC OFFICE for 2013, as adopted by the Management Committee of the BEREC OFFICE (hereinafter, MC) and approved by the Budgetary Authority in 2012, was 4,496,676.08 EUR⁸ including:

- (a) “fresh” contributions in year 2013 with the total value of EUR 3,768,696 including:
 - o EUR 3,165,705 under Titles 1&2 and
 - o EUR 602,991 under Title 3;
- (b) European Community assigned revenues deriving from previous years' surpluses (surplus from financial year 2011: EUR 353,231 under Titles 1&2 plus EUR 69,225 under Title 3 = 422,456 EUR)
- (c) Contribution from EFTA Member States: calculated at 2,8% of the 2013 budget with the total value of EUR 105,524, including:
 - o EUR 88,640 under Titles 1&2 and
 - o EUR 16,884 under Title 3;
- (d) Estimated voluntary contribution from the NRAs of the EU Member States in accordance with Article 5(2) of the BEREC Regulation: forecasted in draft 2013 budget with not more than EUR 200,000.

On 30 July 2013 a preparation of an Amending Budget (hereinafter, AB) was proposed to the MC and on 21 August 2013 to the Commission to adapt it to the Office's actual expenditures during its third year of set-up. The mandate was given to the Office to prepare the AB to be submitted for approval by the MC via electronic voting.

Amending Budget 1/2013 as detailed below was adopted by the MC on 13 August 2013 by Decision MC/2013/6.

The table below presents the Budget 2013 in terms of appropriations for revenue indicating the amendments of the AB 1/2013.

⁸ In January 2012 the BEREC Office submitted a draft budget of EUR 4,490,865. The following changes had to be taken into account at the beginning of 2013: a) in April 2012 Commission decreased EU contribution from EUR 4,261,135 to 4,192,879 (-1.6%); b) in June 2012, based on the recommendations from the Court of Auditors, the Office corrected the estimate for 2011 surplus from EUR 424,183 to 422,456 (-0.4%); c) on 7 January 2013 the Commission communicated that a ratio of 2.8% of the 2013 budget has to be used for the calculation of EFTA contribution instead of the previous ratio of 2.6%. With the increase from 2.6% to 2.8%, the EFTA contribution increased from EUR 99,761 to 105,524. The MC approved the updated budget of EUR 4,496,676.08 during its plenary meeting on 8 March 2013.

REVENUE

Revenues in EUR	Budget 2013	Amending Budget AB 1/2013	New Appropriations 2013
1. Revenue from fees and charges			
2. European Union Subsidy	4,191,152.08	-635,152.08	3,556,000.00
2.a. of which "fresh" contributions in year 2013	3,768,696.00		
2.b. of which assigned revenues deriving from previous year 2011 surplus	422,456.08		
3. Third countries contribution (incl. EFTA and candidate countries)	105,524.00	-105,524.00	0
4. Other contributions (*)	200,000.00	-200,000.00	0
5. Administrative operations (internal assigned revenue)			1,218.93
6. Revenues from services rendered against payment			
7. Correction of budgetary imbalances			
Total revenues	4,496,676.08	-940,676.08	3,557,218.93

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

In year 2013 the BEREC Office made 19 transfers of appropriations within the limits allowed to Administrative Manager based on Article 23(1) of the Decision MC (10) 44 of the MC on the BEREC Office Financial Regulation:

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

All above transfers were made within Titles 1, 2 or 3 respectively.

In addition to above 19 transfers, on 8 May 2013, in compliance with Article 23 (2) of the BEREC Office Financial Regulation MC (10) 44, the BEREC Office Administrative Manager submitted to the MC a proposal for a transfer of appropriations from Titles 2 to Title 3. The proposed transfer was adopted by the MC on 29 May and authorised by the Commission on 11 June 2013.

The table below presents the Budget 2013 in terms of commitment appropriations indicating the amendments resulting from the Amending Budget AB 1/2013 and the transfers by the BEREC Office among various budget items.

EXPENDITURE**Commitment appropriations in EUR**

Budget line	Description	Budget 2013 (incl. surplus from 2011, EFTA & NRA contributions)	Amendments & transfers (incl. 2011 surplus, EFTA & NRA contributions)	Administrative operations (internal assigned revenue)	Final appropriations 31.12.2013
1	2	3	4	5	6
	Budget 2013	4,496,676	-940,676	1,218.93	3,557,218.93
1	STAFF	2,786,215	-452,806		2,333,409
1 1	STAFF IN ACTIVE EMPLOYMENT	1,988,705	-502,396		1,486,309
1 1 0	Staff in active employment	1,349,785	-321,776		1,028,009
1 1 0 0	Basic salaries	1,049,785	-301,276		748,509
1 1 0 1	Family allowances	130,000	0		130,000
1 1 0 2	Expatriation and foreign-residence allowances	170,000	-20,500		149,500
1 1 1	Contract staff and other staff	556,920	-192,320		364,600
1 1 1 0	Contract staff	211,120	-101,820		109,300
1 1 1 1	Seconded national experts	345,800	-90,500		255,300
1 1 2	Employer's social security contributions	48,000	8,200		56,200
1 1 2 0	Insurance against sickness	30,000	7,000		37,000
1 1 2 1	Insurance against accidents and occupational disease	6,000	-400		5,600
1 1 2 2	Insurance against unemployment	12,000	1,600		13,600
1 1 2 3	Constitution or maintenance of pension rights	0	0		0
1 1 3	Miscellaneous allowances and grants	34,000	3,500		37,500
1 1 3 0	Childbirth and death allowances and grants	1,000	0		1,000
1 1 3 1	Travel expenses for annual leave	33,000	3,500		36,500

Budget line	Description	Budget 2013 (incl. surplus from 2011, EFTA & NRA contributions)	Amendments & transfers (incl. 2011 surplus, EFTA & NRA contributions)	Administrative operations (internal assigned revenue)	Final appropriations 31.12.2013
1	2	3	4	5	6
1 1 3 9	Other allowances	0	0		0
1 1 9	Salary weightings	0	0		0
1 1 9 0	Salary weightings	0	0		0
1 1 9 1	Adjustments to remunerations	0	0		0
1 2	MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	190,000	-33,600		156,400
1 2 0	Recruitment expenses	33,000	58,950		91,950
1 2 0 0	Travel expenses	30,000	-4,962		25,038
1 2 0 1	Miscellaneous expenditure on staff recruitment	3,000	63,912		66,912
1 2 1	Expenses on entering/leaving	157,000	-92,550		64,450
1 2 1 0	Travel expenses on entering/leaving	47,000	-42,500		4,500
1 2 1 1	Installation, resettlement and transfer allowances	30,000	-4,950		25,050
1 2 1 2	Removal expenses	30,000	-16,000		14,000
1 2 1 3	Daily subsistence allowances	50,000	-29,100		20,900
1 3	MISSIONS AND DUTY TRAVEL	200,000	24,700		224,700
1 3 0 0	Mission expenses, duty travel expenses and other ancillary expenditure	200,000	24,700		224,700
1 4	SOCIOMEDICAL SERVICES	30,000	-23,000		7,000
1 4 0	Medical service	30,000	-23,000		7,000
1 4 0 0	Medical service	30,000	-23,000		7,000
1 5	TRAININGS	60,000	20,000		80,000
1 5 0	Training	60,000	20,000		80,000
1 5 0 0	Training	60,000	20,000		80,000
1 6	EXTERNAL SERVICES	30,000	340,000		370,000

Budget line	Description	Budget 2013 (incl. surplus from 2011, EFTA & NRA contributions)	Amendments & transfers (incl. 2011 surplus, EFTA & NRA contributions)	Administrative operations (internal assigned revenue)	Final appropriations 31.12.2013
1	2	3	4	5	6
1 6 0 0	External services	30,000	340,000		370,000
1 7	REPRESENTATION AND MISCELLANEOUS STAFF COSTS	20,000	-11,000		9,000
1 7 0 0	Representation, receptions and events, and miscellaneous staff expenses	20,000	-11,000		9,000
2	BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE	821,361	-527,761	1,218.93	294,818.93
2 0	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	115,000	-46,480		68,520
2 0 0	Buildings and associated costs	115,000	-46,480		68,520
2 0 0 0	Rent	20,000	6,920		26,920
2 0 0 1	Insurance	500	500		1,000
2 0 0 2	Water, gas, electricity and heating	16,500	2,900		19,400
2 0 0 3	Cleaning	0	0		0
2 0 0 4	Fitting-out and maintenance of premises	5,000	-5,000		0
2 0 0 5	Security and surveillance of buildings	16,000	5,200		21,200
2 0 0 9	Other expenditure relating to the acquisition, construction or maintenance of a building	57,000	-57,000		0
2 1	INFORMATION TECHNOLOGY PURCHASES	230,000	-103,950	861.63	126,911.63

Budget line	Description	Budget 2013 (incl. surplus from 2011, EFTA & NRA contributions)	Amendments & transfers (incl. 2011 surplus, EFTA & NRA contributions)	Administrative operations (internal assigned revenue)	Final appropriations 31.12.2013
1	2	3	4	5	6
2 1 0	Information technology purchases	230,000	-103,950	861.63	126,911.63
2 1 0 0	Computer equipment	25,000	-17,550	861.63	8,311.63
2 1 0 1	Software	140,000	-67,000		73,000
2 1 0 2	Other external data processing services	65,000	-19,400		45,600
2 2	MOVABLE PROPERTY AND ASSOCIATED COSTS	55,000	-35,500		19,500
2 2 0	Technical installations and electronic office equipment	20,000	-19,000		1,000
2 2 0 0	Technical installations and electronic office equipment	20,000	-19,000		1,000
2 2 1	Furniture	30,000	-11,500		18,500
2 2 1 0	Furniture	30,000	-11,500		18,500
2 2 9	Other movable property and associated costs	5,000	-5,000		0
2 2 9 0	Books, newspapers and documentation	5,000	-5,000		0
2 2 9 1	Cars, transport vehicles, and maintenance and repairs	0	0		0
2 2 9 9	Other movable property, and maintenance and repairs	0	0		0
2 3	CURRENT ADMINISTRATIVE EXPENDITURE	92,000	-49,120		42,880
2 3 0	Stationery and office supplies	15,000	-6,600		8,400
2 3 0 0	Stationery and office supplies	15,000	-6,600		8,400
2 3 2	Financial charges	200	100		300

Budget line	Description	Budget 2013 (incl. surplus from 2011, EFTA & NRA contributions)	Amendments & transfers (incl. 2011 surplus, EFTA & NRA contributions)	Administrative operations (internal assigned revenue)	Final appropriations 31.12.2013
1	2	3	4	5	6
2 3 2 0	Bank charges	200	100		300
2 3 2 1	Exchange rate losses	0	0		0
2 3 2 9	Other financial charges	0	0		0
2 3 3	Legal expenses	76,800	-45,620		31,180
2 3 3 0	Legal expenses	12,000	8,000		20,000
2 3 3 1	Damages	64,800	-53,620		11,180
2 3 5	Other operating expenses	0	3,000		3,000
2 3 5 0	Miscellaneous insurances	0	3,000		3,000
2 3 5 9	Other operating expenses	0	0		0
2 4	POSTAGE AND TELECOMM.	55,000	-19,350	357.30	36,007.30
2 4 0 0	Postage and delivery charges	1,200	600		1,800
2 4 1 0	Telecommunication charges	53,800	-19,950	357.30	34,207.30
2 5	EXPENDITURE ON FORMAL AND OTHER MEETINGS	188,640	-187,640		1,000
2 5 0 0	Meetings in general	100,000	-99,000		1,000
	Expenditures from EFTA contribution	88,640	-88,640		0
3	OPERATIONAL EXPENDITURE	889,100	39,891		928,991
3 0	Support to implementation of BEREC WP 2012	699,875	-236,299		463,576
3 0 0	Support to implementation of BEREC WP 2012	699,875	-236,299		463,576
3 0 0 1	Support to the BEREC Expert Working Groups	397,991	-57,515		340,476
3 0 0 2	Activities under Articles 7 and 7a Framework Directive	35,000	15,100		50,100

Budget line	Description	Budget 2013 (incl. surplus from 2011, EFTA & NRA contributions)	Amendments & transfers (incl. 2011 surplus, EFTA & NRA contributions)	Administrative operations (internal assigned revenue)	Final appropriations 31.12.2013
1	2	3	4	5	6
3 0 0 3	Collection exchange and transmission of information	50,000	23,000		73,000
	Expenditures from EFTA contribution	16,884	-16,884		0
	Expenditures from NRA contribution	200,000	-200,000		0
3 1	Horizontal activities (other support not directly related to BEREC WP)	120,000	345,415		465,415
3 1 0	Horizontal activities (other support not directly related to BEREC WP)	120,000	345,415		465,415
3 1 0 1	Other support activities to BEREC	65,000	311,415		376,415
3 1 0 2	Provision of advice and other ad-hoc services to BEREC and other parties	55,000	34,000		89,000

4.3 Budget 2013 – Rate of implementation

The budget execution of the BEREC Office is calculated as the 2013 C1 and C4 credits in commitment appropriations.

REVENUE

Revenues in EUR	Amended Budget 1/2013*	Revenue received	%
1. Revenue from fees and charges			
2. European Union Subsidy	3,556,000.00	3,556,000.00	100.00 %
3. Third countries contribution (incl. EFTA and candidate countries)			
4. Other contributions (**)			
5. Administrative operations (internal assigned revenue)	1,218.93	1,218.93	100.00 %
Total revenues	3,557,218.93	3,557,218.93	100.00 %

* The amended budget 2013 was approved by the MC on 13 August 2013 and by the European Commission on 2 September 2013.

** Estimated voluntary contributions from Member States or from their NRAs

Commitments

Budget execution overview of 2013 carry forwards and 2013 credits in EUR	Budget 2013	Budget executed	Rate of implementation
Commitments carried forward from 2012 – C8	611,222.84	437,608.93	71.60 %
<i>Title 1</i>	<i>184,353.65</i>	<i>145,042.36</i>	<i>78.68 %</i>
<i>Title 2</i>	<i>156,615.62</i>	<i>93,816.99</i>	<i>59.90 %</i>
<i>Title 3</i>	<i>270,253.57</i>	<i>198,749.58</i>	<i>73.54 %</i>
European Community Subsidy in 2013 – C1	3,556,000.00	3,184,343.81	89.55 %
<i>Title 1</i>	<i>2,333,409.00</i>	<i>2,159,354.09</i>	<i>92.54 %</i>
<i>Title 2</i>	<i>293,600.00</i>	<i>171,178.90</i>	<i>58.30 %</i>
<i>Title 3</i>	<i>928,991.00</i>	<i>853,810.82</i>	<i>91.91 %</i>
Administrative operations – C4			
<i>Title 2</i>	1,218.93	357.29	29.31 %
Total Commitment Appropriations	4,168,441.77	3,622,310.03	86.90 %

Payments

<u>Budget execution overview of 2013 carry forwards and 2013 credits</u> in EUR	Budget 2013	Budget executed	Rate of implementation
Commitments carried forward from 2012	611,222.84	437,608.93	71.60 %
<i>Title 1</i>	<i>184,353.65</i>	<i>145,042.36</i>	<i>78.68 %</i>
<i>Title 2</i>	<i>156,615.62</i>	<i>93,816.99</i>	<i>59.90 %</i>
<i>Title3</i>	<i>270,253.57</i>	<i>198,749.58</i>	<i>73.54 %</i>
European Community Subsidy in 2013	3,556,000.00	2,723,222.64	76.58 %
<i>Title 1</i>	<i>2,333,409.00</i>	<i>1,904,649.31</i>	<i>81.63 %</i>
<i>Title 2</i>	<i>293,600.00</i>	<i>123,584.48</i>	<i>42.09 %</i>
<i>Title 3</i>	<i>928,991.00</i>	<i>694,988.85</i>	<i>74.81 %</i>
Administrative operations – C4			
<i>Title 2</i>	1,218.93	357.29	29.31 %
Total Payment Appropriations	4,168,441.77	3,161,188.86	75.84 %

EXPENDITURE**Commitment appropriations in EUR**

Official Budget Item	Intitule	Credit Available Com Amount	Commitment Accepted Amount (Euro)	% Commit
Title 1				
A-1100	Basic Salaries	748,509.00	745,841.76	99.64 %
A-1101	Family allowances	130,000.00	119,070.97	91.59 %
A-1102	Expatriation allowance	149,500.00	145,829.70	97.54 %
A-1110	Contract Staff	109,300.00	105,425.27	96.45 %
A-1111	Seconded National Experts	255,300.00	255,253.18	99.98 %
A-1120	Insurance against sickness	37,000.00	35,579.82	96.16 %
A-1121	Insurance against accidents	5,600.00	5,273.81	94.18 %
A-1122	Insurance against unemployment	13,600.00	13,201.09	97.07 %
A-1130	Child and other allowances	1,000.00	198.31	19.83 %
A-1131	Travel expenses for Annual leave	36,500.00	34,901.43	95.62 %
A-1200	Travel expenses	25,037.70	17,065.78	68.16 %
A-1201	Expenditures on staff recruitment	66,912.30	61,556.88	92.00 %
A-1210	Travel expenses entering/leaving service	4,500.00	893.43	19.85 %
A-1211	Installation	25,050.00	10,813.34	43.17 %
A-1212	Removal expenses	14,000.00	0.00	0.00 %
A-1213	Daily subsistence allowance	20,900.00	16,802.99	80.40 %
A-1300	Mission expenses	224,700.00	189,478.22	84.32 %
A-1400	Medical services	7,000.00	5,500.00	78.57 %
A-1500	Training/language courses	80,000.00	68,183.81	85.23 %
A-1600	External Services	370,000.00	323,486.85	87.43 %
A-1700	Representation costs	9,000.00	4,997.45	55.53 %
TOTAL TITLE 1 C1 from 2013 credits		2,333,409.00	2,159,354.09	92.54%
TOTAL TITLE 1 C8 from 2012 credits		184,353.65	145,042.36	78.68%
Title 2				
A-2000	Rent	26,920.00	23,533.28	87.42 %
A-2001	Insurance	1,000.00	952.75	95.28 %
A-2002	Water, gas, electricity	19,400.00	19,400.00	100.00 %
A-2004	Maintenance of premises	0.00	0.00	

Official Budget Item	Intitule	Credit Available Com Amount	Commitment Accepted Amount (Euro)	% Commit
A-2005	Security & surveillance of building	21,200	20,000.00	94.34 %
A-2009	Other building expenditures	0.00	0.00	
A-2100	Computer equipment	7,450.00	5,035.72	67.59 %
A-2101	Software	73,000.00	2,036.63	2.79 %
A-2102	Other Data processing services	45,600.00	45,600.00	100.00 %
A-2200	Technical installation	1,000.00	0.00	0.00 %
A-2210	Furniture	18,500.00	14,924.06	80.67 %
A-2299	Other removable property	0.00	0.00	
A-2300	Office supply	8,400.00	8,127.45	96.76 %
A-2320	Bank charges	300.00	300.00	100.00 %
A-2321	Exchange rate losses	0.00	0.00	
A-2329	Other financial charges	0.00	0.00	
A-2330	Legal expenses	20,000.00	11,250.00	56.25 %
A-2331	Damages	11,180.00	0.00	0.00 %
A-2350	Miscellaneous insurances	3,000.00	0.00	0.00 %
A-2359	Other operating expenses	0.00		
A-2400	Postage and delivery charges	1,800.00	1,430.00	79.44 %
A-2410	Telecommunication charges	33,850.00	18,589.01	54.92 %
A-2500	Meeting expenditures	1,000.00	0.00	0.00 %
TOTAL TITLE 2 C1 from 2013 credits		293,600.00	171,178.90	58.30%
TOTAL TITLE 2 C4 from 2013 credits		1,218.93	357.29	29.31 %
TOTAL TITLE 2 C8 from 2012 credits		156,615.62	93,816.99	59.90%
Title 3				
B3-001	Support to BEREC Working Groups	340,475.57	326,479.18	95.89 %
B3-002	Activities related to Article 7 and 7a Framework Directive	50,100.00	45,675.08	91.17 %
B3-003	Collection /transmission of information	73,000.00	41,291.38	56.56 %
B3-101	Other support activities to BEREC	376,415.43	376,415.43	100.00 %
B3-102	Provision of advice and other services to BEREC	89,000.00	63,949.75	71.85 %
TOTAL TITLE 3 C1 from 2013 credits		928,991.00	853,810.82	91.91%
TOTAL TITLE 3 C8 from 2012 credits		270,253.57	198,749.58	73.54%
Total	Title 1-3	4,168,441.77	3,622,310.03	86.90 %

EXPENDITURE**Payment appropriations in EUR**

Official Budget Item	Intitule	Credit Available Payment Amount	Payment Accepted Amount (Euro)	% Payment
Title 1				
A-1100	Basic Salaries	748,509.00	745,841.76	99.64 %
A-1101	Family allowances	130,000.00	119,070.97	91.59 %
A-1102	Expatriation allowance	149,500.00	145,829.70	97.54 %
A-1110	Contract Staff	109,300.00	105,425.27	96.45 %
A-1111	Seconded National Experts	255,300.00	255,226.09	99.97 %
A-1120	Insurance against sickness	37,000.00	35,579.82	96.16 %
A-1121	Insurance against accidents	5,600.00	5,273.81	94.18 %
A-1122	Insurance against unemployment	13,600.00	13,201.09	97.07 %
A-1130	Child and other allowances	1,000.00	198.31	19.83 %
A-1131	Travel expenses for Annual leave	36,500.00	34,901.43	95.62 %
A-1200	Travel expenses	25,037.70	4,760.75	19.01 %
A-1201	Expenditures on staff recruitment	66,912.30	60,056.88	89.75 %
A-1210	Travel expenses entering/leaving service	4,500.00	893.43	19.85 %
A-1211	Installation	25,050.00	10,813.34	43.17 %
A-1212	Removal expenses	14,000.00		
A-1213	Daily subsistence allowance	20,900.00	16,802.99	80.40 %
A-1300	Mission expenses	224,700.00	170,573.83	75.91%
A-1400	Medical services	7,000.00	0.00	0.00 %
A-1500	Training/language courses	80,000.00	24,795.44	30.99 %
A-1600	External Services	370,000.00	150,406.95	40.65 %
A-1700	Representation costs	9,000.00	4,997.45	55.53 %
TOTAL TITLE 1 C1 from 2013 credits		2,333,409.00	1,904,649.31	81.63%
TOTAL TITLE 1 C8 from 2012 credits		184,353.65	145,042.36	78.68%

Official Budget Item	Intitule	Credit Available Payment Amount	Payment Accepted Amount (Euro)	% Payment
Title 2				
A-2000	Rent	26,920.00	12,220.98	45.40 %
A-2001	Insurance	1,000.00	952.75	95.28 %
A-2002	Water, gas, electricity	19,400.00	17,312.68	89.24 %
A-2004	Maintenance of premises	0.00	0.00	
A-2005	Security & surveillance of building	21,200.00	4,983.62	23.51 %
A-2009	Other building expenditures	9,598.67	0.00	0.00 %
A-2100	Computer equipment	7,450.00	5,035.72	67.59 %
A-2101	Software	73,000.00	1,654.00	2.27 %
A-2102	Other Data processing services	45,600.00	43,264.72	94.88 %
A-2200	Technical installation	1,000.00	0.00	0.00%
A-2210	Furniture	18,500.00	14,924.06	80.67%
A-2299	Other removable property	0.00		
A-2300	Office supply	8,400.00	8,127.45	96.76 %
A-2320	Bank charges	300.00	0.00	0.00%
A-2321	Exchange rate losses	0.00		
A-2329	Other financial charges	0.00		
A-2330	Legal expenses	20,000.00	11,250.00	56.25%
A-2331	Damages	11,180.00		0.00%
A-2350	Miscellaneous insurances	3,000.00	0.00	0.00 %
A-2359	Other operating expenses	0.00		
A-2400	Postage and delivery charges	1,800.00	1,300.28	72.24 %
A-2410	Telecommunication charges	33,850.00	2,558.22	7.56 %
A-2500	Meeting expenditures	1,000.00	0.00	0.00 %
TOTAL TITLE 2 C1 from 2013 credits		293,600.00	123,584.48	42.09%
TOTAL TITLE 2 C4 from 2013 credits		1,218.93	357.29	29.31 %
TOTAL TITLE 2 C8 from 2012 credits		156,615.62	93,816.99	59.90%

Official Budget Item	Intitule	Credit Available Payment Amount	Payment Accepted Amount (Euro)	% Payment
Title 3				
B3-001	Support to BEREC Working Groups	340,475.57	294,692.93	86.55 %
B3-002	Activities related to Article 7 and 7a Framework Directive	50,100.00	42,075.08	83.98 %
B3-003	Collection /transmission of information	73,000.00	41,291.38	56.56 %
B3-101	Other support activities to BEREC	376,415.43	283,403.21	75.29 %
B3-102	Provision of advice and other services to BEREC	89,000.00	33,526.25	37.67 %
TOTAL TITLE 3 C1 from 2013 credits		928,991.00	694,988.85	74.81%
TOTAL TITLE 3 C8 from 2012 credits		270,253.57	198,749.58	73.54%
Total	Title 1-3	4,168,441.77	3,161,188.86	75.84 %

4.4 *Budgetary execution*

- commitments and payments in 2013 by Title - C1 and C4 credits 2013

	Commitment appropriations		
Budget Title	Commitment Credit Available	Commitment Accepted	% Committed / Available
Title 1 – Total	2,333,409.00	2,159,354.09	92.54%
Title 2 - Total	294,818.93	171,536.19	58.18%
Title 3 - Total	928,991.00	853,810.82	91.91%
Total Expenditure	3,557,218.93	3,184,701.10	89.53 %

	Payment appropriations		
Budget Title	Payment Credit Available	Payment Request Accepted	% Paid / Available
Title 1 – Total	2,333,409.00	1,904,649.31	81.63%
Title 2 - Total	294,818.93	123,941.77	42.04%
Title 3 - Total	928,991.00	694,988.85	74.81%
Total Expenditure	3,557,218.93	2,723,579.93	76.57 %

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

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

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

4.5 Commitment and Payment Appropriations carried-forward

Carry-over from 2013 to 2014 – C1 and C4 credits

Budget Title	Type of expenditure	Automatic Carryover of Payment Appropriations to 2014	Automatic Carryover of Payment Appropriations to 2013
1	Staff	254,704.78	184,353.65
2	Administrative expenses	48,456.05	156,615.62
3	Operational expenditure	158,821.97	270,253.57
	Total	461,982.80	611,222.84

There are 3 primary reasons for the budget of previous year (C1 and C4) to be carried over (to C8 and C5 accordingly):

- payments for services where invoices are arriving only in the next financial year (most of them in January, but there are examples about invoices arriving in Q2 or even Q3 of the next year);
- payments, which are due to in year 2013, but have not been finalised by the end of year (example: reimbursements to experts not fully finalised by the end of December 2013);
- contracts, which do not end in December 2013. The relevant budgetary commitment for a particular contract has to be carried forward into the next year (proportion of contract payments due in new year).

The C8 2014 budget should be consumed as soon as possible and the resources not used to be de-committed. C8 2014 budget cannot be carried forward for the second year.

The budget not executed by end of 2013 and de-committed will not automatically reduce 2014 budget by a similar amount. However, DG BUDGET has applied penalties of -2% reductions for budgets, which are executed below 95%.

Carry-over of appropriations (461,982.80 EUR) relates to:

Title 1: Staff related costs such as:

- reimbursements to the recruitment candidates;
- staff missions;
- medical examinations (SLA with Medical Service of the Commission);
- training (external contractors and SLAs with the Commission and the European Administrative School) - some invoices for trainings organised by Commission services not yet received;
- SLAs (PMO fees for calculation of salaries, allowances, candidates' reimbursements, translations for the BEREC Office needs) and contracts with external contractors (e.g. SNE's insurance, consultancy projects on development

of HR processes, knowledge management platform, business contingency plan, efficiency analyses, support in preparing tender for interim staff) started and/or executed in 2013, for which calculations and invoices will arrive in year 2014.

Title 2: General administration of the Office:

- premises' rentals, utilities, security services - rental payments in 2013 started only in September 2013, execution only for one quarter. New security contract signed in October 2013, therefore most of the commitments are carried-over to 2014 in proportion to the payments forecasted in 2014;
- IT-purchases and related services, for which contracts were signed and/or services rendered in 2013, but invoices will arrive in 2014;
- communication costs - all amounts related to new contracts, which are signed in October – December 2013, therefore most of the budget is carried-over;
- postal costs - services rendered in 2013, but invoices will arrive in 2014.

Title 3: Operational activities such as:

- translations for BEREC needs (late invoices);
- organisation of events held in December 2013 and reimbursement of participants/experts to Expert Working Groups, CN 4, Plenary 4, ad-hoc meetings, workshops, international and BEREC events and other operational meetings - expert reimbursements have a processing cycle of 1,5 - 2 months after the meeting, reimbursements for November and December 2013 meetings are carried-over to 2014;
- the costs of developing, hosting and maintaining the BEREC public web site – amounts for contract were carried-over, the payment to the contractor will be reduced, because no development works have been done with the website. Remaining amounts will be de-committed.

The carry-over of 461,982.80 EUR represents a percentage of 14.50% of total established commitments in 2013 which amount to 3,185,562.73 EUR.

5 Report on budgetary and financial management

5.1 Budget

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

- a subsidy from the Union, entered under the appropriate headings of the general budget of the European Union (Commission Section), as decided by the budgetary authority and in accordance with Point 47 of the IIA of 17 May 2006;
- financial contributions from Member States or from their NRAs made on a voluntary basis in accordance with Article 5(2). These contributions shall be used to finance specific items of operational expenditure as defined in the agreement to be concluded between the Office and the Member States or their NRAs pursuant to Article 19(1)(b) of Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁹.

During 2013, the BEREC Office has received two instalments from the Commission, in May and in November 2013, constituting the Subsidy from the Commission in value of 3,556,000.000 EUR. An additional amount of 1,218.93 EUR was added to the budget as internal assigned revenue arising from insurance payments received, in accordance with Article 23 of the BEREC Office Financial Regulation.

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

TITLE 1 - Staff expenses

TITLE 2 - Buildings, equipment and miscellaneous operating expenses

TITLE 3 - Operational expenses

⁹ Article 21(2)(a) of Commission Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002

5.2 *Financial Management*

For all budget lines information about the percentage of execution of each budget line (incl. the amounts committed and paid) is provided in section 4.3.

The overall execution rate of the BEREC Office budget for the year 2013 is **89.55 %**

TITLE 1 - total execution 92.54%

Chapter 11 - staff in active employment

This appropriation covers salary payments which are well on track because of predictability and linearity of payments.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
1,486,309.00	1,460,575.34	98.27%	1,460,548.25	98.27%

Chapter 12 - miscellaneous expenditure on staff recruitment and transfer

This appropriation is to cover costs for publishing vacancy notices, travel expenditures incurred for interviewing candidates, the travel expenses of staff (including members of their families) on taking up duties and at the end of contract, the installation allowances for staff obliged to change residence after taking up their duty, the removal costs of staff obliged to change residence after taking up duty, and the costs of daily subsistence allowances.

Low execution due to lower than forecasted expenses for staff on entering/leaving. Reimbursements for candidates applied to Administrative Manager were received and forwarded to calculation in January 2014.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
156,400.00	107,132.42	68.50%	93,327.39	59.67%

Chapter 13 – missions and duty travel

This appropriation is intended to cover expenditure on staff travel, the payment of daily mission allowances and the ancillary or exceptional expenses incurred by staff in the interest of the service and PMO fees related to calculation of mission reimbursements.

Execution is lower because of long processing cycle for payments (1-2 months from the mission) and lower than forecasted number of missions performed.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
224,700.00	189,478.22	84.32%	170,573.83	75.91%

Chapter 14 - socio-medical services

This appropriation is to cover the costs of annual medical inspections and of reviewing the health and safety conditions at work, medical checks linked to recruitment and other services provided by the Medical Service.

The invoices for medical inspections and medical checks are expected to be received in 2014.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
7,000.00	5,500.00	78.57%	0.00	0.00%

Chapter 15 – trainings

This appropriation is to cover the costs of language and other training needs.

The execution is low as many invoices arrive in 2014. Significant amount of planned trainings could not be executed because of a leave of one staff member and long absence of HR Officer in the Administration & Finance Unit.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
80,000.00	68,183.81	85.23%	24,795.44	30.99%

Chapter 16 - external services

This appropriation is intended to cover the costs of interim staff and external services such as those provided by PMO for calculation of salaries and allowances and by Translation Centre for the BEREC Office translations and proof-reading requests.

Several large consultancy projects were launched in 2013, some are still on-going. Invoices from several external service providers are expected to be received in 2014.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
370,000.00	323,486.85	87.43%	150,406.95	40.65%

Chapter 17 - representation and miscellaneous staff costs

This appropriation is intended to cover the costs of representation, receptions, team events and other staff related expenses.

Only one event was organised in 2013.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
9,000.00	4,997.45	55.53 %	4,997.45	55.53 %

TITLE 2 - total execution 58.48%Chapter 20 - rental of buildings and associated costs

This appropriation covers the payment of rent for buildings or parts of buildings occupied by the EU Body and the rent of parking spaces, the insurance policy premiums in respect of the buildings or parts of buildings occupied by the BEREC Office and their contents, current expenditure and other communal charges as well as the cleaning services related to the premises, the fitting-out of the premises and repairs in the building, expenditures on buildings connected with security and surveillance, in particular contracts governing building security, hire and replenishment of extinguishers, purchase and maintenance of fire-fighting equipment, replacement of equipment for officials acting as voluntary firemen, costs of carrying out statutory inspections.

Rental payments for 2013 started only in August with execution only for one quarter. New security contract was signed in October 2013 and, therefore, most of the commitment is carried forward to 2014.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
68,520.00	63,886.03	93.24%	35,470.03	51.77%

Chapter 21 - information technology purchases

This appropriation is intended to cover the costs of purchasing computer equipment and other hardware, the costs of software, external data processing services, including the ABAC annual and hosting fees, fees for maintaining of computer equipment, the fees for procurement of external IT services, budget publications in the Official J.

The implementation is low as the purchase of HR software for EUR 73,000 was delayed, due to the long sick leave of the project manager.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
126,911.63	53,533.98	42.18%	49,954.44	39.36%

Chapter 22 - movable property and associated costs

This appropriation is to cover the costs of technical installations and electronic office equipment, of purchasing, leasing, and repairs of furniture, of purchasing books, newspapers and documentation, cars, transport vehicles, other movable property, maintenance and repairs.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
19,500.00	14,924.06	76.53%	14,924.06	76.53%

Chapter 23 - current administrative expenditure

This appropriation is intended to cover the purchase of stationery and various office supplies (including drinking water for the Office), bank charges, interest paid and other related costs such as hiring of a bank safe deposit box, exchange rate losses incurred by the BEREC Office in the management of its budget, in so far as such losses cannot be offset against exchange rate gains and other financial charges, the BEREC Office's legal expenses, the costs of damages payable, the special insurances, e.g. for the EU Body's accountant or the imprest account holder, other operating expenditure.

Low implementation is due to higher estimates of possible legal expenses and damages.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
42,880.00	19,677.45	45.89%	19,377.45	45.19%

Chapter 24 - postage and telecommunications

This appropriation is intended to cover costs on postal and special courier services, the costs of telecommunications, including IP telephony, Internet connectivity, sTesta secure service and mobile communication costs.

Contracts for telecommunication services are signed in October – December 2013, therefore most of the budget is carried-over to 2014.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
36,007.30	20,376.30	56.59%	4,215.79	11.71%

Chapter 25 - expenditure on formal and other meetings

This appropriation is intended to cover the costs of promotional meetings, such as meetings with local authorities, etc. No such meetings were organised in 2013.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
1,000.00	0.00	0.00%	0.00	0.00%

TITLE 3 - total execution 91.91%

Chapter 30 - Support to implementation of BEREC Work Programme 2013

This appropriation covers the costs of BEREC expert meetings (e.g. expert working groups, including Article 7 working groups), including travel costs and accommodation allowances of experts participating in group meetings, studies requested by the expert working groups, the costs of the collection, exchange and transmission of information including the costs of organising workshops, travel costs and accommodation allowances of experts participating in these workshops.

Expert reimbursements have a processing cycle of 1,5 - 2 months after the meeting. Therefore, most of payments for November and December meetings are carried-over to 2014.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
463,575.57	413,445.64	89.19%	378,059.39	81.55%

Chapter 31 - Horizontal activities (other support not directly related to BEREC Work Programme)

This appropriation is intended to cover the costs of formal meetings (Plenaries, MC meetings, etc.), including reimbursement of the travel costs and accommodation of BEREC's Chair and Vice-chair and of the experts participating in group meetings and PMO fees for calculations of expert reimbursements, as well the costs of provision of ad-hoc services to BEREC and other parties, website costs, BEREC language services' costs.

Reimbursements to experts have a processing cycle of 1,5 - 2 months after the meeting. Reimbursements for December 2013 meetings and for some November meetings are carried-over to 2014.

Credit Available Com Amount (1)	Commitment Accepted Amount (Euro) (2)	% Commit (2/1)	Payment Request Accepted Amount (Euro) (3)	% Payment (3/1)
465,415.43	440,365.18	94.62%	316,929.46	68.10%

6 Human resources 2013

Human Resources	2013	
	Authorised under the EU Budget	Actually filled as of 31/12/2013
• Establishment plan posts: AD	11	11
• Establishment plan posts: AST	5	5
• Total Establishment plan posts	16	16
• Contract Agents	4	2.62*
• Seconded National Experts	8	6.5*
Total staff	28	25.12

* Full time equivalent (further – FTE) on 31/12/2013

Establishment plan posts

Function group and grade	2013			
	Authorised under the EU Budget		Filled as of 31/12/2013	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD 16				
AD 15				
AD 14		1		1
AD 13				
AD 12				
AD 11				
AD 10				
AD 9		2		2
AD 8				
AD 7		3		3
AD 6				
AD 5		5		5
AD total		11		11
AST 11				
AST 10				
AST 9				
AST 8				
AST 7				
AST 6				
AST 5				
AST 4				
AST 3		4		4
AST 2				

Function and group and grade	2013			
	Authorised under the EU Budget		Filled as of 31/12/2013	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AST 1		1		1
AST total		5		5
TOTAL		16		16
GRAND TOTAL	16		16	

External personnel

Contract Agents	Authorised 2013	Recruited as of 31/12/2013*
Function Group IV	0	0
Function Group III	2	1.33
Function Group II	2	1.29
Function Group I	0	0
Total	4	2.62

* FTE values on 31/12/2013 for external personnel recruited are: CA GF III - 1.33 FTE; CA GF II - 1.29 FTE. Total CA - 2.62 FTE

Seconded National Experts (SNE)	Authorised 2013	Recruited as of 31/12/2013*
Total	8	6.5

(*) FTE values on 31/12/2013 for SNEs recruited are: 6.5 FTE

Annex

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

Competences and activities

<p>Areas of Union competence deriving from the Treaty</p> <p><i>(Article 114 of the Treaty on the Functioning of the European Union)</i></p>	<p>Article 114 of the Treaty on the Functioning of the European Union - Approximation of laws in the field of electronic communications</p>
<p>Competences of the Office</p> <p><i>(Regulation (EC) No 1211/2009 of the European Parliament and of the Council)</i></p>	<p>The Office's powers as defined in Regulation (EC) No 1211/2009 of the European Parliament and of the Council.</p> <p>The Office referred to in Article 6 shall provide administrative and professional support services to BEREC.</p> <p>It shall perform its functions under the guidance of the Board of Regulators.</p>
<p>Governance</p>	<p>The Office comprises:</p> <p>(a) a Management Committee;</p> <p>(b) an Administrative Manager</p> <p>which share between themselves all administrative and financial responsibilities, including the responsibilities for the staff.</p> <p>However, only the Management Committee is responsible for appointment of staff (art. 7(4));</p> <p>The guidance on the services and products as specified in section "Products and services in 2013" is provided by the Board of Regulators.</p>
<p>Resources made available to the Office in 2013 (for reference 2012)</p>	<p>Final Budget: 3,557,218.93 EUR (amended budget 1/2013 and including internal assigned revenue)</p> <p><i>(3,190,000.00 EUR (amended budget 1/2012))</i></p> <p>Staff as at 31 December 2013: 25</p> <p><i>(Staff as at 31 December 2012: 22)</i></p>
<p>Products and services in 2013</p>	<p>Under the guidance of the Board of Regulators, the Office has provided the following services:</p> <ul style="list-style-type: none"> - Professional and administrative support services to BEREC; - Collection of information from NRAs and exchange and transmission of information; - Dissemination of regulatory best practices among NRAs within the EU and to third parties; - Assistance to the Chair in the preparation of the work of the Board of Regulators and the Management Committee of the Office; - Support to the Expert Working Groups set up by the Board of Regulators.

Source: Information supplied by the Office.