



European
Global Navigation
Satellite Systems
Agency

Annual accounts of the European Global Navigation Satellite Systems Agency

Financial year 2017

CONTENTS

CERTIFICATION OF THE ACCOUNTS3

BACKGROUND INFORMATION ON GSA.....4

FINANCIAL STATEMENTS AND EXPLANATORY NOTES5

 BALANCE SHEET7

 STATEMENT OF FINANCIAL PERFORMANCE.....8

 CASHFLOW STATEMENT.....9

 STATEMENT OF CHANGES IN NET ASSETS 10

 NOTES TO THE FINANCIAL STATEMENTS..... 11

REPORTS ON THE IMPLEMENTATION OF THE BUDGET27

CERTIFICATION OF THE ACCOUNTS

The annual accounts of the GSA, the European Global Navigation Satellite Systems Agency, for the year 2017 have been prepared in accordance with Title IX of the GSA Financial Regulation and the accounting rules adopted by myself in my capacity as the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I acknowledge my responsibility for the preparation and presentation of the GSA annual accounts in accordance with Article 50(4) of the GSA Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show GSA's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the GSA.

[signed]

Rosa ALDEA BUSQUETS

Accounting Officer

June 2018

BACKGROUND INFORMATION ON GSA

The European GNSS Supervisory Authority (GSA) was established as a Community Agency on 12 July 2004 in order to ensure that public interest in the field of European satellite positioning and navigation, including the programmes EGNOS¹ and GALILEO², is adequately defended and represented.

With Regulation (EU) No. 912/2010, which entered into force on 9 November 2010, and which was subsequently amended by Regulation (EU) No. 512/2014 of 16 April 2014, the GSA was restructured into the EU agency called the European Global Navigation Satellite Systems Agency (European GNSS Agency or GSA), ensuring the continuity of its activities. The Agency is based in Prague, the Czech Republic.

The GSA mission, in line with Regulation (EU) No. 1285/2013, is to support the EU objectives and achieve the highest return on European GNSS investment, in terms of benefits to users and economic growth and competitiveness, by:

- Designing and enabling services that fully respond to user needs, while continuously improving the European GNSS services and infrastructure;
- Managing the provision of quality services that ensure user satisfaction in the most cost-efficient manner;
- Engaging market stakeholders to develop innovative and effective applications, value-added services and user technology that promote the achievement of full European GNSS adoption and
- Ensuring that European GNSS services and operations are thoroughly secure, safe and accessible.

In addition, the GSA performs a number of tasks delegated by the European Commission³. The delegation agreements in place to cater for those specific activities are:

- The FP-6 3rd call delegation agreement, signed in 2006
- The Public Regulated Service (PRS) delegation agreement, signed in 2011
- The FP-7 delegation agreement, signed in 2011
- The Exploitation Preparatory Tasks, signed in 2012
- The EGNOS Exploitation delegation agreement, signed in 2014
- The Galileo Exploitation delegation agreement, signed in 2014
- The Horizon 2020 delegation agreement, signed in 2014

Following Article 92 of the GSA Financial Regulation 2014, adopted by GSA's Administrative Board of 25 April 2014 (decision GSA-AB-WP32), and its Implementing Rules (decision GSA-AB-WP33, amended by decision GSA-AB-45), GSA is required to prepare and adopt its own annual accounts in accordance with the accounting rules adopted by the Commission's Accounting Officer (EU Accounting Rules, EAR) that are based on the International Public Sector Accounting Standards (IPSAS). The preparation of the annual accounts is entrusted to the GSA's Accounting Officer who is appointed by the Governing Board of the GSA. Following the decision of the GSA's Governing Board of 15 October 2015, the Accounting Officer of the Commission acts, as of 3 November 2015, as the Accounting Officer of GSA.

¹ European Geostationary Navigation Overlay Service (EGNOS) is a system that uses geostationary satellites and a network of ground stations to receive, analyse and augment navigation signals and makes them suitable for safety critical applications such as flying aircrafts or navigating ships through narrow channels.

² Galileo is an European-controlled global satellite navigation system, that will, unlike systems developed by Russia (GLONASS) and the United States (GPS), always remain under civilian control.

³ Hereinafter referred to as 'Commission'

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

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

CONTENTS

BALANCE SHEET.....	7
STATEMENT OF FINANCIAL PERFORMANCE	8
CASHFLOW STATEMENT	9
STATEMENT OF CHANGES IN NET ASSETS	10
NOTES TO THE FINANCIAL STATEMENTS	11
1. SIGNIFICANT ACCOUNTING POLICIES.....	12
2. NOTES TO THE BALANCE SHEET.....	18
3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE	21
4. OTHER SIGNIFICANT DISCLOSURES	23
5. FINANCIAL RISK MANAGEMENT	25

BALANCE SHEET

EUR '000

	Note	31.12.2017	31.12.2016
NON-CURRENT ASSETS			
<i>Intangible assets</i>		2	2
<i>Property, plant and equipment</i>	2.1	944	904
<i>Pre-financing</i>	2.2	171 633	112 031
		172 579	112 936
CURRENT ASSETS			
<i>Pre-financing</i>	2.2	72 758	28 006
<i>Exchange receivables and non-exchange recoverables</i>	2.3	526 099	488 689
		598 857	516 695
TOTAL ASSETS		771 436	629 632
CURRENT LIABILITIES			
<i>Payables</i>	2.4	(680 282)	(589 501)
<i>Accrued charges</i>	2.5	(88 291)	(36 068)
		(768 573)	(625 569)
TOTAL LIABILITIES		(768 573)	(625 569)
NET ASSETS		2 864	4 062
<i>Accumulated surplus</i>		4 062	3 888
<i>Economic result of the year</i>		(1 199)	175
NET ASSETS		2 864	4 062

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	Note	2017	2016
REVENUE			
Revenue from non-exchange transactions			
Recovery of expenses		168	103
Funds from the Commission	3.1	606 893	168 361
Other non-exchange revenue		267	228
		607 328	168 692
Revenue from exchange transactions			
Financial income		1	11
Other exchange revenue		(8)	89
		(7)	99
Total revenue		607 321	168 791
EXPENSES			
Operating costs	3.2	(585 073)	(147 330)
Staff costs	3.3	(14 273)	(11 820)
Finance costs		(1)	(4)
Other expenses	3.4	(9 173)	(9 461)
Total expenses		(608 520)	(168 616)
ECONOMIC RESULT OF THE YEAR		(1 199)	175

CASHFLOW STATEMENT⁴

EUR '000

	2017	2016
<i>Economic result of the year</i>	<i>(1 199)</i>	<i>175</i>
Operating activities		
<i>Depreciation and amortization</i>	<i>425</i>	<i>520</i>
<i>(Increase)/decrease in pre-financing</i>	<i>(104 354)</i>	<i>3 833</i>
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	<i>(37 410)</i>	<i>(81 793)</i>
<i>Increase/(decrease) in payables</i>	<i>90 781</i>	<i>60 461</i>
<i>Increase/(decrease) in accrued charges</i>	<i>52 223</i>	<i>17 119</i>
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	<i>(465)</i>	<i>(315)</i>
NET CASHFLOW	-	-
<i>Net increase/(decrease) in cash and cash equivalents</i>	<i>-</i>	<i>-</i>
<i>Cash and cash equivalents at the beginning of the year</i>	<i>-</i>	<i>-</i>
<i>Cash and cash equivalents at year-end</i>	<i>-</i>	<i>-</i>

⁴ Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of the GSA, the GSA treasury was integrated into the Commission's treasury system. Because of this, GSA does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2015	9 154	(5 267)	3 888
<i>Allocation of the 2015 economic result</i>	<i>(5 267)</i>	<i>5 267</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>175</i>	<i>175</i>
BALANCE AS AT 31.12.2016	3 888	175	4 062
<i>Allocation of the 2016 economic result</i>	<i>175</i>	<i>(175)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>(1 199)</i>	<i>(1 199)</i>
BALANCE AS AT 31.12.2017	4 062	(1 199)	2 864

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional and reporting 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	31.12.2017	31.12.2016	Currency	31.12.2017	31.12.2016
BGN	1.9558	1.9558	PLN	4.177	4.4103
CZK	25.5350	27.0210	RON	4.6585	4.5390
DKK	7.4449	7.4344	SEK	9.8438	9.5525
GBP	0.8872	0.8562	CHF	1.1702	1.0739
HRK	7.4400	7.5597	JPY	135.01	123.4000
HUF	310.3300	309.8300	USD	1.1993	1.0541

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; accrued and deferred revenue and charges, provisions, financial risk on accounts receivables, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

1.3. BALANCE SHEET

1.3.1. Intangible assets

Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met. The costs capitalisable include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses when incurred.

1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land and works of art are not depreciated as they are deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

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

Leases

Leases of tangible assets, where the entity has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The interest element of the finance lease payment is charged to statement of financial performance over the period of the lease at a constant periodic rate in relation to the balance outstanding. The rental obligations, net of finance charges, are included in financial liabilities (non-current and current). The interest element of the finance cost is charged to the statement of financial performance over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The assets held under finance leases are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable 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. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.4. Financial assets

The financial assets are classified in the following categories: financial assets at fair value through surplus or deficit; loans and receivables; held-to-maturity investments; and available for sale financial assets. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

(i) Financial assets at fair value through surplus or deficit

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also categorised in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.

(iv) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date.

Initial recognition and measurement

Purchases and sales of financial assets at fair value through surplus or deficit, held-to-maturity and available for sale are recognised on trade date - the date on which the entity commits to purchase or sell the asset. Cash equivalents, loans and term deposits are recognised at settlement date. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

Subsequent measurement

Financial assets at fair value through surplus or deficit are subsequently carried at fair value with gains and losses arising changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised in the fair value reserve. Interest on available for sale financial

assets calculated using the effective interest method is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

1.3.5. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. The amount of the pre-financing may be reduced (wholly or partially) by the acceptance of eligible costs (which are recognised as expenses).

Pre-financing is, on subsequent balance sheet dates, measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.6. Receivables and recoverables

As the EU accounting rules require a separate presentation of exchange and non-exchange transactions, for the purpose of drawing up the accounts, receivables are defined as stemming from exchange transactions and recoverables are defined as stemming from non-exchange transactions (when the entity receives value from another entity without directly giving approximately equal value in exchange).

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly (see 1.3.4 above).

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

1.3.8. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

1.3.9. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding.

Where grants or other funding is provided to the beneficiaries, the cost claims are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.3.10. Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance it is distinguished between:

(i) Revenue from non-exchange transactions

Revenue from non-exchange transactions are taxes and transfers because the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability (pre-financing received).

(ii) Revenue from exchange transactions

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.5.2. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	Furniture and vehicles	Computer hardware	Other	'000 EUR TOTAL
<i>Gross carrying amount at 31.12.2016</i>	1	417	2 154	446	3 018
<i>Additions</i>	62	67	319	17	465
<i>Disposals</i>	–	–	(38)	(10)	(49)
Gross carrying amount at 31.12.2017	63	483	2 435	453	3 434
<i>Accumulated depreciation at 31.12.2016</i>	(0)	(119)	(1 741)	(254)	(2 114)
<i>Depreciation charge for the year</i>	(1)	(49)	(279)	(95)	(424)
<i>Disposals</i>	–	–	38	10	48
Accumulated depreciation at 31.12.2017	(2)	(168)	(1 982)	(339)	(2 490)
NET CARRYING AMOUNT AT 31.12.2017	62	316	453	114	944
<i>NET CARRYING AMOUNT AT 31.12.2016</i>	1	298	413	192	904

2.2. PRE-FINANCING

The GSA pre-financing amounts relate to the advance payments given to beneficiaries. The grant agreements usually cover a period between 12-18 months.

	EUR '000	
	31.12.2017	31.12.2016
<i>Non-current pre-financing</i>	171 633	112 031
<i>Current pre-financing</i>	72 758	28 006
Total	244 391	140 037

For all pre-financing amounts open at 31 December 2017 a commitment-by-commitment assessment has been performed. The outstanding current pre-financing was reduced by amounts of estimated expenses related to commitments for which services were rendered but no cost claims were received at 31 December 2017 (see note **2.5**). All pre-financing that was considered unlikely to be cleared in the course of 2018 was classified as non-current pre-financing.

At 31 December 2017, guarantees received covering pre-financing amounted to kEUR 116 705 (2016: kEUR 134 056).

The substantial increase of pre-financing comprises mainly new pre-financing given to the European Space Agency and SpaceOpal in order to provide them with the necessary float to carry out activities stemming from the second amendment of the Galileo Exploitation delegation agreement signed in December 2016 and the GSOp (Galileo Service Operator) framework contract.

2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31 December 2017 GSA did not have any non-current receivables and recoverables. The amounts included under this heading are of a current nature and can be broken down as follows:

EUR '000

	Note	31.12.2017	31.12.2016
<i>Recoverables from non-exchange transactions</i>	2.3.1	348	475
<i>Receivables from exchange transactions</i>	2.3.2	525 751	488 215
Total		526 099	488 689

2.3.1. RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS

EUR '000

	31.12.2017	31.12.2016
<i>Member States</i>	307	469
<i>Accrued income and deferred charges</i>	41	6
Total	348	475

Recoverables from Member States contain VAT amounts to be recovered from France, Czech Republic and the UK.

2.3.2. RECEIVABLES FROM EXCHANGE TRANSACTIONS

EUR '000

	31.12.2017	31.12.2016
<i>Central treasury liaison accounts</i>	524 918	487 232
<i>Deferred charges relating to exchange transactions</i>	761	612
<i>Customers</i>	21	309
<i>Others</i>	51	62
Total	525 751	488 215

Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of GSA, the treasury of GSA was integrated into the Commission's treasury system. Because of this, GSA does not have any bank accounts of its own since 2015. All payments and receipts are processed via the Commission's treasury system and registered on inter-company accounts, which are presented under this heading.

The heading Deferred charges relating to exchange transactions consists of advance payments made in 2017 for school tuition fees, subscriptions, maintenance fees and other IT services for the year 2018.

LIABILITIES

2.4. PAYABLES

EUR '000

	31.12.2017	31.12.2016
<i>Pre-financing received from EC - delegation agreements</i>	675 293	578 786
<i>Vendors</i>	3 394	2 006
<i>Sundry payables</i>	1 364	–
<i>Balancing subsidy surplus to be returned to the Commission</i>	231	199
<i>Public bodies</i>	–	8 496
<i>EU consolidated entities</i>	1	15
Total	680 282	589 501

The most significant pre-financing amounts received relate to the delegation agreements EGNOS Exploitation (kEUR 292 439) and Galileo Exploitation (kEUR 356 672). The significant increase in pre-financing received from the Commission is to cover additional activities resulting from the signature of the second amendment of the Galileo Exploitation delegation agreement and the subsequent launching of the GSOp framework contract.

Sundry payables mainly consists of amounts retained from the beneficiaries of the Horizon 2020 pre-financing. For all H2020 grant agreements signed, there is an automatic guarantee retention of 5 % from the pre-financing payment due to Beneficiaries. The guarantee is transferred to the Participant Guarantee Fund ("the Fund") and paid to the beneficiary by the Fund only when the project is successfully accomplished. This mechanism arises from EU Regulation 1290/2013 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)". The payable as at 31 December 2017 represents automatically retained amounts from the pre-financing of the Horizon 2020 beneficiaries' projects which have not yet been transferred to the Fund. At 31 December 2016 no outstanding payables to the Fund existed.

The balancing subsidy surplus to be returned to the Commission represents the unused amount of the 2017 Commission balancing subsidy that is to be reimbursed by GSA in 2018.

The amounts payables to the public bodies at 31 December 2016 included the pre-financing requests from European Space Agency that were not paid out by the year-end. In 2017, all the open invoices from the European Space Agency were settled before the year-end.

2.5. ACCRUED CHARGES

EUR '000

	31.12.2017	31.12.2016
<i>Accrued charges</i>	88 291	36 068

Accrued charges are composed of estimated operating expenses of kEUR 86 746, mainly relating to the implementation of delegation agreements. In accordance with the percentage-of-completion method, only costs that reflect work performed up to 31 December 2017 are included in the estimated costs incurred by 31 December 2017. The portion of estimated accrued charges relating to commitments with pre-financing has been recorded as a reduction of the pre-financing amounts (see note 2.2).

The significant increase compared to 2016 is due to the fact that the main delegation agreements, (Galileo, EGNOS) signed in 2014, are at a cruising speed in 2017. These were also boosted by the new activities stemming from the second Amendment to the Galileo Exploitation delegation agreement and the subsequent launching of the GSOp framework contract in 2017.

Included under this heading are also accrued administrative expenses, i.e. estimated costs of services and goods delivered in year 2017 but not yet invoiced or processed by the end of the year of kEUR 847, mainly building maintenance and security (kEUR 445) and services provided by third parties (kEUR 228). The heading also includes accrued charges for training, missions and experts costs of kEUR 329 and for untaken leave of kEUR 369.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

NON-EXCHANGE REVENUE

3.1. FUNDS FROM THE COMMISSION

EUR '000

	2017	2016
<i>Funds from the Commission</i>	606 893	168 361

Included under this heading is accrued income relating to funds received from the Commission stemming from the implementation of delegation agreements between GSA and the Commission (kEUR 578 656) and the accrued income from the 2017 balancing subsidy (kEUR 28 237) related to the implementation of the GSA core tasks.

The significant increase is a result of implementation of the new activities under the second Amendment to the Galileo Exploitation delegation agreement, signed in December 2016 and activities under the GSOp framework contract.

EXPENSES

3.2. OPERATING COSTS

EUR '000

	2017	2016
<i>Operating costs</i>	585 073	147 330

Included under this heading are operating expenses incurred in relation to core tasks and tasks delegated by the Commission carried out in 2017. For open commitments without any validated cost statements the 2017 expenses were estimated on a commitment-by-commitment basis using the best available information at 31 December 2017 (see note 2.5).

The significant increase compared to 2016 is due to the fact that the implementation of delegation agreements (Galileo, EGNOS) that were signed in 2014 has been getting to a cruising speed and thus more operating expenses were incurred and accrued for works accomplished under those agreements in 2017. In addition, new activities were implemented under the second Amendment to the Galileo Exploitation delegation agreement, signed in December 2016 and under the GSOp framework contract.

3.3. STAFF COSTS

EUR '000

	2017	2016
<i>Staff costs</i>	14 273	11 820

Included under this heading are salary expenses and other employment-related allowances and benefits. Calculations related to staff costs are, based on the service level agreement, entrusted to the Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO).

GSA staff members are part of the Pensions Scheme of European Officials. The administration of pensions is entrusted to the Commission, which also accounts for underlying pension expenses and liabilities.

A defined benefit plan is a pension plan that generally defines an amount of benefit an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. Both the GSA staff and the Commission contribute to the pension scheme in the function of the basic salary of the staff. The contribution percentage is yearly revised to reflect the changes in staff regulation. The annual pension cost to the Commission is not reflected in GSA's accounts.

Future benefits payable to GSA staff under the Pension Scheme of European Officials are accounted for in the Commission accounts. No provisions for such pensions are made in these accounts.

3.4. OTHER EXPENSES

EUR '000

	2017	2016
<i>Property, plant and equipment related expenses</i>	2 780	2 707
<i>External non IT services</i>	2 196	2 417
<i>External IT services</i>	1 432	1 692
<i>Missions</i>	1 397	1 119
<i>Administrative expenses with EU entities</i>	513	452
<i>Experts and related expenditure</i>	384	572
<i>Operating lease expenses</i>	228	145
<i>Training costs</i>	126	213
<i>Recruitment costs</i>	76	89
<i>Foreign exchange losses</i>	32	54
<i>Other</i>	9	–
Total	9 173	9 461

Property, plant and equipment-related expenses include rent and related service costs of the headquarters' premises in Prague, the Galileo Security Monitoring Centres located in France and the United Kingdom and the Galileo Reference Centre located in the Netherlands.

Included under this heading are expenses of kEUR 228 relating to operating leases. The operating leases relate to the premises in France, the United Kingdom and the newly established Galileo Reference Centre located in the Netherlands (based on the host agreement between the GSA and the Netherlands that entered into force on 30 May 2016). The amounts committed to be paid during the remaining term of these lease contracts are as follows:

'000 EUR

	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	358	1 432	2 864	4 654
<i>IT materials and other equipment</i>	6	24	48	78
Total	364	1 456	2 912	4 732

4. OTHER SIGNIFICANT DISCLOSURES

4.1. CONTINGENT LIABILITIES

The GSA awarded the GSOp framework contract on 29 November 2016 for an amount of circa EUR 1.5 billion. In February 2017, one of the unsuccessful tenderers filed an application for annulment of this decision before the EU General Court. If the application is successful, the Agency would have to pay to the plaintiff legal costs which can be estimated at kEUR 300. The plaintiff could also claim damages, the possible amount of which cannot be estimated at this stage.

The payments carried out under the GSOp contract by the end of the reporting period amounted to EUR 49 million.

4.2. OUTSTANDING COMMITMENTS NOT YET EXPENSED

	EUR '000	
	31.12.2017	31.12.2016
<i>Outstanding commitments not yet expensed</i>	<i>1 208 287</i>	<i>1 442 559</i>

The outstanding commitments not yet expensed comprises the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2017 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

4.3. SERVICES IN-KIND

Based on the contract between GSA and the Czech Republic that entered in force on 31 May 2012, the headquarters building in Prague is provided to GSA for a symbolic charge of EUR 1 per year during the first 5 years. The yearly value of the rent is estimated to be kEUR 761.

After 5 years, GSA is to be charged 25 % of the estimated market value yearly, i.e. kEUR 190. The contract has been concluded for a indefinite period of time.

Based on the host agreement between GSA and the Netherlands that entered into force on 30 May 2016, the GRC (Galileo Reference Centre) building is provided to GSA free of charge. The yearly value of the rent is estimated to be kEUR 290.

4.4. RELATED PARTIES

The related GSA parties are the other EU consolidated entities and GSA key management personnel. Transactions between these parties take place as part of the normal GSA operations and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

4.5. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of the GSA is the Executive Director, who executes the role of the Authorising Officer by delegation.

	2017	2016
<i>Executive Director</i>	<i>AD14</i>	<i>AD14</i>

The Executive Director is remunerated in accordance with the Staff Regulations of the EU that are published on the Europa website, which is the official document describing the rights and the obligations of all officials of the EU. The Executive Director has not received any loans from GSA.

4.6. EVENTS AFTER THE REPORTING DATE

The Galileo Security Monitoring Centre (GSMC) is a technical infrastructure which plays a key role in ensuring the security of the EU's satellite navigation programme Galileo. The GSMC has its main and operational location in France and its back-up site in the UK.

As a consequence of the UK's withdrawal from the EU, the GSMC's back-up site will be relocated from the UK to one of the 27 EU Member States. The Commission adopted on 24 January 2018 the decision of transferring the back-up site from the UK to Spain (http://europa.eu/rapid/press-release_IP-18-389_en.htm).

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises *currency risk*, *interest rate risk* and *other price risk* (the GSA has no significant other price risk).

- (1) *Currency risk* is the risk that the GSA operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.
- (2) *Interest rate risk* is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. GSA does not have any securities thus it is not exposed to the interest rate risk.

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Liquidity risk is the risk that arises from the difficulty in selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

5.2. CURRENCY RISKS

Exposure to currency risk at year end

At 31 December 2017, the financial assets are composed of exchange receivables and non-exchange recoverables. Their ending balances are mainly quoted in EUR (kEUR 536 698), EUR equivalents (kEUR (9 041)) and GBP (kEUR (1 525)). The impact of other currencies (kEUR (33)) is individually immaterial.

At 31 December 2017 financial liabilities are composed of accounts payable and accrued charges. Their ending balances are mainly quoted in EUR (kEUR 768 573). The impact of other currencies (kEUR 101) is individually immaterial.

5.3. CREDIT RISK

Financial assets that are neither past due nor impaired

At 31 December 2017 financial assets comprise exchange receivables and non-exchange recoverables that are neither past due nor impaired of kEUR 525 969 and a past due exchange receivable that is not impaired of kEUR 130. The past due not impaired receivable mainly relates to a supplier of IT services and is past due for less than 1 year.

Financial assets by risk category

Exchange receivables of kEUR 525 751 entirely relate to entities without external credit rating that never defaulted in the past. Non-exchange recoverables of kEUR 348 are composed of amounts due by the Member States, namely France, Czech Republic and United Kingdom and are VAT related.

5.4. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are composed of accounts payable to third parties (kEUR 3 394), consolidated entities (kEUR 676 888) with remaining contractual maturity of less than 1 year and accrued charges (kEUR 88 291) that are also considered current liabilities.

REPORTS ON THE IMPLEMENTATION OF THE BUDGET

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

CONTENTS

1.	BUDGETARY PRINCIPLES, STRUCTURE AND IMPLEMENTATION	29
2.	BUDGET RESULT	31
3.	RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT	32
4.	IMPLEMENTATION OF BUDGET REVENUE	33
5.	IMPLEMENTATION OF BUDGET EXPENDITURE	34
6.	COMMITMENTS OUTSTANDING	46
7.	GLOSSARY	46

1. BUDGETARY PRINCIPLES, STRUCTURE AND IMPLEMENTATION

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the GSA budget is governed by the following basic principles set out in the Title II of the GSA Financial Regulation 2014:

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 GSA budget. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

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

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 within three months of their adoption.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

Following the provisions of the GSA Financial Regulation 2014, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The statement of expenditure must be set out on the basis of a nomenclature with a classification by purpose. That nomenclature shall be determined by GSA and shall make a clear distinction between administrative appropriations and operating appropriations:

Title 1 budget lines relate to staff expenditure such as salaries and allowances for personnel working with GSA. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

Title 2 budget lines relate to all buildings, equipment and miscellaneous administrative expenditure.

Title 3 budget lines provide for the implementation of the activities and tasks assigned to the GSA by its establishing Regulation (EU) No. 912/2010 of the European Parliament and of the Council of 22 September 2010.

Assigned revenue budget lines relate to financing of specific items of expenditure. They can be external or internal assigned.

1.3. HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

The European GNSS Agency (GSA), as a decentralised agency of the EU, is entrusted with budget implementation tasks within the scope laid down by articles 58 and 60 of the EU Financial Regulation 2012 on indirect management of funds of the Commission.

Revenue

As of 2017, GSA does not have any self-financing capacity, the Commission being its only source of revenue. The GSA's revenue can be split in two differentiated groups according to the nature of the funds: subsidy (administrative and core operations) and external assigned revenue (aimed to fulfil specific and tailored objectives). In 2017, the GSA received a gross sum of EUR 28 million as a subsidy in two instalments, EUR 675 million as external assigned revenue, in thirteen instalments, and EUR 0.6 million as miscellaneous revenue.

Expenditure

The GSA's expenditure is split in three titles, namely: staff-related costs (title 1), administrative expenditure (title 2) and operational expenditure (title 3).

Expenditure in titles 1 and 2 is fully covered by funds received in the form of a subsidy from the Commission (balancing subsidy). Expenditure in title 3 is partly covered by the subsidy but mainly also by the external assigned revenue funds, received in respect to the delegation agreements with the Commission.

For 2017 the total expenditure stemming from the GSA's operations amounted to EUR 668 million – EUR 18 million for costs under title 1; EUR 6 million for costs under title 2 and EUR 644 million for costs under title 3.

The low level of consumption in Title 3 in comparison to Title 1 and Title 2 is driven by the implementation of the Delegation Agreements (namely, the latest delegation agreements related to Galileo, EGNOS exploitation and H2020). In order to cover the high-value multi-annual contracts related to the agreements, the full amount of commitment appropriations is opened upon signature of the agreements and not on an annual basis. Payment appropriations are inscribed on the basis of the cash received from the Commission, on a biannual basis, in accordance with the delegation agreements, and therefore there may be some misalignment with the real timing of payments.

2. BUDGET RESULT

EUR '000

	Title	2017	2016
Revenue		704 414	222 605
<i>of which:</i>			
Payments From The Institutions And Bodies	2	703 816	221 798
Miscellaneous Revenue	9	599	807
Expenditure		(663 098)	(135 616)
<i>of which:</i>			
Staff expenditure	A-1	(16 866)	(14 224)
Admin expenditure	A-2	(3 255)	(3 370)
Operational expenditure	B0-3	(642 977)	(118 022)
Payment appropriat. carried over to the following year		(3 928)	(5 115)
<i>of which:</i>			
Staff expenditure	A-1	(586)	(785)
Admin expenditure	A-2	(2 199)	(2 806)
Operational expenditure	B0-3	(1 143)	(1 524)
Cancellation of unused appropri. carried over from year n-1		271	209
Evolution of assigned revenue		(37 387)	(81 870)
Exchange rate differences		(40)	(14)
Budget result		232	199

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2017	2016
ECONOMIC RESULT OF THE YEAR	(1 199)	175
<i>Adjustments for accrual cut-off (net)</i>	66 230	40 046
<i>Unpaid invoices at year end but booked in expenses (net)</i>	591	(8)
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	425	520
<i>Recovery orders issued in the year and not yet cashed</i>	(14)	(310)
<i>Pre-financing given in previous year and cleared in the year</i>	10 045	7 059
<i>Pre-financing received in previous year and cleared in the year</i>	(473 943)	(139 475)
<i>Payments made from carry-over of payment appropriations</i>	4 844	3 043
<i>Other individually immaterial</i>	(100)	455
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)		
<i>Asset acquisitions (less unpaid amounts)</i>	(352)	(121)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(136 216)	(18 110)
<i>New pre-financing received in the year and remaining open as at 31 December</i>	573 044	193 218
<i>Entitlements established in previous year and cashed in the year</i>	185	-
<i>Entitlements established on balance sheet accounts and cashed in the year</i>	(2 246)	465
<i>Payment appropriations carried over to next year</i>	(523 683)	(487 482)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	271	209
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>	482 367	400 497
<i>Other individually immaterial</i>	(18)	18
BUDGET RESULT OF THE YEAR	232	199

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue - Title 2

EUR '000

	Income appropriations		Entitlements established			Current year	Revenue		%	Outstanding
	Initial budget	Final budget	Current year	Carried	Total		Carried	Total		
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10
2 0 0 0 Operating subvention ec	28 582	28 468	28 468	–	28 468	28 468	–	28 468	100%	–
2 0 0 8 Programmes subvention ec	–	–	675 046	309	675 356	675 163	185	675 348	0%	8
Total chapter 2 0	28 582	28 468	703 514	309	703 823	703 631	185	703 816	2472%	8
Total Title 2	28 582	28 468	703 514	309	703 823	703 631	185	703 816	2472%	8

4.2. Implementation of budget revenue - Title 9

EUR '000

	Income appropriations		Entitlements established			Current year	Revenue		%	Outstanding
	Initial budget	Final budget	Current year	Carried	Total		Carried	Total		
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10
9 0 0 0 Miscellaneous income	–	–	612	5	618	599	–	599	0%	19
Total chapter 9 0	–	–	612	5	618	599	–	599	0%	19
Total Title 9	–	–	612	5	618	599	–	599	0%	19
GRAND TOTAL	28 582	28 468	704 127	314	704 441	704 230	185	704 414	2474%	26

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations - Title 1

EUR '000

	Budget appropriations of the year			Final budget adopted	Additional appropriations		Total	Total approp. available
	Initial adopted budget	Amending budgets	Transfers		Carryover	Assigned revenue		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1 1 0 0 Staff expenditure	13 185	–	731	13 916	–	69	69	13 985
Total chapter 1 1	13 185	–	731	13 916	–	69	69	13 985
1 2 0 0 Recruitment costs	50	–	32	82	–	–	–	82
1 2 1 0 Medical services	30	–	6	36	–	–	–	36
Total chapter 1 2	80	–	38	118	–	–	–	118
1 3 0 0 Missions and travel	1 100	–	196	1 296	–	9	9	1 305
Total chapter 1 3	1 100	–	196	1 296	–	9	9	1 305
1 4 0 0 Training expenditure	100	–	10	110	–	3	3	113
Total chapter 1 4	100	–	10	110	–	3	3	113
1 5 0 0 Social measures	500	–	(234)	267	–	–	–	267
Total chapter 1 5	500	–	(234)	267	–	–	–	267
1 6 0 0 External service providers	300	–	(5)	295	–	1	1	296
Total chapter 1 6	300	–	(5)	295	–	1	1	296
1 7 0 0 Representation expenditure	2	–	(1)	1	–	–	–	1
Total chapter 1 7	2	–	(1)	1	–	–	–	1
1 8 0 0 Tuition fees	1 000	–	353	1 353	–	30	30	1 384
Total chapter 1 8	1 000	–	353	1 353	–	30	30	1 384
Total Title 1	16 267	–	1 088	17 355	–	112	112	17 468

5.1.2. Breakdown & changes in commitment appropriations - Title 2

EUR '000

	Initial adopted budget	Budget appropriations of the year		Final budget adopted	Carryover	Additional appropriations Assigned revenue	Total	Total approp. available
	1	Amending budgets 2	Transfers 3	4=1+2+3	5	6	7=5+6	8=4+7
2 0 0 0 Investment in immovable property, rental of buildings and associated costs	2 835	-	(382)	2 453	-	434	434	2 888
Total chapter 2 0	2 835	-	(382)	2 453	-	434	434	2 888
2 1 0 0 Data processing costs	1 500	(115)	(223)	1 162	-	39	39	1 201
Total chapter 2 1	1 500	(115)	(223)	1 162	-	39	39	1 201
2 2 0 0 Movable property and associated costs	30	-	(29)	1	-	-	-	1
Total chapter 2 2	30	-	(29)	1	-	-	-	1
2 3 0 0 Current administrative expenditure	760	-	129	889	-	4	4	893
Total chapter 2 3	760	-	129	889	-	4	4	893
2 4 0 0 Postage and telecommunication costs	385	-	(131)	254	-	0	0	254
Total chapter 2 4	385	-	(131)	254	-	0	0	254
2 5 0 0 Expenditure in meetings	55	-	(3)	52	-	-	-	52
Total chapter 2 5	55	-	(3)	52	-	-	-	52
2 6 0 0 Sub administrative expenditure	350	-	45	395	-	-	-	395
Total chapter 2 6	350	-	45	395	-	-	-	395
Total Title 2	5 915	(115)	(593)	5 207	-	477	477	5 685

5.1.3. Breakdown & changes in commitment appropriations - Title 3

EUR '000

	Budget appropriations of the year			Final budget adopted	Carryover	Additional appropriations		Total	Total approp. available
	Initial adopted budget	Amending budgets	Transfers			Assigned revenue			
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
3 1 0 0 Expenditure on studies	5 350	-	(141)	5 209	-	-	-	5 209	
Total chapter 3 1	5 350	-	(141)	5 209	-	-	-	5 209	
3 3 0 0 Sab expenditure	1 050	-	(354)	696	-	-	-	696	
Total chapter 3 3	1 050	-	(354)	696	-	-	-	696	
3 9 13 7th framework programme - 1st and 2nd call	-	-	-	-	-	297	297	297	
3 9 17 7th framework programme - 3rd call	-	-	-	-	-	1 754	1 754	1 754	
3 9 18 Public regulated services	-	-	-	-	-	104	104	104	
3 9 19 Gns preparatory activities	-	-	-	-	-	66	66	66	
3 9 20 Egnos exploitation	-	-	-	-	-	838 897	838 897	838 897	
3 9 21 H2020 - 1st call	-	-	-	-	-	2 371	2 371	2 371	
3 9 22 Galileo exploitation	-	-	-	-	-	1 385 437	1 385 437	1 385 437	
3 9 23 H2020 - 2nd call	-	-	-	-	-	1 390	1 390	1 390	
3 9 24 H2020 - 3rd call	-	-	-	-	-	34 150	34 150	34 150	
Total chapter 3 9	-	-	-	-	-	2 264 465	2 264 465	2 264 465	
Total Title 3	6 400	-	(495)	5 905	-	2 264 465	2 264 465	2 270 370	
GRAND TOTAL	28 582	(115)	0	28 468	-	2 265 055	2 265 055	2 293 522	

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations - Title 1

EUR '000

	Initial adopted budget	Budget appropriations of the year Amending budgets	Transfers	Final budget adopted	Carryover	Additional appropriations Assigned revenue	Total	Total approp. available
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1 1 0 0 Staff expenditure	13 185	–	731	13 916	–	69	69	13 985
Total chapter 1 1	13 185	–	731	13 916	–	69	69	13 985
1 2 0 0 Recruitment costs	50	–	32	82	44	–	44	126
1 2 1 0 Medical services	30	–	6	36	12	–	12	48
Total chapter 1 2	80	–	38	118	56	–	56	173
1 3 0 0 Missions and travel	1 100	–	196	1 296	300	9	309	1 605
Total chapter 1 3	1 100	–	196	1 296	300	9	309	1 605
1 4 0 0 Training expenditure	100	–	10	110	139	3	142	252
Total chapter 1 4	100	–	10	110	139	3	142	252
1 5 0 0 Social measures	500	–	(234)	267	16	–	16	283
Total chapter 1 5	500	–	(234)	267	16	–	16	283
1 6 0 0 External service providers	300	–	(5)	295	110	1	110	405
Total chapter 1 6	300	–	(5)	295	110	1	110	405
1 7 0 0 Representation expenditure	2	–	(1)	1	–	–	–	1
Total chapter 1 7	2	–	(1)	1	–	–	–	1
1 8 0 0 Tuition fees	1 000	–	353	1 353	165	30	195	1 549
Total chapter 1 8	1 000	–	353	1 353	165	30	195	1 549
Title 1	16 267	–	1 088	17 355	785	112	897	18 253

5.2.2. Breakdown & changes in payment appropriations - Title 2

EUR '000

	Initial adopted budget	Budget appropriations of the year		Final budget adopted	Carryover	Additional appropriations	Total	Total approp. available
	1	Amending budgets 2	Transfers 3	4=1+2+3	5	Assigned revenue 6	7=5+6	8=4+7
2 0 0 0 <i>Investment in immovable property, rental of buildings and associated costs</i>	2 835	–	(382)	2 453	636	434	1 070	3 524
Total chapter 2 0	2 835	–	(382)	2 453	636	434	1 070	3 524
2 1 0 0 <i>Data processing costs</i>	1 500	(115)	(223)	1 162	1 499	39	1 538	2 700
Total chapter 2 1	1 500	(115)	(223)	1 162	1 499	39	1 538	2 700
2 2 0 0 <i>Movable property and associated costs</i>	30	–	(29)	1	93	–	93	94
Total chapter 2 2	30	–	(29)	1	93	–	93	94
2 3 0 0 <i>Current administrative expenditure</i>	760	–	129	889	254	4	258	1 148
Total chapter 2 3	760	–	129	889	254	4	258	1 148
2 4 0 0 <i>Postage and telecommunication costs</i>	385	–	(131)	254	139	0	139	393
Total chapter 2 4	385	–	(131)	254	139	0	139	393
2 5 0 0 <i>Expenditure in meetings</i>	55	–	(3)	52	4	–	4	56
Total chapter 2 5	55	–	(3)	52	4	–	4	56
2 6 0 0 <i>Sab administrative expenditure</i>	350	–	45	395	181	–	181	576
Total chapter 2 6	350	–	45	395	181	–	181	576
Title 2	5 915	(115)	(593)	5 207	2 806	477	3 283	8 491

5.2.3. Breakdown & changes in payment appropriations - Title 3

EUR '000

	Initial adopted budget	Budget appropriations of the year			Additional appropriations			
		Amending budgets	Transfers	Final budget adopted	Carryover	Assigned revenue	Total	Total approp. available
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3 1 0 0 Expenditure on studies	5 350	-	6	5 356	1 385	-	1 385	6 741
Total chapter 3 1	5 350	-	6	5 356	1 385	-	1 385	6 741
3 3 0 0 Sab expenditure	1 050	-	(501)	549	138	-	138	687
Total chapter 3 3	1 050	-	(501)	549	138	-	138	687
3 9 13 7th framework programme - 1st and 2nd call	-	-	-	-	-	142	142	142
3 9 17 7th framework programme - 3rd call	-	-	-	-	-	504	504	504
3 9 18 Public regulated services	-	-	-	-	-	8 582	8 582	8 582
3 9 20 Egnos exploitation	-	-	-	-	-	297 300	297 300	297 300
3 9 21 H2020 - 1st call	-	-	-	-	-	21 174	21 174	21 174
3 9 22 Galileo exploitation	-	-	-	-	-	800 898	800 898	800 898
3 9 23 H2020 - 2nd call	-	-	-	-	-	9 138	9 138	9 138
3 9 24 H2020 - 3rd call	-	-	-	-	-	19 986	19 986	19 986
Total chapter 3 9	-	-	-	-	-	1 157 724	1 157 724	1 157 724
Title 3	6 400	-	(495)	5 905	1 524	1 157 724	1 159 248	1 165 152
GRAND TOTAL	28 582	(115)	0	28 468	5 115	1 158 313	1 163 428	1 191 896

5.3. Implementation of commitment appropriations

5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

	Total approp. availab.	From final adopt. budget	Commitments made		Total	%	Appropriations carried over to 2018			Appropriations lapsing			Total 13=10+11+12
			From carry overs	From assigned revenue			Assigned revenue	By decision	Total	From final adopted budget	From carry overs	From assigned revenue	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	
1 1 0 0 Staff expenditure	13 985	13 916	-	67	13 983	100%	2	-	2	-	-	-	-
Total chapter 1 1	13 985	13 916	-	67	13 983	100%	2	-	2	-	-	-	-
1 2 0 0 Recruitment costs	82	82	-	-	82	100%	-	-	-	-	-	-	-
1 2 1 0 Medical services	36	36	-	-	36	100%	-	-	-	-	-	-	-
Total chapter 1 2	118	118	-	-	118	100%	-	-	-	-	-	-	-
1 3 0 0 Missions and travel	1 305	1 296	-	3	1 299	100%	6	-	6	-	-	-	-
Total chapter 1 3	1 305	1 296	-	3	1 299	100%	6	-	6	-	-	-	-
1 4 0 0 Training expenditure	113	110	-	-	110	97%	3	-	3	-	-	-	-
Total chapter 1 4	113	110	-	-	110	97%	3	-	3	-	-	-	-
1 5 0 0 Social measures	267	267	-	-	267	100%	-	-	-	-	-	-	-
Total chapter 1 5	267	267	-	-	267	100%	-	-	-	-	-	-	-
1 6 0 0 External service providers	296	295	-	-	295	100%	1	-	1	-	-	-	-
Total chapter 1 6	296	295	-	-	295	100%	1	-	1	-	-	-	-
1 7 0 0 Representation expenditure	1	1	-	-	1	100%	-	-	-	-	-	-	-
Total chapter 1 7	1	1	-	-	1	100%	-	-	-	-	-	-	-
1 8 0 0 Tuition fees	1 384	1 353	-	27	1 381	100%	3	-	3	-	-	-	-
Total chapter 1 8	1 384	1 353	-	27	1 381	100%	3	-	3	-	-	-	-
Total Title 1	17 468	17 355	-	97	17 453	100%	15	-	15	-	-	-	-

5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

	Commitments made						Appropriations carried over to 2018			Appropriations lapsing			
	Total approp. availab.	From final adopt. budget	From carry overs	From assigned revenue	Total	%	Assigned revenue	By decision	Total	From final adopted budget	From carry overs	From assigned 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
2 0 0 0 Investment in immovable property, rental of buildings and associated costs	2 888	2 453	–	216	2 669	92%	218	–	218	–	–	–	–
Total chapter 2 0	2 888	2 453	–	216	2 669	92%	218	–	218	–	–	–	–
2 1 0 0 Data processing costs	1 201	1 162	–	27	1 189	99%	12	–	12	–	–	–	–
Total chapter 2 1	1 201	1 162	–	27	1 189	99%	12	–	12	–	–	–	–
2 2 0 0 Movable property and associated costs	1	1	–	–	1	100%	–	–	–	–	–	–	–
Total chapter 2 2	1	1	–	–	1	100%	–	–	–	–	–	–	–
2 3 0 0 Current administrative expenditure	893	889	–	4	893	100%	–	–	–	–	–	–	–
Total chapter 2 3	893	889	–	4	893	100%	–	–	–	–	–	–	–
2 4 0 0 Postage and telecommunication costs	254	254	–	–	254	100%	0	–	0	–	–	–	–
Total chapter 2 4	254	254	–	–	254	100%	0	–	0	–	–	–	–
2 5 0 0 Expenditure in meetings	52	52	–	–	52	100%	–	–	–	–	–	–	–
Total chapter 2 5	52	52	–	–	52	100%	–	–	–	–	–	–	–
2 6 0 0 Sub administrative expenditure	395	395	–	–	395	100%	–	–	–	–	–	–	–
Total chapter 2 6	395	395	–	–	395	100%	–	–	–	–	–	–	–
Total Title 2	5 685	5 207	–	246	5 454	96%	231	–	231	–	–	–	–

5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

	Commitments made						Appropriations carried over to 2018			Appropriations lapsing			
	Total approp. availab.	From final adopt. budget	From carry overs	From assigned revenue	Total	%	Assigned revenue	By decision	Total	From final adopted budget	From carry overs	From assigned 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
3 1 0 0 Expenditure on studies	5 209	5 209	-	-	5 209	100%	-	-	-	-	-	-	-
Total chapter 3 1	5 209	5 209	-	-	5 209	100%	-	-	-	-	-	-	-
3 3 0 0 Sub expenditure	696	696	-	-	696	100%	-	-	-	-	-	-	-
Total chapter 3 3	696	696	-	-	696	100%	-	-	-	-	-	-	-
3 9 13 7th framework programme - 1st and 2nd call	297	-	-	-	-	0%	297	-	297	-	-	-	-
3 9 17 7th framework programme - 3rd call	1 754	-	-	-	-	0%	1 754	-	1 754	-	-	-	-
3 9 18 Public regulated services	104	-	-	-	-	0%	104	-	104	-	-	-	-
3 9 19 Gnss preparatory activities	66	-	-	-	-	0%	66	-	66	-	-	-	-
3 9 20 Egnos exploitation	838 897	-	-	99 757	99 757	12%	739 140	-	739 140	-	-	-	-
3 9 21 H2020 - 1st call	2 371	-	-	-	-	0%	2 371	-	2 371	-	-	-	-
3 9 22 Galileo exploitation	1 385 437	-	-	289 677	289 677	21%	1 095 760	-	1 095 760	-	-	-	-
3 9 23 H2020 - 2nd call	1 390	-	-	22	22	2%	1 368	-	1 368	-	-	-	-
3 9 24 H2020 - 3rd call	34 150	-	-	26 387	26 387	77%	7 763	-	7 763	-	-	-	-
Total chapter 3 9	2 264 465	-	-	415 842	415 842	18%	1 848 623	-	1 848 623	-	-	-	-
Total Title 3	2 270 370	5 905	-	415 842	421 747	19%	1 848 623	-	1 848 623	-	-	-	-
GRAND TOTAL	2 293 522	28 468	-	416 186	444 654	19%	1 848 869	-	1 848 869	-	-	-	-

5.4. Implementation of payment appropriations

5.4.1. Implementation of payment appropriations - Title 1

EUR '000

	Total approp. availab.	From final adopted budget	Payments made		Total	%	Appropriations carried over to 2018			Total	Appropriations lapsing			Total
			From carry overs	From assigned revenue			Automatic carry overs	By decision	Assigned revenue		From final budget	From carry overs	From assigned revenue	
	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
1 1 0 0 Staff expenditure	13 985	13 916	–	67	13 983	100%	–	–	2	2	–	–	–	–
Total chapter 1 1	13 985	13 916	–	67	13 983	100%	–	–	2	2	–	–	–	–
1 2 0 0 Recruitment costs	126	62	39	–	100	80%	21	–	–	21	–	5	–	5
1 2 1 0 Medical services	48	12	9	–	21	44%	24	–	–	24	–	3	–	3
Total chapter 1 2	173	74	48	–	121	70%	44	–	–	44	–	8	–	8
1 3 0 0 Missions and travel	1 605	1 101	229	3	1 333	83%	195	–	6	201	–	71	–	71
Total chapter 1 3	1 605	1 101	229	3	1 333	83%	195	–	6	201	–	71	–	71
1 4 0 0 Training expenditure	252	67	117	–	184	73%	43	–	3	46	–	22	–	22
Total chapter 1 4	252	67	117	–	184	73%	43	–	3	46	–	22	–	22
1 5 0 0 Social measures	283	202	15	–	217	77%	64	–	–	64	–	1	–	1
Total chapter 1 5	283	202	15	–	217	77%	64	–	–	64	–	1	–	1
1 6 0 0 External service providers	405	181	105	–	287	71%	114	–	1	115	–	4	–	4
Total chapter 1 6	405	181	105	–	287	71%	114	–	1	115	–	4	–	4
1 7 0 0 Representation expenditure	1	1	–	–	1	100%	–	–	–	–	–	–	–	–
Total chapter 1 7	1	1	–	–	1	100%	–	–	–	–	–	–	–	–
1 8 0 0 Tuition fees	1 549	1 227	165	27	1 419	92%	126	–	3	130	–	–	–	–
Total chapter 1 8	1 549	1 227	165	27	1 419	92%	126	–	3	130	–	–	–	–
Total Title 1	18 253	16 769	679	97	17 545	96%	586	–	15	602	–	106	–	106

5.4.2. Implementation of payment appropriations - Title 2

EUR '000

		Total approp. availab.	From final adopted budget	From carry overs	Payments made From assigned revenue	Total	%	Automatic carry overs	By decision	Assigned revenue	Total	From final budget	From carry overs	Appropriations lapsing From assigned revenue	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
2 0 0 0	Investment in immovable property, rental of buildings and associated costs	3 524	1 696	557	216	2 468	70%	758	–	218	976	–	79	–	79
Total chapter 2 0		3 524	1 696	557	216	2 468	70%	758	–	218	976	–	79	–	79
2 1 0 0	Data processing costs	2 700	432	1 461	27	1 919	71%	730	–	12	743	–	38	–	38
Total chapter 2 1		2 700	432	1 461	27	1 919	71%	730	–	12	743	–	38	–	38
2 2 0 0	Movable property and associated costs	94	1	90	–	91	97%	–	–	–	–	–	3	–	3
Total chapter 2 2		94	1	90	–	91	97%	–	–	–	–	–	3	–	3
2 3 0 0	Current administrative expenditure	1 148	465	222	4	691	60%	424	–	–	424	–	33	–	33
Total chapter 2 3		1 148	465	222	4	691	60%	424	–	–	424	–	33	–	33
2 4 0 0	Postage and telecommunication costs	393	100	130	–	230	59%	154	–	0	154	–	9	–	9
Total chapter 2 4		393	100	130	–	230	59%	154	–	0	154	–	9	–	9
2 5 0 0	Expenditure in meetings	56	46	4	–	50	88%	6	–	–	6	–	1	–	1
Total chapter 2 5		56	46	4	–	50	88%	6	–	–	6	–	1	–	1
2 6 0 0	Sab administrative expenditure	576	269	178	–	447	78%	126	–	–	126	–	3	–	3
Total chapter 2 6		576	269	178	–	447	78%	126	–	–	126	–	3	–	3
Total Title 2		8 491	3 009	2 641	246	5 896	69%	2 199	–	231	2 429	–	165	–	165

5.4.3. Implementation of payment appropriations Title 3

EUR '000

	Total approp. availab.	From final adopted budget	Payments made		Total	%	Appropriations carried over to 2018				Appropriations lapsing			Total
			From carry overs	From assigned revenue			Automatic carry overs	By decision	Assigned revenue	Total	From final budget	From carry overs	From assigned revenue	
	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
3 1 0 0 Expenditure on studies	6 741	4 219	1 385	–	5 604	83%		1 137	–	1 137	–	–	–	–
Total chapter 3 1	6 741	4 219	1 385	–	5 604	83%		1 137	–	1 137	–	–	–	–
3 3 0 0 Sab expenditure	687	543	138	–	681	99%		6	–	6	(0)	–	–	(0)
Total chapter 3 3	687	543	138	–	681	99%		6	–	6	(0)	–	–	(0)
3 9 13 7th framework programme - 1st and 2nd call	142	–	–	–	–	0%		–	142	142	–	–	–	–
3 9 17 7th framework programme - 3rd call	504	–	–	169	169	34%		–	335	335	–	–	–	–
3 9 18 Public regulated services	8 582	–	–	5 554	5 554	65%		–	3 028	3 028	–	–	–	–
3 9 20 Egnos exploitation	297 300	–	–	104 031	104 031	35%		–	193 269	193 269	–	–	–	–
3 9 21 H2020 - 1st call	21 174	–	–	7 064	7 064	33%		–	14 110	14 110	–	–	–	–
3 9 22 Galileo exploitation	800 898	–	–	501 764	501 764	63%		–	299 134	299 134	–	–	–	–
3 9 23 H2020 - 2nd call	9 138	–	–	5 603	5 603	61%		–	3 535	3 535	–	–	–	–
3 9 24 H2020 - 3rd call	19 986	–	–	14 030	14 030	70%		–	5 956	5 956	–	–	–	–
Total chapter 3 9	1 157 724	–	–	638 215	638 215	55%		–	519 509	519 509	–	–	–	–
Total Title 3	1 165 152	4 762	1 524	638 215	644 500	55%		1 143	519 509	520 652	(0)	–	–	(0)
GRAND TOTAL	1 191 896	24 540	4 844	638 558	667 942	56%	2 785	1 143	519 755	523 683	0	271	–	271

6. COMMITMENTS OUTSTANDING

6.1. Commitments outstanding - Title 1

EUR '000

	Commitments outstanding at the end of prev. year				Commitments of the year				Total commitments outstanding at year-end
	Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. 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
1 1 0 0 Staff expenditure	-	-	-	-	13 983	13 983	-	-	-
Total chapter 1 1	-	-	-	-	13 983	13 983	-	-	-
1 2 0 0 Recruitment costs	44	(5)	39	-	82	62	-	21	21
1 2 1 0 Medical services	12	(3)	9	-	36	12	-	24	24
Total chapter 1 2	56	(8)	48	-	118	74	-	44	44
1 3 0 0 Missions and travel	300	(71)	229	-	1 299	1 104	-	195	195
Total chapter 1 3	300	(71)	229	-	1 299	1 104	-	195	195
1 4 0 0 Training expenditure	139	(22)	117	-	110	67	-	43	43
Total chapter 1 4	139	(22)	117	-	110	67	-	43	43
1 5 0 0 Social measures	16	(1)	15	-	267	202	-	64	64
Total chapter 1 5	16	(1)	15	-	267	202	-	64	64
1 6 0 0 External service providers	110	(4)	105	-	295	181	-	114	114
Total chapter 1 6	110	(4)	105	-	295	181	-	114	114
1 7 0 0 Representation expenditure	-	-	-	-	1	1	-	-	-
Total chapter 1 7	-	-	-	-	1	1	-	-	-
1 8 0 0 Tuition fees	165	-	165	-	1 381	1 254	-	126	126
Total chapter 1 8	165	-	165	-	1 381	1 254	-	126	126
Total Title 1	785	(106)	679	-	17 453	16 866	-	586	586

6.2. Commitments outstanding - Title 2

		Commitments outstanding at the end of prev. year				Commitments of the year				EUR '000 Total commitments
		Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. outstanding at year-end	outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2 0 0 0	Investment in immovable property, rental of buildings and associated costs	636	(79)	557	-	2 669	1 912	-	758	758
Total chapter 2 0		636	(79)	557	-	2 669	1 912	-	758	758
2 1 0 0	Data processing costs	1 499	(38)	1 461	-	1 189	458	-	730	730
Total chapter 2 1		1 499	(38)	1 461	-	1 189	458	-	730	730
2 2 0 0	Movable property and associated costs	93	(3)	90	-	1	1	-	-	-
Total chapter 2 2		93	(3)	90	-	1	1	-	-	-
2 3 0 0	Current administrative expenditure	254	(33)	222	-	893	469	-	424	424
Total chapter 2 3		254	(33)	222	-	893	469	-	424	424
2 4 0 0	Postage and telecommunication costs	139	(9)	130	-	254	100	-	154	154
Total chapter 2 4		139	(9)	130	-	254	100	-	154	154
2 5 0 0	Expenditure in meetings	4	(1)	4	-	52	46	-	6	6
Total chapter 2 5		4	(1)	4	-	52	46	-	6	6
2 6 0 0	Sab administrative expenditure	181	(3)	178	-	395	269	-	126	126
Total chapter 2 6		181	(3)	178	-	395	269	-	126	126
Total Title 2		2 806	(165)	2 641	-	5 454	3 255	-	2 199	2 199

6.3. Commitments outstanding - Title 3

	Commitments outstanding at the end of prev. year				Commitments of the year				EUR '000
	Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. outstanding at year-end	Total commitments outstanding at year-end
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3 1 0 0 Expenditure on studies	6 956	(104)	5 277	1 575	5 209	328	–	4 881	6 456
Total chapter 3 1	6 956	(104)	5 277	1 575	5 209	328	–	4 881	6 456
3 3 0 0 Sub expenditure	1 222	(27)	626	569	696	56	–	640	1 210
Total chapter 3 3	1 222	(27)	626	569	696	56	–	640	1 210
3 9 13 7th framework programme - 1st and 2nd call	439	(439)	–	–	–	–	–	–	–
3 9 17 7th framework programme - 3rd call	250	(81)	169	–	–	–	–	–	–
3 9 18 Public regulated services	8 582	–	5 554	3 028	–	–	–	–	3 028
3 9 20 Egnos exploitation	395 915	(3 945)	79 502	312 469	99 757	24 529	–	75 228	387 697
3 9 21 H2020 - 1st call	32 326	(350)	7 064	24 912	–	–	–	–	24 912
3 9 22 Galileo exploitation	1 006 528	(835)	345 109	660 584	289 677	156 655	–	133 022	793 605
3 9 23 H2020 - 2nd call	11 733	–	5 601	6 132	22	2	–	20	6 152
3 9 24 H2020 - 3rd call	–	–	–	–	26 387	14 030	–	12 357	12 357
Total chapter 3 9	1 455 773	(5 650)	442 999	1 007 124	415 842	195 216	–	220 627	1 227 750
Total Title 3	1 463 950	(5 782)	448 901	1 009 268	421 747	195 599	–	226 148	1 235 415
GRAND TOTAL	1 467 541	(6 052)	452 221	1 009 268	444 654	215 721	–	228 933	1 238 201

7. GLOSSARY

ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

Adjustment

Amending budget or transfer of funds from one budget item to another

Adopted budget

Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority.

Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

Amending budget

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

Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

Appropriations

Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.

Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure. The main sources of external assigned revenue are financial contributions from third countries to programmes financed by the Union. The main sources of internal assigned revenue are revenue from third parties in respect of goods, services or work supplied at their request; revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium. The complete list of items constituting assigned revenue is given in the Financial Regulation Art.21.2.

Authorising Officer (AO)

The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for Agencies.

Budgetary authority

Institutions with decisional powers on budgetary matters: the European Parliament and the Council.

Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

Cancellation of appropriations

Unused appropriations that may no longer be used.

Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

Commitment appropriations

Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Art. 7 FR: Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.

De-commitment

Cancellation of a reservation of appropriations.

Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Art. 7 FR: Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.

Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)

Economic result

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

Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.

Expenditure

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

Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union. (OJ L 298, 26.10.2012)

Funds Source

Type of appropriations (e.g.: C1, C2, etc.)

Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.

Implementation

Cf. Budget implementation

Income

Cf. Revenue

Joint Undertakings (JUs)

A legal EU-body established under the TFEU. The term can be used to describe any collaborative structure proposed for the "efficient execution of Union research, technological development and demonstration programmes".

Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.

Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

Legal commitment

A legal commitment establishes a legal obligation towards third parties.

Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Art. 9 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments

Operational appropriations

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

Outstanding commitment

Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.

Outturn

Cf. Budget result

Payment

A payment is a cash disbursement to honour legal obligations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Art. 7 FR).

RAL

Sum of 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. (Cf. Outstanding commitments)

Recovery

The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.

Revenue

Term used to describe income from all sources financing the budget.

Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

Surplus

Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

Transfer

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.