

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

**Financial year 2023**

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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 (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 2023 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the BEREC Office'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.

Ioana BALAN

**Accounting Officer of the BEREC Office**

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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 in 2022, the Government of Latvia started to voluntary 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 termination of the appointment of the Commission Accounting Officer as the BEREC Office Accounting Officer, the Management Board appointed a new accounting officer in accordance with Decision No MB/2023/10.

Following this decision, the new accounting officer, was appointed as of 1 November 2023 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

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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.

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.

### 3. Operational highlights

#### Achievements of the year

The year 2023 was another year, where the Agency for Support for BEREC (BEREC Office, Agency) had to work under somewhat extraordinary circumstances, addressing the high inflation and the rising energy costs. Against this background, the BEREC Office found the most efficient way to finance all existing and emerging priorities, while keeping sufficient room for manoeuvre to react to potential further new developments given the unpredictable economic and geopolitical environment. With better use of the limited available human and financial resources and focusing on the priorities for the year, the BEREC Office managed to effectively deliver its Annual Work Programme for 2023, 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 the Body of European Regulators for Electronic Communications (BEREC).

In particular, the BEREC Office ensured the necessary professional and administrative support to BEREC and contributed to promoting full connectivity, supporting sustainable and open digital markets and empowering end-users by undertaking the following activities:

- At the beginning of the year the BEREC Office assisted setting up 12 BEREC Working Groups (WGs) established by a decision of the BEREC Board of Regulators (BoR). Throughout the year the BEREC Office managed changes related to WGs, collected resource commitments from the national regulatory authorities (NRAs), set up and managed the contact lists and email distribution lists related to the WGs. The BEREC Office also supported data collections, and provided establishment and maintenance of necessary tools or databases for these exercises.
- In 2023, the BEREC Office supported the organization of four meetings of the BoR and the Management Board of the Agency (MB), four meetings of the Contact Network (CN), one Extraordinary BoR meeting, two Extraordinary CN meetings, four meetings of the BEREC Office Advisory Group (BAG), and seventeen meetings of the BEREC Chair and Vice-Chairs. In addition, the BEREC Office provided assistance to the high-level representatives who were representing BEREC in 61 other events (conferences, workshops, seminars, international meetings – including the BEREC Study Trip to South Korea). In 2023, the Agency supported the management of 16 BoR and six MB electronic voting procedures for approval of urgent documents.
- In 2023 the BEREC Office organised in total 21 physical WG meetings, eight third party meetings and 490 virtual meetings of the WGs. In addition, the BEREC Office organised five external workshops for the WGs, to facilitate the engagement of the interested stakeholders in regulatory developments in the following topics:
  - Secure and reliable connectivity from LEO satellite fleets;



- Switching and interoperability of data processing service;
  - International submarine connectivity in the EU;
  - Competition dynamics of tower and access infrastructure companies;
  - Internet of Things: perspectives and competition.
- The BEREC Office received and responded to 125 different queries for information from stakeholders and citizens concerning BEREC's activity. These requests concerned mainly the work of the BEREC WGs on Open Internet, Roaming, Remedies, Benchmarking, Cybersecurity and Databases etc.
  - In accordance with Article 32/33 procedures, the BEREC Office contributed to an establishment of one ad-hoc WG following the European Commission (EC) serious doubts letter that opened Phase II investigation pursuant to Article 32 of Directive (EU) 2018/1972<sup>3</sup> concerning case CZ/2022/2421 - Wholesale access and call origination on public mobile telephone networks in the Czech Republic<sup>4</sup>.
  - In 2023 the BEREC Office commissioned two studies for BEREC in accordance with the BEREC Annual Work Programme 2023, namely:
    - Study on the trends and policy/regulatory challenges of codification, virtualisation, and softwarisation in telecommunication;
    - Study on the evolution of the competition dynamics of tower and access infrastructure companies not directly providing retail services.
  - The BEREC Office continued to support BEREC in managing the relations with its stakeholders and interested parties by organising 14 public consultations on key draft BEREC documents and the 11th Stakeholder Forum as a means to further gather the stakeholders' feedback on BEREC draft documents. The major annual BEREC public event proved to be an excellent opportunity to enhance the dialogue with the interested parties, improve consistency in implementing EU regulatory rules and practices, and exchange views on BEREC's areas of work. In 2023, the main topics were the future of accessibility for end-users with disabilities, the Data Act and the role of regulation in the Digital decade.
  - Following the finalisation of the design template creation, in 2023, the BEREC Office continued its new BEREC website design development and content project with the development of the new design. The project's first phase, which included 56% of the

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<sup>3</sup> <https://eur-lex.europa.eu/eli/dir/2018/1972/oj>

<sup>4</sup> <https://www.berec.europa.eu/en/document-categories/berec/opinions/berec-opinion-on-phase-ii-investigation-pursuant-to-article-32-of-directive-eu-20181972-case-cz20222421-wholesale-access-and-call-origination-on-public-mobile-telephone-networks-in-the-czech-republic>

development and the update of the content, was successfully completed at the end of the year. The second and final phase will be concluded in 2024.

As in previous years, the Agency contributed to increasing the efficiency and effectiveness of the use of the experts from the NRAs via offering a variety of ICT tools to BEREC, to enable remote and collaborative work of all BEREC bodies.

- In 2023 the Agency deployed its own electronic voting tool, which allows it to carry out BoR and MB e-voting procedures. The new tool, replacing a service that was provided by an external entity, fits more to the needs of the BoR and the MB, and will use the Agency's resources more efficiently. It has replaced e-voting platform that BEREC Office purchased on the market.
- Core ICT infrastructure and ICT systems (BERECNet+ and GADB) were migrated to new datacenters, due to the expiry of an inter-agency framework contract that was used before. The migration was completed seamlessly in December 2023, without any interruptions to the users.
- The Multi-factor authentication (MFA) has been introduced for BERECNet+, in order to improve the security of this essential collaborative platform.
- In 2023, the Agency continued the collaboration with the European Union Intellectual Property Office (EUIPO) for hosting and operating the corporate website, as well as systems recently introduced within the electronic communications regulatory domain - Union-wide database of numbering ranges for value-added services (VAS) and Union-wide database of means of access to emergency services (Emergency database) .

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.

As recurring but essential activities, 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. The BEREC Office prepared and disseminated a variety of BEREC information and/or analyses on collected market data relating to the objectives of the WGs and produced regular draft reports on specific aspects of developments in the European electronic communications market, such as International Roaming Benchmark Data and Monitoring Report. Additionally, BEREC Office assisted the BoR in the preparation of BEREC's annual activity report and the reports on market developments in the electronic communications sector.

2023 was a year of active collaboration with the host Member State's authorities in relation to the implementation of the Headquarters Agreement, which entered into force as of 15 June 2021. Following the signature of the service level agreement (SLA) on 16 June 2022 between the BEREC Office and the Latvian Government, the Government of Latvia continued to provide voluntary contribution to the BEREC Office budget for sharing the costs for schooling offered to the children of the BEREC Office staff amounting to kEUR 135.

### Budget and budgetary implementation

The BEREC Office Budget 2023 (revenue and expenditure), as adopted by the Management Board (MB), amounted to EUR 7 697 265 (in 2022: EUR 7 428 46). The main revenue in the 2023 BEREC Office budget was the EU contribution, which was fully cashed. In addition, in line with the SLA with the Latvian Government, in 2023 the BEREC Office collected EUR 134 666 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. The BEREC Office also collected EUR 15 914 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 appropriation credits of 2023 were distributed between three titles, as follows:

Title	EUR
<b>Title 1 – Staff</b>	4 558 557
<b>Title 2 - Buildings, equipment and miscellaneous operations</b>	1 683 638
<b>Title 3 – Operational expenses, used for financing the BEREC Office operational activities in support to BEREC</b>	1 455 070
<b>Total:</b>	<b>7 697 265</b>

In 2023, EUR 7 694 047 of the available financial resources were committed (99.96% of the final adopted budget available for commitments) and EUR 6 788 710 were paid (88.2% 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>2023</b>	7 697 265	7 694 047	99.96%	6 788 710	88.20%
<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%

The budget implementation rate as compared to the total adopted budget in 2023 in commitments was 99.96%. Payment implementation rate was 88.20%, which was the highest result in the history of the BEREC Office. As a result, the amount of payment appropriations carried-over to 2024 (EUR 981 050) was significantly reduced compared to 2022 (EUR 1 333 573).

The amount that was neither committed by the end of 2023 nor carried over to 2024, EUR 3 218 (0.04% of the commitment appropriations), is to be returned to the EU budget.

**Cancellation and carry-over of appropriations**

At the end of 2023, the BEREC Office carried-over to 2024 EUR 981 050 of payment appropriations, which consisted of EUR 905 337 from the final adopted budget and EUR 75 713 of assigned revenue, as follows:

**Title 1: EUR 151 279 Staff related costs:**

- Expenses for missions of staff in support to BEREC events that took place in Q4 2023 and will be paid in 2023, as well as the missions that will take place in 2024 Q1, but have been booked and arrangements done in the end of 2023;
  - Staff trainings for which the contracts were signed in 2023 and will take place in Q1 2024;
  - Liabilities under contracts for provision of interim workers' services concluded in 2023, for which the service provisions will continue in 2024.
- i. **Commitment appropriations corresponding to internal assigned revenue EUR 75 713 carried-over to 2023:** stemming out from the voluntary financial contribution

of the host Member State to the schooling costs and small amounts of administrative refund amounts.

**Title 2: EUR 278 939 Building, equipment and miscellaneous operating expenditure:**

- Invoices for services and supplies delivered in 2023 (mainly in December) for running costs, such as rent, utilities, security services, consumables, parking places, postal and telecommunications services, that will be received in 2024;
- Purchases of ICT goods and services for which contracts were signed in 2023 and for which services / goods will be delivered in 2024;
- Expenditure for on-going projects and activities which will be finalised in 2024 (independent audit of the 2023 annual accounts, consultancy services for optimization of contract management in ANAPLAN, TESTA expenses, and others).

**Title 3: EUR 475 119 Operational expenditure in support to BEREC:**

- Expenses for reimbursement of participation in BEREC meetings and events held in the last quarter of 2023 which will be paid in the beginning of 2024 (such as BEREC Chairs and vice-Chairs travel, CN and Plenary meetings), as well as for the meetings and events that will take place early in 2024 (such as: WG support and experts reimbursement, BEREC International travel).
- Expenses for services ordered in 2023, for which invoices will be received in 2024, such as organization of the BEREC Study Trip 2024 and organisation of the 12th BEREC Stakeholder Forum.
- Liabilities under contracts for provision of ICT services and purchases of specialised software and/or hardware for the needs of BEREC in 2023, for which the invoices will be received in 2024 (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 2023 for which the delivery of the service will be finalised in 2024, such as study on the trends of cloudification, and the new BEREC website design.

The total amount of carry-over of payment appropriations from 2022 to 2023 (C8/2023) was EUR 1 282 250 (17% of total commitments established in 2022). Of this amount EUR 13 817 (1.08%) were cancelled during 2023. The cancellation rate is very low and associated mainly with amounts, which 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 7 238 for expert reimbursements for Contact Network and Plenary meetings of Q4 2022, where it was difficult to precisely estimate the amounts needed,

- EUR 1 976 for interim worker's services
- EUR 3 102 for staff Q1 2023 missions

During 2023, the BEREC Office carried out three 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, all within the limits of the Director.

### **Impact of the activities on the financial statements**

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

- **Slight decrease of total expenses** from kEUR 8 648 in 2022 to kEUR 7 757 with a reshuffling of expenditure amongst the titles to better accommodate the impact of extremely high inflation in the host member state (Latvia) and the energy crisis in Europe. Thus, an increase has been noted particularly in the staff cost which grew by 14% compared with 2022 (see note 3.3) and other administrative expenses by 6% (see note 3.4).
- **Increase of non-current assets** from kEUR 470 in 2022 to kEUR 591 mainly due to the projects of the new BEREC website design development increase of other fixture and fittings (see notes 2.1 and 2.2).
- **The decrease in exchange receivables and non-exchange recoverables** by kEUR 316 is driven by the decrease in the central treasury liaison account, which is the very high level of payment implementation (88.2%, the highest in the history of the BEREC Office) and also on the significant decrease of the recoverable from the member state (VAT) due to the usage of the VAT exemption certificates derogation given by the member state to the BEREC Office Director.

THE BEREC OFFICE  
FINANCIAL YEAR 2023

# **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**

			<i>EUR '000</i>
	Note	2023	2022
<b>NON-CURRENT ASSETS</b>			
<i>Computer Software</i>	2.1	209	125
<i>Property, plant and equipment</i>	2.2	383	345
		<b>591</b>	<b>470</b>
<b>CURRENT ASSETS</b>			
<i>Exchange receivables and non-exchange recoverables</i>	2.3	1 312	1 628
		<b>1 312</b>	<b>1 628</b>
<b>TOTAL ASSETS</b>		<b>1 903</b>	<b>2 098</b>
<b>CURRENT LIABILITIES</b>			
<i>Payables</i>	2.4	( 94)	( 121)
<i>Accrued charges</i>	2.5	( 377)	( 617)
		<b>( 471)</b>	<b>( 738)</b>
<b>TOTAL LIABILITIES</b>		<b>( 471)</b>	<b>( 738)</b>
<b>NET ASSETS</b>		<b>1 432</b>	<b>1 360</b>
<i>Accumulated surplus</i>		1 360	2 487
<i>Economic result of the year</i>		71	( 1 127)
<b>NET ASSETS</b>		<b>1 432</b>	<b>1 360</b>

**STATEMENT OF FINANCIAL PERFORMANCE**

		<i>EUR '000</i>	
	Note	2023	2022
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>	3.1		
<i>Subsidy from the Commission</i>		7 681	7 397
<i>Revenue contribution from Other Entities</i>		135	123
		<b>7 815</b>	<b>7 520</b>
<b>Revenue from exchange transactions</b>			
<i>Other</i>		13	2
		<b>13</b>	<b>2</b>
<b>Total revenue</b>		<b>7 828</b>	<b>7 522</b>
<b>EXPENSES</b>			
<i>Operating costs</i>	3.2	( 1 515)	( 3 014)
<i>Staff costs</i>	3.3	( 3 703)	( 3 236)
<i>Other expenses</i>	3.4	( 2 539)	( 2 398)
<b>Total expenses</b>		<b>( 7 757)</b>	<b>( 8 648)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>71</b>	<b>( 1 127)</b>

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

		<i>EUR'000</i>
	2023	2022
<i>Economic result of the year</i>	71	( 1 127)
<b>Operating activities</b>		
<i>Depreciation and amortization</i>	175	137
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	316	951
<i>Increase/(decrease) in payables</i>	( 27)	67
<i>Increase/(decrease) in accrued charges</i>	( 240)	195
<b>Investing activities</b>		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	( 296)	( 223)
<b>NET CASHFLOW</b>	-	-

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<sup>5</sup> Following the Signature in 2023 of the new SLA between the European Commission and the Agency for Support for BEREC, the treasury of BEREC Office is 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**

			<i>EUR'000</i>
	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
<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>	299	( 299)	-
<i>Economic result of the year</i>	-	( 1 127)	( 1 127)
<b>BALANCE AS AT 31.12.2022</b>	<b>2 487</b>	<b>( 1 127)</b>	<b>1 360</b>
<i>Allocation 2022 economic result</i>	( 1 127)	1 127	-
<i>Economic result of the year</i>	-	71	71
<b>BALANCE AS AT 31.12.2023</b>	<b>1 360</b>	<b>71</b>	<b>1 432</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

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.

# **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	31.12.2023	31.12.2022	Currency	31.12.2023	31.12.2022
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.3355</b>	4.6808
<b>CZK</b>	<b>24.26</b>	24.1160	<b>RON</b>	<b>4.9726</b>	4.9495
<b>DKK</b>	<b>7.4565</b>	7.4365	<b>SEK</b>	<b>11.3655</b>	11.1218
<b>GBP</b>	<b>0.86525</b>	0.88693	<b>CHF</b>	<b>0.9628</b>	0.9847
<b>HUF</b>	<b>377.38</b>	400.8700	<b>JPY</b>	<b>162.12</b>	140.6600
<b>USD</b>	<b>1.0985</b>	1.0666			

**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 2023**

There are no new EAR which became effective for annual periods beginning on or after 1 January 2023.

**New EAR adopted but not yet effective at 31 December 2023**

There are no new EAR adopted during 2023.

## 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
<b>Buildings</b>	4 % to 10 %
<b>Plant and equipment</b>	10 % to 25 %
<b>Furniture and vehicles</b>	10 % to 25 %
<b>Computer hardware</b>	25 % to 33 %
<b>Other</b>	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. Intangible assets

All intangible assets 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. 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
Software for personal computers and servers	25%

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.

### 1.3.4. 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.

## **1.3.5. 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.

### **1.3.6. 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 2.4).

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.

### **1.3.7. 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 SHEETS

### ASSETS

#### 2.1. INTANGIBLE ASSETS

	<i>EUR '000</i>		
	Software licences	Assets under construction	TOTAL
<i>Gross carrying amount at 31.12.2022</i>	178	-	178
<i>Additions</i>	-	128	128
<b>Gross carrying amount at 31.12.2023</b>	<b>178</b>	<b>128</b>	<b>306</b>
<i>Accumulated amortisation at 31.12.2022</i>	( 53)	-	( 53)
<i>Amortisation charge for the year</i>	( 44)	-	( 44)
<b>Accumulated amortisation at 31.12.2023</b>	<b>( 97)</b>	<b>-</b>	<b>( 97)</b>
<b>NET CARRYING AMOUNT AT 31.12.2023</b>	<b>81</b>	<b>128</b>	<b>209</b>
<i>NET CARRYING AMOUNT AT 31.12.2022</i>			125

The amounts under this heading comprise computer software with a depreciation rate of 25% and assets under construction including the on-going new BEREC website design development and the e-voting tool.

#### 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
<i>Gross carrying amount at 31.12.2022</i>	1	116	386	235	738
<i>Additions</i>	-	-	63	101	164
<i>Disposals</i>	-	-	-	( 9)	( 9)
<i>Other changes</i>	-	-	-	9	9
<b>Gross carrying amount at 31.12.2023</b>	<b>1</b>	<b>116</b>	<b>449</b>	<b>336</b>	<b>902</b>
<i>Accumulated depreciation at 31.12.2022</i>	( 1)	( 32)	( 255)	( 104)	( 392)
<i>Depreciation charge for the year</i>	-	( 11)	( 73)	( 46)	( 130)
<i>Disposals</i>	-	-	-	4	4
<i>Other changes</i>	-	-	-	( 1)	( 1)
<b>Accumulated depreciation at 31.12.2023</b>	<b>( 1)</b>	<b>( 43)</b>	<b>( 328)</b>	<b>( 146)</b>	<b>( 519)</b>
<b>NET CARRYING AMOUNT AT 31.12.2023</b>	<b>-</b>	<b>73</b>	<b>121</b>	<b>189</b>	<b>383</b>
<i>NET CARRYING AMOUNT AT 31.12.2022</i>	-	84	131	131	345

The increase in the IT related assets category, relates to the acquisition of mobile phones, laptops and servers.

The substantial increase under the Other heading mainly concerns the completion of the basement adaptation works project and its capitalisation. In addition, the increase of this heading is also due to purchasing of a series of video-conference related items in order to equip different meeting rooms in the BEREC Office premises with video-conferencing facilities.

## 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.

At 31.12.2023 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:

			<i>EUR '000</i>
		31.12.2023	31.12.2022
<b>Recoverables from non-exchange transactions</b>			
<i>Member States</i>		28	210
		<b>28</b>	<b>210</b>
<b>Receivables from exchange transactions</b>			
<i>Central treasury liaison accounts</i>		965	1 149
<i>Deferred charges relating to exchange transactions</i>		314	256
<i>Others</i>		4	13
		<b>1 284</b>	<b>1 417</b>
<b>Total</b>		<b>1 312</b>	<b>1 628</b>

The heading recoverable 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>6</sup> and the protocol on privileges and immunities of the European Union, the BEREC Office is entitled to VAT reimbursements. The significant decrease of recoverable under this heading is due to the usage of VAT

<sup>6</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.



exemption certificates that BEREC Office Director is entitled to issue, for purchases of goods and services either from the Latvian market or intra-community.

Following the signature in 2023 of the new Service Level Agreement between the BEREC Office and DG Budget for the provision of treasury services, the treasury of BEREC Office continued to be 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 184 in the central treasury liaison accounts results from the increase in payments due to price inflation in Latvia and higher wage costs. The implementation of payment appropriations was highest in the history of the BEREC Office and it increased from 69.33 % in 2021 to 88.2% in 2023 (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 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>	
	31.12.2023	31.12.2022
<i>Other payables</i>	78	89
<i>Pre-financing received from EC - balancing subsidy</i>	17	32
<b>Total</b>	<b>94</b>	<b>121</b>

The prefinancing liability for the balancing subsidy comprises unused amounts of the 2023 balancing subsidy that are to be reimbursed by the BEREC Office to the Commission in 2024.

### 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>	
	31.12.2023	31.12.2022
<i>Accrued charges</i>	377	617
<b>Total</b>	<b>377</b>	<b>617</b>

Accrued charges include estimated operational expenses of kEUR 132, primarily relating to the expenses for services ordered in 2023 for which invoices will be received in 2024, such as: estimation of cost for 2023 services related to the new BEREC website design development project, organisation of the 12th BEREC Stakeholder Forum; estimations on reimbursements and other ICT services.

Included under this heading are also accrued administrative expenses of kEUR 147 such as utilities, security services, postal and telecommunications services, IT consultancy services and consultancy services for the optimisation of contract register in ANAPLAN.

The heading also includes accrued staff expenses related to untaken leave, estimated costs related to interim services and costs related to the management skills assessment workshop provided in 2023 for which the invoice will be received in 2024.

### 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>	
	31.12.2023	31.12.2022
<i>Commission subsidy</i>	7 681	7 397
<i>Revenue contribution from Other Entities</i>	135	123
<b>Total</b>	<b>7 815</b>	<b>7 520</b>

In 2023 the BEREC Office received the Commission subsidy of kEUR 7 681, which was fully cashed. The amounts included under this heading correspond to the amounts of the Commission subsidy used during 2023. The unused amount of kEUR 17 is recorded under accounts payable (see note 2.4) and will be reimbursed to the Commission in 2024.

Moreover, in line with the Service Level Agreement with the Latvian Government, in 2023 the BEREC Office collected additional revenue kEUR 135 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>
	2023	2022
<i>Operating costs</i>	1515	3014

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 2023 (mainly the organisation of BEREC events, including travel costs of participating experts, communication activities and studies).

The decrease in the operational costs come to counter the effects of high inflation in the host member state and the need to find the right balance between savings in operational activities and increase of expenditures in the staff and administrative activities having into consideration fitting into the budget ceilings.

### 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.

	<i>EUR '000</i>	
	2023	2022
<b>Staff costs</b>	<b>3703</b>	<b>3236</b>

The increase under this heading is partially due to an increased number of newcomers and, in addition, to the increase of correction coefficient from 85.9% in 2022 to 88% in 2023.

### 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.

	<i>EUR '000</i>	
	31.12.2023	31.12.2022
<i>External non IT services</i>	<i>877</i>	<i>979</i>
<i>External IT services</i>	<i>798</i>	<i>455</i>
<i>Property, plant and equipment related expenses</i>	<i>353</i>	<i>292</i>
<i>Communications &amp; publications</i>	<i>211</i>	<i>201</i>
<i>Operating leasing expenses</i>	<i>150</i>	<i>145</i>
<i>Missions</i>	<i>66</i>	<i>137</i>
<i>Training costs</i>	<i>24</i>	<i>101</i>
<i>Office supplies and maintenance</i>	<i>47</i>	<i>73</i>
<i>Other</i>	<i>12</i>	<i>15</i>
<b>Total</b>	<b>2 539</b>	<b>2 398</b>

The most significant increase under this heading is for the category external IT services and comprises the purchase of licences with yearly renewal such as: Panopto, Sophos, Anaplan,

Veam, Multi Factor Authentication and Autocad licenses, yearly payment of the EC provision of services for ARES, CERT EU, ABAC, Sysper, DIGIT global services etc. In addition, a series of other services were purchased under this category such as: BerecNet and managed services, ICT infrastructure, AVC maintenance services and AVC system maintenance.

In the category of communication and publication a slight increase can be seen and this is mainly due to the costs for provision of services by the National Communication Service Centre following a server physical migration from BEREC Office premises to their premises.

The decrease of expenses in the External non IT services is due to the fact that in 2023 the BEREC Office used less interim workers' service compared to 2022 to fill in vacant posts and the trainee programme was not anymore launched for the second part of the year.

The decrease in the other categories of expenses such as missions, training costs, office supplies and maintenance follow the same tendency to fit into the budgetary ceilings caused, mainly, by the same external factor the high inflation costs.

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, security etc.) for these premises. The future amounts to be paid under these contract are as follows:

<i>EUR'000</i>				
	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<b>Buildings</b>	137	477	-	614

Following the signature on the provision of physical security, the estimated future amounts to be paid under this contract are as follows:

<i>EUR'000</i>				
	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<b>Administrative contract</b>	83	69	-	152

## 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>	
	31.12.2023	31.12.2022
<i>Outstanding commitments not yet expensed</i>	621	714

### 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 1 January until 31 March 2023, for 1785,8 m<sup>2</sup> (1st floor premises- part 1A and part 1B, 2nd floor premises, 3.5 premises, the garage, bomb shelter and additional entrance to the bomb shelter) the BEREC Office has paid monthly a total of 11 040,79 EUR, thus 6,18 EUR/m<sup>2</sup>.

From 1 April until 31 of December 2023, for 1785,8 m<sup>2</sup> (1st floor premises- part 1A and part 1B, 2nd floor premises, 3.5 premises, the garage, bomb shelter and additional entrance to the bomb shelter) the BEREC Office has paid monthly a total of 11 349,99 EUR, thus 6,36 EUR/m<sup>2</sup>.

According to a study published<sup>7</sup> in 2023, the average rental price of office space in Riga was for A class offices between 14,00-17,50 EUR/m<sup>2</sup>/month and for B class offices between 8,00-14,00 EUR/m<sup>2</sup>/month. The additional office costs vary between 2,50-4,50 EUR/m<sup>2</sup>/month.

<sup>7</sup><https://www.ober-haus.lt/wp-content/uploads/Ober-Haus-Market-Report-Baltic-States-2023.pdf>

### 4.3. KEY MANAGEMENT ENTITLEMENTS

	31.12.2023	31.12.2022
<b>Director</b>	<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 25 of Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office, Agency), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009 (Text with EEA relevance), the BEREC Office's revenue shall comprise:

- (a) a contribution from the Union;
- (b) any voluntary financial contribution from the Member States or the NRAs;
- (c) charges for publications and any other service provided by the BEREC Office;
- (d) any contribution from third countries or the regulatory authorities competent in the field of electronic communications of third countries participating in the work of the BEREC Office, as provided for in Article 35.

The budget of the BEREC Office is distributed in three Titles. As follows:

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.

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR'000</i>	
	Title	2023	2022
<b>Revenue</b>		<b>7 848<sup>8</sup></b>	<b>7 563</b>
of which:			
European Union subsidy	2	7 697	7 428
Other contributions (Members States and National Regulatory Authorities)	4	135	123
Administrative operations and miscellaneous income	5	16	11
<b>Expenditure</b>		<b>( 6 915)</b>	<b>( 6 228)</b>
of which:			
Staff expenditure	1	( 4 527)	( 4 067)
Administrative expenditure	2	( 1 409)	( 767)
Operational expenditure	3	( 980)	( 1 395)
<b>Payment appropriat. carried over to the following year</b>		<b>( 905)<sup>9</sup></b>	<b>( 1 278)</b>
of which:			
Staff expenditure	1	( 151)	( 204)
Administrative expenditure	2	( 279)	( 233)
Operational expenditure	3	( 475)	( 842)
<b>Cancellation of unused approp. carried over from year n-1</b>		<b>10</b>	<b>26</b>
<b>Evolution of assigned revenue (B)-(A)</b>		<b>( 21)</b>	<b>( 51)</b>
Unused appropriations at the end of current year (A)		76	55
Unused appropriations at the end of previous year (B)		55	4
<b>Exchange rate differences</b>		<b>( 0)</b>	<b>( 0)</b>
<b>Budget result</b>		<b>17</b>	<b>32</b>

<sup>8</sup> Including 249.00 EUR of IC4 credits, which shall be regularized/cleared against non-budgetary account in 2024.

<sup>9</sup> Including 249.00 EUR of C4 credits, which shall be regularised/cleared against non-budgetary account in 2024.

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

	EUR '000	
	2023	2022
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>71</b>	<b>(1127)</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	<b>1 074</b>	<b>2 545</b>
<i>Adjustments for accrual cut-off (net)</i>	<i>(370)</i>	<i>185</i>
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	<i>180</i>	<i>137</i>
<i>Payments made from carry-over of payment appropriations</i>	<i>1 265</i>	<i>2 223</i>
<i>Other individually immaterial</i>	<i>0</i>	<i>1</i>
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	<b>(1 129)</b>	<b>(1 386)</b>
<i>Asset acquisitions (less unpaid amounts)</i>	<i>(237)</i>	<i>(167)</i>
<i>New pre-financing received in the year and remaining open as at 31 December</i>	<i>21</i>	<i>32</i>
<i>Payment appropriations carried over to next year</i>	<i>(981)</i>	<i>(1 282)</i>
<i>Cancellation of unused carried over payment appropriations from previous year</i>	<i>14</i>	<i>31</i>
<i>Payment appropriations carried over to year N - assigned revenue</i>	<i>55</i>	<i>0</i>
<b>BUDGET RESULT OF THE YEAR</b>	<b>17</b>	<b>32</b>

## 4. IMPLEMENTATION<sup>10</sup> 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	
<b>20-0</b> European Union subsidy	7 697	7 697	7 697	0	7 697	7 697	0	7 697	100 %	0
<b>Total Chapter 20-0</b>	7 697	7 697	7 697	0	7 697	7 697	0	7 697	100 %	0
<b>Total Title 20-0</b>	<b>7 697</b>	<b>7 697</b>	<b>7 697</b>	<b>0</b>	<b>7 697</b>	<b>7 697</b>	<b>0</b>	<b>7 697</b>	<b>100 %</b>	<b>0</b>

<sup>10</sup> In 2023, revenue was cashed on Title 2, Title 4 and Title 5.



## 4.2. Implementation of budget revenue, Title 4

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	
<b>40-0</b> Other contributions (Members States and National Regulatory Authorities)	0	0	135	0	135	135	0	135	-	0
<b>Total Chapter 40-0</b>	0	0	135	0	135	135	0	135	-	0
<b>Total Title 40-0</b>	<b>0</b>	<b>0</b>	<b>135</b>	<b>0</b>	<b>135</b>	<b>135</b>	<b>0</b>	<b>135</b>	<b>-</b>	<b>0</b>

## 4.3. Implementation of budget revenue, Title 5

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	
<b>50-0</b> Administrative operations and miscellaneous income	0	0	16	0	16	16	0	16	-	0
<b>Total Chapter 50-0</b>	0	0	16	0	16	16	0	16	-	0
<b>Total Title 50-0</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>-</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>7 697</b>	<b>7 697</b>	<b>7 848</b>	<b>0</b>	<b>7 848</b>	<b>7 848</b>	<b>0</b>	<b>7 848</b>	<b>102 %</b>	<b>0</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1. Breakdown & changes in commitment appropriations

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

		Budget appropriations				Additional appropriations			EUR '000
Item	Initial adopted budget 1	Amending budgets 2	Transfers 3	Final adopted budget 4=1+2+3	Carry-overs 5	Assigned revenue 6	Total 7=5+6	Total approp. available 8=4+7	
<b>1100</b>	Temporary Agents' salaries and allowances and employer's social security contributions	2 169	0	( 165)	2 003	0	0	0	2 003
<b>1111</b>	Contract staff and Seconded National Experts	1 844	0	( 95)	1 749	0	0	0	1 749
<b>1200</b>	Recruitment expenses	10	0	1	11	0	0	0	11
<b>1300</b>	Mission expenses, duty travel expenses and other ancillary expenditure	101	0	( 10)	90	0	0	0	91
<b>1400</b>	Medical expenditure	17	0	( 11)	6	0	0	0	6
<b>1500</b>	Training	45	0	( 11)	34	0	0	0	34
<b>1600</b>	External services	417	0	241	658	0	194	194	852
<b>1700</b>	Representation, receptions and events, and miscellaneous staff expenses	2	0	5	7	0	0	0	7
<b>Total Title 1</b>		<b>4 605</b>	<b>0</b>	<b>( 46)</b>	<b>4 559</b>	<b>0</b>	<b>194</b>	<b>194</b>	<b>4 753</b>

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

*EUR'000*

	Item	Budget appropriations				Additional appropriations			Total apppr. available
		Initial adopted budget 1	Amending budgets 2	Transfers 3	Final adopted budget 4=1+2+3	Carry-overs 5	Assigned revenue 6	Total 7=5+6	
<b>2000</b>	Rental of buildings and associated costs	245	0	( 3)	242	0	0	0	242
<b>2100</b>	Information and Communication Technology and Security	1 130	0	( 39)	1 091	0	0	0	1 091
<b>2200</b>	Movable property and logistic services	39	0	( 14)	25	0	1	1	26
<b>2300</b>	Legal and other operating services	237	0	77	314	0	7	7	320
<b>2400</b>	Non-operational media and public relations	45	0	( 36)	9	0	0	0	9
<b>2500</b>	Non-operational meetings	3	0	( 0)	3	0	0	0	3
	<b>Total Title 2</b>	<b>1 698</b>	<b>0</b>	<b>( 15)</b>	<b>1 684</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>1 691</b>

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

EUR'000

Item	Initial adopted budget 1	Budget appropriations			Final adopted budget 4=1+2+3	Additional appropriations			Total approp. available 8=4+7
		Amending budgets 2	Transfers 3			Carry-overs 5	Assigned revenue 6	Total 7=5+6	
<b>3001</b> BEREC Programme Management Support	419	0	( 56)	363	0	0	0	363	
<b>3101</b> Operation and Strategic Support to BEREC	976	0	117	1 092	0	0	0	1 092	
<b>Total Title 3</b>	<b>1 394</b>	<b>0</b>	<b>61</b>	<b>1 455</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 455</b>	
<b>GRAND TOTAL</b>	<b>7 697</b>	<b>0</b>	<b>( 0)</b>	<b>7 697</b>	<b>0</b>	<b>202</b>	<b>202</b>	<b>7 899</b>	

## 5.2. Breakdown & changes in payment appropriations

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

EUR'000

Item	Budget appropriations			Final adopted budget	Additional appropriations			Total approp. available
	Initial adopted budget	Amending budgets	Transfers		Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
<b>1100</b> Temporary Agents' salaries and allowances and employer's social security contributions	2 169	0	( 165)	2 003	0	0	0	2 003
<b>1111</b> Contract staff and Seconded National Experts	1 844	0	( 95)	1 749	0	0	0	1 749
<b>1200</b> Recruitment expenses	10	0	1	11	0	0	0	11
<b>1300</b> Mission expenses, duty travel expenses and other ancillary expenditure	101	0	( 10)	90	24	0	24	115
<b>1400</b> Medical expenditure	17	0	( 11)	6	0	0	0	6
<b>1500</b> Training	45	0	( 11)	34	2	0	2	36
<b>1600</b> External services	417	0	241	658	181	194	375	1 033
<b>1700</b> Representation, receptions and events, and miscellaneous staff expenses	2	0	5	7	0	0	0	7
<b>Total Title 1</b>	<b>4 605</b>	<b>0</b>	<b>( 46)</b>	<b>4 559</b>	<b>207</b>	<b>194</b>	<b>402</b>	<b>4 960</b>

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

EUR'000

	Item	Budget appropriations				Additional appropriations			Total appropr. 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	
<b>2000</b>	Rental of buildings and associated costs	245	0	( 3)	242	70	0	70	312
<b>2100</b>	Information and Communication Technology and Security	1 130	0	( 39)	1 091	130	0	130	1 221
<b>2200</b>	Movable property and logistic services	39	0	( 14)	25	5	1	6	31
<b>2300</b>	Legal and other operating services	237	0	77	314	16	7	23	337
<b>2400</b>	Non-operational media and public relations	45	0	( 36)	9	12	0	12	21
<b>2500</b>	Non-operational meetings	3	0	( 0)	3	0	0	0	3
	<b>Total Title 2</b>	<b>1 698</b>	<b>0</b>	<b>( 15)</b>	<b>1 684</b>	<b>233</b>	<b>7</b>	<b>241</b>	<b>1 924</b>

## 5.2.3. Breakdown &amp; changes in payment appropriations – Title 3

EUR'000

Item	Budget appropriations				Additional appropriations			Total approp. 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	
<b>3001</b> BEREC Programme Management Support	419	0	( 56)	363	181	0	181	544
<b>3101</b> Operation and Strategic Support to BEREC	976	0	117	1 092	661	0	661	1 753
<b>Total Title 31-0</b>	<b>1 394</b>	<b>0</b>	<b>61</b>	<b>1 455</b>	<b>842</b>	<b>0</b>	<b>842</b>	<b>2 297</b>
<b>GRAND TOTAL</b>	<b>7 697</b>	<b>0</b>	<b>( 0)</b>	<b>7 697</b>	<b>1 282</b>	<b>202</b>	<b>1 484</b>	<b>9 181</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 2024			Appropriations lapsing			
		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	2 003	2 003	0	0	2 003	100 %	0	0	0	0	0	0	0
1111	Contract staff and Seconded National Experts	1 749	1 749	0	0	1 749	100 %	0	0	0	0	0	0	0
<b>Total Chapter 11</b>		<b>3 752</b>	<b>3 752</b>	<b>0</b>	<b>0</b>	<b>3 752</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1200	Recruitment expenses	11	11	0	0	11	100 %	0	0	0	0	0	0	0
<b>Total Chapter 12</b>		<b>11</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1300	Mission expenses, duty travel expenses and other ancillary expenditure	91	90	0	0	90	100 %	0	0	0	0	0	0	0
<b>Total Chapter 13</b>		<b>91</b>	<b>90</b>	<b>0</b>	<b>0</b>	<b>90</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1400	Medical expenditure	6	6	0	0	6	100 %	0	0	0	0	0	0	0
<b>Total Chapter 14</b>		<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1500	Training	34	34	0	0	34	100 %	0	0	0	0	0	0	0
<b>Total Chapter 15</b>		<b>34</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>34</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1600	External services	852	658	0	119	777	91 %	75	0	75	0	0	0	0
<b>Total Chapter 16</b>		<b>852</b>	<b>658</b>	<b>0</b>	<b>119</b>	<b>777</b>	<b>91 %</b>	<b>75</b>	<b>0</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1700	Representation, receptions and events, and miscellaneous staff expenses	7	7	0	0	7	100 %	0	0	0	0	0	0	0
<b>Total Chapter 17</b>		<b>7</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total TITLE 1</b>		<b>4 753</b>	<b>4 558</b>	<b>0</b>	<b>119</b>	<b>4 677</b>	<b>97 %</b>	<b>75</b>	<b>0</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## 5.3.2. Implementation of commitment appropriations – Title 2

EUR'000

Item	Total approp. available	Commitments made				Appropriations carried over to 2024				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
20-0 Rental of buildings and associated costs	242	242	0	0	242	100 %	0	0	0	0	0	0	0
<b>Total Chapter 20</b>	<b>242</b>	<b>242</b>	<b>0</b>	<b>0</b>	<b>242</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
20-0 Information and Communication Technology and Security	1 091	1 091	0	0	1 091	100 %	0	0	0	0	0	0	0
<b>Total Chapter 21</b>	<b>1 091</b>	<b>1 091</b>	<b>0</b>	<b>0</b>	<b>1 091</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
20-0 Movable property and logistic services	26	25	0	0	25	97 %	1	0	1	0	0	0	0
<b>Total Chapter 22</b>	<b>26</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>97 %</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
20-0 Legal and other operating services	320	314	0	7	320	100 %	0	0	0	0	0	0	0
<b>Total Chapter 23</b>	<b>320</b>	<b>314</b>	<b>0</b>	<b>7</b>	<b>320</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
20-0 Non-operational media and public relations	9	9	0	0	9	99 %	0	0	0	0	0	0	0
<b>Total Chapter 24</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>99 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
20-0 Non-operational meetings	3	0	0	0	0	11 %	0	0	0	2	0	0	2
<b>Total Chapter 25</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Total TITLE 2</b>	<b>1 691</b>	<b>1 681</b>	<b>0</b>	<b>7</b>	<b>1 688</b>	<b>100%</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>

### 5.3.3. Implementation of commitment appropriations – Title 3

EUR'000

Item	Total approp. available	Commitments made					Appropriations carried over to 2024			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
<b>3001</b> BEREC Programme Management Support	363	363	0	0	363	100 %	0	0	0	0	0	0	0
<b>Total Title 30-0</b>	<b>363</b>	<b>363</b>	<b>0</b>	<b>0</b>	<b>363</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3101</b> Operation and Strategic Support to BEREC	1 092	1 092	0	0	1 092	100 %	0	0	0	0	0	0	0
<b>Total Chapter 31</b>	<b>1 092</b>	<b>1 092</b>	<b>0</b>	<b>0</b>	<b>1 092</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Title 3</b>	<b>1 455</b>	<b>1 455</b>	<b>0</b>	<b>0</b>	<b>1 455</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>7 899</b>	<b>7 694</b>	<b>0</b>	<b>126</b>	<b>7 820</b>	<b>99 %</b>	<b>76</b>	<b>0</b>	<b>76</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</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 2024					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
<b>1100</b> Temporary Agents' salaries and allowances and employer's social security contributions	2 003	2 003	0	0	2 003	100 %	0	0	0	0	0	0	0	0	0
<b>1111</b> Contract staff and Seconded National Experts	1 749	1 749	0	0	1 749	100 %	0	0	0	0	0	0	0	0	0
<b>Total Chapter 11</b>	<b>3 752</b>	<b>3 752</b>	<b>0</b>	<b>0</b>	<b>3 752</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>1200</b> Recruitment expenses	11	4	0	0	4	39 %	7	0	0	7	0	0	0	0	0
<b>Total Chapter 12</b>	<b>11</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>39 %</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>1300</b> Mission expenses, duty travel expenses and other ancillary expenditure	115	68	21	0	89	78 %	22	0	0	22	0	3	0	3	
<b>Total Chapter 13</b>	<b>115</b>	<b>68</b>	<b>21</b>	<b>0</b>	<b>89</b>	<b>78 %</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>	
<b>1400</b> Medical expenditure	6	6	0	0	6	100 %	0	0	0	0	0	0	0	0	
<b>Total Chapter 14</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>1500</b> Training	36	20	2	0	22	62 %	14	0	0	14	0	0	0	0	
<b>Total Chapter 15</b>	<b>36</b>	<b>20</b>	<b>2</b>	<b>0</b>	<b>22</b>	<b>62 %</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>1600</b> External services	1 033	549	179	119	848	82 %	109	0	75	184	0	2	0	2	
<b>Total Chapter 16</b>	<b>1 033</b>	<b>549</b>	<b>179</b>	<b>119</b>	<b>848</b>	<b>82 %</b>	<b>109</b>	<b>0</b>	<b>75</b>	<b>184</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	
<b>1700</b> Representation, receptions and events, and miscellaneous staff expenses	7	7	0	0	7	100 %	0	0	0	0	0	0	0	0	
<b>Total Chapter 17</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Title 1</b>	<b>4 960</b>	<b>4 407</b>	<b>202</b>	<b>119</b>	<b>4 729</b>	<b>95%</b>	<b>151</b>	<b>0</b>	<b>75</b>	<b>226</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>5</b>	

## 5.4.2. Implementation of payment appropriations – Title 2

EUR'000

Item	Total approp. availab.	Payments made				Appropriations carried over to 2024				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
<b>2000</b> Rental of buildings and associated costs	312	218	70	0	288	92 %	24	0	0	24	0	0	0	0
<b>Total Chapter 20</b>	<b>312</b>	<b>218</b>	<b>70</b>	<b>0</b>	<b>288</b>	<b>92 %</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2100</b> Information and Communication Technology and Security	1 221	930	129	0	1 059	87 %	161	0	0	161	0	1	0	1
<b>Total Chapter 21</b>	<b>1 221</b>	<b>930</b>	<b>129</b>	<b>0</b>	<b>1 059</b>	<b>87 %</b>	<b>161</b>	<b>0</b>	<b>0</b>	<b>161</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>2200</b> Movable property and logistic services	31	25	5	0	30	97 %	0	0	1	1	0	0	0	0
<b>Total Chapter 22</b>	<b>31</b>	<b>25</b>	<b>5</b>	<b>0</b>	<b>30</b>	<b>97 %</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2300</b> Legal and other operating services	337	220	16	7	243	72 %	94	0	0	94	0	0	0	0
<b>Total Chapter 23</b>	<b>337</b>	<b>220</b>	<b>16</b>	<b>7</b>	<b>243</b>	<b>72 %</b>	<b>94</b>	<b>0</b>	<b>0</b>	<b>94</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2400</b> Non-operational media and public relations	21	8	12	0	20	99 %	0	0	0	0	0	0	0	0
<b>Total Chapter 24</b>	<b>21</b>	<b>8</b>	<b>12</b>	<b>0</b>	<b>20</b>	<b>99 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2500</b> Non-operational meetings	3	0	0	0	0	11 %	0	0	0	0	2	0	0	2
<b>Total Chapter 25</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Total Title 2</b>	<b>1 924</b>	<b>1 402</b>	<b>233</b>	<b>7</b>	<b>1 641</b>	<b>85%</b>	<b>279</b>	<b>0</b>	<b>1</b>	<b>280</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>4</b>

### 5.4.3. Implementation of payment appropriations – Title 3

EUR'000

Item	Total approp availab .	Payments made					Appropriations carried over to 2024					Appropriations lapsing		
		from final adopt. budget .	from carry- overs	from assign. revenu e	Total	%	Autom . carry- overs	By decisio n	Assigne d 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
<b>3001</b> BEREC Programme Management Support	544	237	180	0	417	77 %	126	0	0	126	0	1	0	1
<b>Total Chapter 30</b>	<b>544</b>	<b>237</b>	<b>180</b>	<b>0</b>	<b>417</b>	<b>77 %</b>	<b>126</b>	<b>0</b>	<b>0</b>	<b>126</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>3101</b> Operation and Strategic Support to BEREC	1 753	743	653	0	1 397	80 %	349	0	0	349	0	7	0	7
<b>Total Chapter 31</b>	<b>1 753</b>	<b>743</b>	<b>653</b>	<b>0</b>	<b>1 397</b>	<b>80 %</b>	<b>349</b>	<b>0</b>	<b>0</b>	<b>349</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>7</b>
<b>Total Title 3</b>	<b>2297</b>	<b>980</b>	<b>833</b>	<b>0</b>	<b>1814</b>	<b>79%</b>	<b>475</b>	<b>0</b>	<b>0</b>	<b>475</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>8</b>
<b>GRAND TOTAL T1-T3</b>	<b>9 181</b>	<b>6 789</b>	<b>1 268</b>	<b>126</b>	<b>8 183</b>	<b>89 %</b>	<b>905</b>	<b>0</b>	<b>76</b>	<b>981</b>	<b>3</b>	<b>14</b>	<b>0</b>	<b>17</b>

## 6. OUTSTANDING COMMITMENTS

### 6.1. Outstanding commitments – Title 1

EUR'000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
<b>1100</b> Temporary Agents' salaries and allowances and employer's social security contributions	0	0	0	0	2 003	2 003	0	0	0
<b>1111</b> Contract staff and Seconded National Experts	0	0	0	0	1 749	1 749	0	0	0
<b>Total Chapter 11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3 752</b>	<b>3 752</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>1200</b> Recruitment expenses	0	0	0	0	11	4	0	7	7
<b>Total Chapter 12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>4</b>	<b>0</b>	<b>7</b>	<b>7</b>
<b>1300</b> Mission expenses, duty travel expenses and other ancillary expenditure	24	( 3)	21	0	90	68	0	22	22
<b>Total Chapter 13</b>	<b>24</b>	<b>( 3)</b>	<b>21</b>	<b>0</b>	<b>90</b>	<b>68</b>	<b>0</b>	<b>22</b>	<b>22</b>
<b>1400</b> Medical expenditure	0	0	0	0	6	6	0	0	0
<b>Total Chapter 14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>1500</b> Training	2	0	2	0	34	20	0	14	14
<b>Total Chapter 15</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>34</b>	<b>20</b>	<b>0</b>	<b>14</b>	<b>14</b>
<b>10-0</b> External services	181	( 2)	179	0	777	668	0	109	109
<b>Total Chapter 16</b>	<b>181</b>	<b>( 2)</b>	<b>179</b>	<b>0</b>	<b>777</b>	<b>668</b>	<b>0</b>	<b>109</b>	<b>109</b>
<b>10-0</b> Representation, receptions and events, and miscellaneous staff expenses	0	0	0	0	7	7	0	0	0
<b>Total Chapter 17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Title 1</b>	<b>207</b>	<b>( 5)</b>	<b>202</b>	<b>0</b>	<b>4 677</b>	<b>4 525</b>	<b>0</b>	<b>151</b>	<b>151</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 Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
<b>2000</b> Rental of buildings and associated costs	70	0	70	0	242	218	0	24	24
<b>Total Chapter 20</b>	<b>70</b>	<b>0</b>	<b>70</b>	<b>0</b>	<b>242</b>	<b>218</b>	<b>0</b>	<b>24</b>	<b>24</b>
<b>2100</b> Information and Communication Technology and Security	130	( 1)	129	0	1 091	930	0	161	161
<b>Total Chapter 21</b>	<b>130</b>	<b>( 1)</b>	<b>129</b>	<b>0</b>	<b>1 091</b>	<b>930</b>	<b>0</b>	<b>161</b>	<b>161</b>
<b>2200</b> Movable property and logistic services	5	( 0)	5	0	25	25	0	0	0
<b>Total Chapter 22</b>	<b>5</b>	<b>( 0)</b>	<b>5</b>	<b>0</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2300</b> Legal and other operating services	16	0	16	0	320	227	0	94	94
<b>Total Chapter 23</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>320</b>	<b>227</b>	<b>0</b>	<b>94</b>	<b>94</b>
<b>2400</b> Non-operational media and public relations	12	( 0)	12	0	9	8	0	0	0
<b>Total Chapter 24</b>	<b>12</b>	<b>( 0)</b>	<b>12</b>	<b>0</b>	<b>9</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2500</b> Non-operational meetings	0	0	0	0	0	0	0	0	0
<b>Total Chapter 25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Title 2</b>	<b>233</b>	<b>( 1)</b>	<b>233</b>	<b>0</b>	<b>1 688</b>	<b>1 409</b>	<b>0</b>	<b>279</b>	<b>279</b>

### 6.3. Outstanding commitments – Title 3

EUR'000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
<b>3001</b> BEREC Programme Management Support	181	( 1)	180	0	363	237	0	126	126
<b>Total Chapter 30</b>	<b>181</b>	<b>( 1)</b>	<b>180</b>	<b>0</b>	<b>363</b>	<b>237</b>	<b>0</b>	<b>126</b>	<b>126</b>
<b>3101</b> Operation and Strategic Support to BEREC	661	( 7)	653	0	1 092	743	0	349	349
<b>Total Chapter 31</b>	<b>661</b>	<b>( 7)</b>	<b>653</b>	<b>0</b>	<b>1 092</b>	<b>743</b>	<b>0</b>	<b>349</b>	<b>349</b>
<b>Total Title 3</b>	<b>842</b>	<b>( 8)</b>	<b>834</b>	<b>0</b>	<b>1 455</b>	<b>980</b>	<b>0</b>	<b>475</b>	<b>475</b>
<b>GRAND TOTAL T1-T3</b>	<b>1 282</b>	<b>( 14)</b>	<b>1 268</b>	<b>0</b>	<b>7 820</b>	<b>6 915</b>	<b>0</b>	<b>905</b>	<b>905</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.

### **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.

### **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.