



European
Global Navigation
Satellite Systems
Agency

Annual accounts of the European Global Navigation Satellite Systems Agency

Financial year 2016

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 BUDGET25

CERTIFICATION OF THE ACCOUNTS

The annual accounts of the GSA, the European Global Navigation Satellite Systems Agency, for the year 2016 have been prepared in accordance with Title IX of the GSA Financial Regulation and the accounting rules adopted by 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 2017

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 was subsequently amended by Regulation (EU) No. 512/2014 of 16 April 2014, the GSA was restructured into the European Union 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 European Union 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 Commission. 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.

GSA is financed as follows:

- (a) Annual balancing subsidy from the parent DG, DG GROW;
- (b) European Community assigned revenues deriving from previous years' surpluses;
- (c) European Community external assigned revenue deriving from the signature of Delegation Agreements between DG GROW and the GSA;
- (d) Contribution from EFTA Member States.

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 that are fully consolidated in the EU consolidated annual accounts. The annual accounts are prepared 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 the 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.

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 INSTRUMENTS DISCLOSURES.....	24

BALANCE SHEET

EUR '000

	Note	31.12.2016	31.12.2015
NON-CURRENT ASSETS			
Intangible assets	2.1	2	26
Property, plant and equipment	2.2	904	1 085
Pre-financing	2.3	112 031	111 735
		112 936	112 846
CURRENT ASSETS			
Pre-financing	2.3	28 006	32 134
Exchange receivables and non-exchange recoverables	2.4	488 689	406 896
		516 695	439 031
TOTAL ASSETS		629 632	551 877
CURRENT LIABILITIES			
Payables	2.5	(589 501)	(529 041)
Accrued charges and deferred income	2.6	(36 068)	(18 949)
		(625 569)	(547 989)
TOTAL LIABILITIES		(625 569)	(547 989)
NET ASSETS		4 062	3 888
Accumulated surplus		3 888	9 154
Economic result of the year		175	(5 267)
NET ASSETS		4 062	3 888

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	Note	2016	2015
REVENUE			
Revenue from non-exchange transactions			
Recovery of expenses		103	50
Funds from the Commission	3.1	168 361	125 247
Other non-exchange revenue		228	0
Total		168 692	125 297
Revenue from exchange transactions			
Financial income	3.2	11	1 216
Other exchange revenue	3.3	89	154
Total		99	1 370
		168 791	126 667
EXPENSES			
Operating costs	3.4	(147 330)	(111 662)
Staff costs	3.5	(11 820)	(10 179)
Finance costs		(4)	(22)
Other expenses	3.6	(9 461)	(10 070)
		(168 616)	(131 933)
ECONOMIC RESULT OF THE YEAR		175	(5 267)

CASHFLOW STATEMENT³

		EUR '000	
	Note	2016	2015
<i>Economic result of the year</i>		175	(5 267)
Operating activities			
<i>Depreciation and amortization</i>		497	561
<i>(Increase)/decrease in pre-financing</i>		3 833	(71 612)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>		(81 793)	(404 980)
<i>Increase/(decrease) in payables</i>		60 461	228 992
<i>Increase/(decrease) in accrued charges and deferred income</i>		17 119	(5 048)
<i>Other non-cash movements</i>		24	-
Investing activities			
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>		(316)	(584)
NET CASHFLOW		-	(257 936)
<i>Net increase/(decrease) in cash and cash equivalents</i>		-	(257 936)
<i>Cash and cash equivalents at the beginning of the year</i>		-	257 936
<i>Cash and cash equivalents at year-end</i>		-	-

³ 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 31.12.2014	5 284	3 870	9 154
<i>Allocation of the 2014 economic result</i>	3 870	(3 870)	–
<i>Economic result of the year</i>	–	(5 267)	(5 267)
BALANCE AS AT 31.12.2015	9 154	(5 267)	3 888
<i>Allocation of the 2015 economic result</i>	(5 267)	5 267	–
<i>Economic result of the year</i>	–	175	175
BALANCE AS AT 31.12.2016	3 888	175	4 062

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about 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, reliability, understandability and comparability.

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	31.12.2016	31.12.2015	Currency	31.12.2016	31.12.2015
BGN	1.9558	1.9558	PLN	4.4103	4.2639
CZK	27.0210	27.0230	RON	4.5390	4.5240
DKK	7.4344	7.4626	SEK	9.5525	9.1895
GBP	0.8562	0.7340	CHF	1.0739	1.0835
HRK	7.5597	7.6380	JPY	123.4000	131.0700
HUF	309.8300	315.9800	USD	1.0541	1.0887

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 income 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 as 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 profit or loss; 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 profit or loss

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 profit and loss, 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 profit and loss 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 profit and loss 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 being 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 non-exchange transactions and recoverables are defined as stemming from 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 classified 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 non-exchange transactions related 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 income 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 income 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 account for the majority of the entity's operating expenses. They 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. INTANGIBLE ASSETS

This heading concerns computer software with an amortization rate of 25 %.

EUR '000

<i>Gross carrying amount at 31.12.2015</i>	251
Gross carrying amount at 31.12.2016	251
<i>Accumulated amortisation at 31.12.2015</i>	(225)
<i>Transfer between asset categories</i>	(24)
Accumulated amortisation at 31.12.2016	(249)
NET CARRYING AMOUNT at 31.12.2016	2
<i>NET CARRYING AMOUNT at 31.12.2015</i>	26

2.2. PROPERTY, PLANT AND EQUIPMENT

EUR '000

	Furniture and vehicles	Computer hardware	Other	Total
<i>Gross carrying amount at 31.12.2015</i>	405	1 952	344	2 702
<i>Additions</i>	11	202	103	316
Gross carrying amount at 31.12.2016	417	2 154	447	3 018
<i>Accumulated depreciation at 31.12.2015</i>	(73)	(1 383)	(161)	(1 617)
<i>Depreciation charge of the year</i>	(45)	(358)	(94)	(497)
Accumulated depreciation at 31.12.2016	(119)	(1 741)	(255)	(2 114)
NET CARRYING AMOUNT at 31.12.2016	298	413	192	904
<i>NET CARRYING AMOUNT at 31.12.2015</i>	332	569	184	1 085

2.3. 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

	31.12.2016	31.12.2015
<i>Non-current pre-financing</i>	112 031	111 735
<i>Current pre-financing</i>	28 006	32 134
Total	140 037	143 870

For all pre-financing amounts open at 31.12.2016 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 31.12.2016 (see note 2.6). All pre-financing that was considered unlikely to be cleared in the course of 2017 was classified as non-current pre-financing.

At 31.12.2016 guarantees received covering pre-financing amounted to kEUR 134 056 (2015: kEUR 147 474).

2.4. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31.12.2016 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	31.12.2016	31.12.2015
Current			
Recoverables from non-exchange transactions	2.4.1	475	322
Receivables from exchange transactions	2.4.2	488 215	406 575
Total		488 689	406 896

2.4.1. RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS

EUR '000

	31.12.2016	31.12.2015
Member States	469	322
Accrued income and deferred charges	6	–
Total	475	322

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

2.4.2. RECEIVABLES FROM EXCHANGE TRANSACTIONS

EUR '000

	31.12.2016	31.12.2015
Customers	309	–
Deferred charges relating to exchange transactions	612	583
Central treasury liaison accounts	487 232	405 934
Others	62	58
Total	488 215	406 575

The heading Deferred charges relating to exchange transactions consists of advance payments made in 2016 for school tuition fees, subscriptions, maintenance fees and other IT services starting in 2017.

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.

LIABILITIES

2.5. PAYABLES

EUR '000

	31.12.2016	31.12.2015
Pre-financing received from EC	199	2 489
- balancing subsidy		
Pre-financing received from EC	578 786	525 242
- delegation agreements		
Vendors	2 006	1 203
Public bodies	8 496	107
EU consolidated entities	15	–
Total	589 501	529 041

The significant increase in payables to the public bodies is due to the contracts signed with the European Space Agency for the exploitation phase of the Galileo programme. The most significant pre-financing amounts received relate to the delegation agreements EGNOS Exploitation (kEUR 204 619) and Galileo Exploitation (kEUR 347 346).

The amount of pre-financing received from EC comprises the unused amount of the 2016 Commission balancing subsidy that is to be reimbursed by GSA in 2017.

2.6. ACCRUED CHARGES AND DEFERRED INCOME

	EUR '000	
	31.12.2016	31.12.2015
Accrued charges	36 034	18 949
Other	34	–
Total	36 068	18 949

Accrued charges are composed of estimated operating expenses of kEUR 34 665, mainly relating to the implementation of delegation agreements. In accordance with the percentage-of-completion method, only costs that reflect work performed up to 31.12.2016 are included in the estimated costs incurred by 31.12.2016. 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 **2.3**). The increase compared to 2015 is due to the fact that the main delegation agreements (Galileo, EGNOS) that were signed in 2014 were getting to a cruising speed during 2016.

Also included under this heading are accrued administrative expenses, i.e. estimated costs of services and goods delivered in 2016 but not yet invoiced or processed by the end of the year of kEUR 1 121, mainly services provided by third parties (kEUR 206) and various IT services (kEUR 166). The heading also includes accrued charges for untaken leave of kEUR 282.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

NON-EXCHANGE REVENUE

3.1. FUNDS FROM THE COMMISSION

EUR '000

	2016	2015
<i>Funds from the Commission</i>	168 361	125 247

Included under the heading Funds from the Commission is accrued income from delegation agreements between GSA and the Commission (kEUR 139 475), and the 2016 subsidy from the Commission (kEUR 28 887) that has been recorded as accrued income in GSA. The respective accrued expense will be recorded in the financial statements of the Commission.

EXCHANGE REVENUE

3.2. FINANCIAL INCOME

Financial income relates entirely to the bank interest stemming from the pre-financing given to beneficiaries in the framework of activities implemented under the delegation agreements' mandates.

3.3. OTHER EXCHANGE REVENUE

EUR '000

	2016	2015
<i>Property, plant and equipment related revenue</i>	49	87
<i>Foreign exchange gains</i>	39	67
Total	89	154

The foreign exchange gains include both amounts related to realised and unrealised exchange gains. The corresponding exchange losses are included under other expenses (see note 3.6).

EXPENSES

3.4. OPERATING COSTS

EUR '000

	2016	2015
<i>Operating costs</i>	147 330	111 662

Included under this heading are operating expenses incurred in relation to core tasks and tasks delegated by the European Commission carried out in 2016. For open commitments without any validated cost statements the 2016 expenses were estimated on a commitment-by-commitment basis using the best available information at 31.12.2016 (see note 2.6).

3.5. STAFF COSTS

EUR '000

	2016	2015
<i>Staff costs</i>	11 820	10 179

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 European 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 European 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 cost to the European Commission is not reflected in GSA's accounts.

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

3.6. OTHER EXPENSES

EUR '000

	2016	2015
<i>Property, plant and equipment related expenses</i>	2 853	1 623
<i>Foreign exchange losses</i>	54	97
<i>Communications & publications</i>	–	322
<i>Recruitment costs</i>	89	89
<i>Training costs</i>	213	224
<i>Missions</i>	1 119	1 005
<i>Experts and related expenditure</i>	572	420
<i>External IT services</i>	1 692	2 553
<i>External non IT services</i>	2 417	3 562
<i>Administrative expenses with EU entities</i>	452	173
Total	9 461	10 070

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

Included under this heading are expenses of kEUR 375 relating to operating leases. The operating leases relate to the premises in France and the United Kingdom and amounts committed to be paid during the remaining term of these lease contracts are as follows:

EUR '000

Future amounts to be paid				
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	370	1 042	2 344	3 755

4. OTHER SIGNIFICANT DISCLOSURES

4.1 OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR '000

	31.12.2016	31.12.2015
<i>Outstanding commitments not yet expensed</i>	1 442 559	515 853

The outstanding commitments not yet expensed comprises the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2016 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.

4.2 SERVICES IN-KIND

Based on the contract between GSA and the Czech Republic that entered in force on 31.05.2012, the headquarters building in Prague is provided to GSA for a symbolic charge of 1 EUR 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.

4.3 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.

4.4. 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.

	31.12.2016	31.12.2015
<i>Executive Director</i>	AD14	AD14

The Executive Director is remunerated in accordance with the Staff Regulations of the European Union 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 preferential loans from the GSA.

5. FINANCIAL INSTRUMENTS DISCLOSURES

5.1. CURRENCY RISKS

Exposure to currency risk at year end

At 31.12.2016 the financial assets are composed of exchange receivables and non-exchange recoverables. Their ending balances are mainly quoted in EUR (kEUR 493 558), EUR equivalents (kEUR (4 046)) and GBP (kEUR (793)). The impact of other currencies (kEUR (30)) is individually immaterial.

At 31.12.2016 financial liabilities are entirely composed of accounts payable. Their ending balances are mainly quoted in EUR (kEUR 589 419). The impact of other currencies (kEUR 82) is individually immaterial.

5.2. CREDIT RISK

Financial assets that are neither past due nor impaired

At 31.12.2016 financial assets comprise exchange receivables and non-exchange recoverables that are neither past due nor impaired of kEUR 488 689 and a past due exchange receivable that is not impaired of kEUR 314. 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 488 215 entirely relate to entities without external credit rating that never defaulted in the past. Non-exchange recoverables of kEUR 475 are composed of amounts due by the Member States, namely France, Czech Republic and United Kingdom and are VAT related.

5.3. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are composed of accounts payable to third parties (kEUR 10 516) and to consolidated entities (kEUR 578 985). All the accounts payable have remaining contractual maturity of less than 1 year.

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	27
2.	RESULT OF THE IMPLEMENTATION OF THE BUDGET	29
3.	RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT	30
4.	IMPLEMENTATION OF BUDGET REVENUE	31
5.	IMPLEMENTATION OF BUDGET EXPENDITURE	32
6.	GLOSSARY	43

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 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 budgetary implementation

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

Revenue

As of 2016, the GSA does not have any self-financing capacity, the European 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 2016, the GSA received a gross sum of approx. 29 million as a subsidy in two instalments and approx. 193 million as external assigned revenue, in eight instalments.

Expenditure

As of 2016, 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.

The total expenditure stemming from the GSA's operations in 2016 amount up to approx. 139 million – 14 million for costs under title 1; 7 million for costs under title 2 and 118 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 neither based on the payment appropriations received. Payment appropriations are inscribed on the basis of the cash received from the European 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. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		EUR '000	
	Title	2016	2015
Revenue for the financial year		222 605	360 519
of which:			
Payments from the institutions and bodies	20-0	221 798	358 981
Miscellaneous revenues	90-0	807	1 538
Expenditure		(135 616)	(202 665)
of which:			
Staff expenditure	A-1	(14 224)	
Admin expenditure	A-2	(3 370)	
Operational expenditure	B-3	(118 022)	
Payment appropriat. carried over to the following year		(5 115)	(3 252)
of which:			
Staff expenditure	A-1	(785)	(657)
Admin expenditure	A-2	(2 806)	(2 511)
Operational expenditure	B-3	(1 524)	(84)
Cancellation of unused appropri. carried over from year n-1		209	1 028
Evolution of assigned revenue		(81 870)	(153 103)
Exchange rate differences		(14)	(30)
Budget result		199	2 498

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2016	2015
ECONOMIC RESULT OF THE YEAR	175	(5 267)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)		
Adjustments for accrual cut-off (net)	40 046	11 837
Unpaid invoices at year end but booked in expenses	(8)	4 621
Depreciation of intangible and tangible assets	520	561
Movement in provisions	–	95
Recovery orders issued in the year and not yet cashed	(310)	–
Pre-financing given in previous year and cleared in the year	7 059	6 237
Pre-financing received in previous year and cleared in the year	(139 475)	(125 580)
Payments made from carry-over of payment appropriations	3 043	8 278
Other individually immaterial	455	(341)
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)		
Asset acquisitions (less unpaid amounts)	(121)	(343)
New pre-financing paid in the year and remaining open as at 31 December	(18 110)	(101 617)
New pre-financing received in the year and remaining open as at 31 December	193 218	358 991
Entitlements established in previous year and cashed in the year	–	262
Entitlements established on balance sheet accounts and cashed in the year	465	79
Payment appropriations carried over to next year	(487 482)	(403 727)
Cancellation of unused carried over payment appropriations from previous year	209	1 028
Adjustment for carry-over of assigned revenue appropriations from previous year	400 497	247 373
Other individually immaterial	18	11
BUDGET RESULT OF THE YEAR	199	2 498

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Title 20-0

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
20-0 Operating subvention EC	29 161	29 086	29 086	–	29 086	29 086	–	29 086	100%	–
Total chapter 20-0	29 161	29 086	29 086	–	29 086	29 086	–	29 086	100%	–
20-8 Programmes subvention EC	–	–	193 021	–	193 021	192 712	–	192 712	0%	309
Total chapter 20-8	–	–	193 021	–	193 021	192 712	–	192 712	0%	309
Total Title 20-0	29 161	29 086	222 107	–	222 107	221 798	–	221 798	763%	309

4.2. Title 90-0

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
90-0 Miscellaneous income	–	–	812	–	812	807	–	807	0%	5
Total chapter 90-0	–	–	812	–	812	807	–	807	0%	5
Total Title 90-0	–	–	812	–	812	807	–	807	0%	5
GRAND TOTAL	29 161	29 086	222 919	–	222 919	222 605	–	222 605	765%	314

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Title A-1

EUR '000

	Budget appropriations of the year			Final budget adopted 4=1+2+3	Additional appropriations		Total 7=5+6	Total approp. available 8=4+7
	Initial adopted budget 1	Amending budgets 2	Transfers 3		Carryover 5	Assigned revenue 6		
A-1100 Staff expenditure	11 600	(400)	456	11 656	–	4	4	11 660
Total chapter A-11	11 600	(400)	456	11 656	–	4	4	11 660
A-1200 Recruitment costs	130	–	(7)	123	–	–	–	123
A-1210 Medical expenses	60	–	(40)	20	–	–	–	20
Total chapter A-12	190	–	(47)	143	–	–	–	143
A-1300 Mission and travel	1 440	–	(94)	1 346	–	3	3	1 349
Total chapter A-13	1 440	–	(94)	1 346	–	3	3	1 349
A-1400 Training expenses	220	–	(5)	215	–	6	6	221
Total chapter A-14	220	–	(5)	215	–	6	6	221
A-1500 Social Measures	–	400	(290)	110	–	–	–	110
Total chapter A-15	–	400	(290)	110	–	–	–	110
A-1600 External services	600	–	(75)	526	–	–	–	526
Total chapter A-16	600	–	(75)	526	–	–	–	526
A-1700 Representation expenditure	2	–	(1)	1	–	–	–	1
Total chapter A-17	2	–	(1)	1	–	–	–	1
A-1800 Tuition Fees	900	–	90	990	–	25	25	1 015
Total chapter A-18	900	–	90	990	–	25	25	1 015
Total Title A-1	14 952	–	35	14 987	–	37	37	15 024

5.1.2. Title A – 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		6	7=5+6	8=4+7
A-2000 Rental of buildings	3 040	-	(372)	2 668	-	217	217	2 885
Total chapter A-20	3 040	-	(372)	2 668	-	217	217	2 885
A-2100 Data processing	916	-	994	1 910	-	0	0	1 911
Total chapter A-21	916	-	994	1 910	-	0	0	1 911
A-2200 Movable property	100	-	17	117	-	-	-	117
Total chapter A-22	100	-	17	117	-	-	-	117
A-2300 Current administrative costs	800	-	(79)	721	-	11	11	733
Total chapter A-23	800	-	(79)	721	-	11	11	733
A-2400 Postage and telecommunication	250	-	(4)	246	-	-	-	246
Total chapter A-24	250	-	(4)	246	-	-	-	246
A-2500 Expenditure on meetings	65	-	(15)	50	-	1	1	51
Total chapter A-25	65	-	(15)	50	-	1	1	51
A-2600 SAB administrative expenditure	-	350	104	454	-	-	-	454
Total chapter A-26	-	350	104	454	-	-	-	454
Total Title A-2	5 171	350	646	6 167	-	230	230	6 397

5.1.3. Title B-3

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		6	7=5+6	8=4+7
B3-100 Operations and studies	7 638	(74)	(280)	7 283	-	-	-	7 283
Total chapter B3-1	7 638	(74)	(280)	7 283	-	-	-	7 283
B3-300 SAB Expenditure	1 400	(350)	(400)	650	-	-	-	650
Total chapter B3-3	1 400	(350)	(400)	650	-	-	-	650
B3-900 6th Framework Programme - 3rd Call	-	-	-	-	-	328	328	328
B3-904 6th Framework Programme - 2nd Call	-	-	-	-	-	495	495	495
B3-913 7 Framework Programme	-	-	-	-	-	338	338	338
B3-917 FP7 - 3RD CALL	-	-	-	-	-	1 864	1 864	1 864
B3-918 Delegation Agreement PRS Receiver/GSMC setting up	-	-	-	-	-	586	586	586
B3-919 Delegation Agreement GNSS Exploitation	-	-	-	-	-	536	536	536
B3-920 Delegation Agreement EGNOS Exploitation	-	-	-	-	-	868 415	868 415	868 415
B3-921 H2020 Delegation Agreement	-	-	-	-	-	25 935	25 935	25 935
B3-922 Galileo Delegation Agreement	-	-	-	-	-	2 392 411	2 392 411	2 392 411
B3-923 H2020 2nd call	-	-	-	-	-	10 323	10 323	10 323
Total chapter B3-9	-	-	-	-	-	3 301 231	3 301 231	3 301 231
Total Title B-3	9 038	(424)	(680)	7 933	-	3 301 231	3 301 231	3 309 164
GRAND TOTAL	29 161	(74)	0	29 086	-	3 301 498	3 301 498	3 330 584

5.2. Breakdown & changes in payment appropriations

5.2.1. Title A-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
A-1100 Staff expenditure	11 600	(400)	456	11 656	–	4	4	11 660
Total chapter A-11	11 600	(400)	456	11 656	–	4	4	11 660
A-1200 Recruitment costs	130	–	(7)	123	14	–	14	137
A-1210 Medical expenses	60	–	(40)	20	13	–	13	33
Total chapter A-12	190	–	(47)	143	27	–	27	170
A-1300 Mission and travel	1 440	–	(94)	1 346	86	3	89	1 435
Total chapter A-13	1 440	–	(94)	1 346	86	3	89	1 435
A-1400 Training expenses	220	–	(5)	215	70	6	76	291
Total chapter A-14	220	–	(5)	215	70	6	76	291
A-1500 Social Measures	–	400	(290)	110	–	–	–	110
Total chapter A-15	–	400	(290)	110	–	–	–	110
A-1600 External services	600	–	(75)	526	216	–	216	742
Total chapter A-16	600	–	(75)	526	216	–	216	742
A-1700 Representation expenditure	2	–	(1)	1	0	–	0	1
Total chapter A-17	2	–	(1)	1	0	–	0	1
A-1800 Tuition Fees	900	–	90	990	257	25	282	1 272
Total chapter A-18	900	–	90	990	257	25	282	1 272
Total Title A-1	14 952	–	35	14 987	657	37	694	15 681

5.2.2. Title A-2

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
A-2000 Rental of buildings	3 040	-	(372)	2 668	445	217	662	3 331
Total chapter A-20	3 040	-	(372)	2 668	445	217	662	3 331
A-2100 Data processing	916	-	994	1 910	1 384	0	1 384	3 295
Total chapter A-21	916	-	994	1 910	1 384	0	1 384	3 295
A-2200 Movable property	100	-	17	117	151	-	151	268
Total chapter A-22	100	-	17	117	151	-	151	268
A-2300 Current administrative costs	800	-	(79)	721	338	11	350	1 071
Total chapter A-23	800	-	(79)	721	338	11	350	1 071
A-2400 Postage and telecommunication	250	-	(4)	246	187	-	187	432
Total chapter A-24	250	-	(4)	246	187	-	187	432
A-2500 Expenditure on meetings	65	-	(15)	50	7	1	7	57
Total chapter A-25	65	-	(15)	50	7	1	7	57
A-2600 SAB administrative expenditure	-	350	104	454	-	-	-	454
Total chapter A-26	-	350	104	454	-	-	-	454
Total Title A-2	5 171	350	646	6 167	2 511	230	2 741	8 908

5.2.3. Title B-3

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
B3-100 Operations and studies	7 638	(74)	(280)	7 283	84	-	84	7 367
Total chapter B3-1	7 638	(74)	(280)	7 283	84	-	84	7 367
B3-300 SAB Expenditure	1 400	(350)	(400)	650	-	-	-	650
Total chapter B3-3	1 400	(350)	(400)	650	-	-	-	650
B3-900 6th Framework Programme - 3rd Call	-	-	-	-	-	328	328	328
B3-904 6th Framework Programme - 2nd Call	-	-	-	-	-	661	661	661
B3-913 7 Framework Programme	-	-	-	-	-	995	995	995
B3-917 FP7 - 3RD CALL	-	-	-	-	-	2 187	2 187	2 187
B3-918 Delegation Agreement PRS Receiver/GSMC setting up	-	-	-	-	-	8 294	8 294	8 294
B3-919 Delegation Agreement GNSS Exploitation	-	-	-	-	-	470	470	470
B3-920 Delegation Agreement EGNOS Exploitation	-	-	-	-	-	180 462	180 462	180 462
B3-921 H2020 Delegation Agreement	-	-	-	-	-	17 422	17 422	17 422
B3-922 Galileo Delegation Agreement	-	-	-	-	-	367 925	367 925	367 925
B3-923 H2020 2nd call	-	-	-	-	-	15 000	15 000	15 000
Total chapter B3-9	-	-	-	-	-	593 745	593 745	593 745
Total Title B-3	9 038	(424)	(680)	7 933	84	593 745	593 829	601 761
GRAND TOTAL	29 161	(74)	0	29 086	3 252	594 012	597 264	626 350

5.3. Implementation of commitment appropriations

5.3.1. Title A-1

EUR '000

	Commitments made						Appropriations carried over to 2017			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
A-1100 Staff expenditure	11 660	11 656	-	4	11 660	100%	-	-	-	-	-	-	-
Total chapter A-11	11 660	11 656	-	4	11 660	100%	-	-	-	-	-	-	-
A-1200 Recruitment costs	123	123	-	-	123	100%	-	-	-	-	-	-	-
A-1210 Medical expenses	20	20	-	-	20	100%	-	-	-	-	-	-	-
Total chapter A-12	143	143	-	-	143	100%	-	-	-	-	-	-	-
A-1300 Mission and travel	1 349	1 346	-	-	1 346	100%	3	-	3	-	-	-	-
Total chapter A-13	1 349	1 346	-	-	1 346	100%	3	-	3	-	-	-	-
A-1400 Training expenses	221	215	-	6	221	100%	-	-	-	-	-	-	-
Total chapter A-14	221	215	-	6	221	100%	-	-	-	-	-	-	-
A-1500 Social Measures	110	110	-	-	110	100%	-	-	-	-	-	-	-
Total chapter A-15	110	110	-	-	110	100%	-	-	-	-	-	-	-
A-1600 External services	526	526	-	-	526	100%	-	-	-	-	-	-	-
Total chapter A-16	526	526	-	-	526	100%	-	-	-	-	-	-	-
A-1700 Representation expenditure	1	1	-	-	1	100%	-	-	-	-	-	-	-
Total chapter A-17	1	1	-	-	1	100%	-	-	-	-	-	-	-
A-1800 Tuition Fees	1 015	990	-	13	1 003	99%	12	-	12	-	-	-	-
Total chapter A-18	1 015	990	-	13	1 003	99%	12	-	12	-	-	-	-
Total Title A-1	15 024	14 987	-	22	15 009	100%	15	-	15	-	-	-	-

5.3.2. Title A-2

EUR '000

	Commitments made						Appropriations carried over to 2017			Appropriations lapsing				Total 13=10+11 +12
	Total approp. availab.	From final adopt. budget	From carry overs	From assigned revenue	Total 5=2+3+4	% 6=5/1	Assigned revenue	By decision	Total 9=7+8	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		
A-2000 Rental of buildings	2 885	2 668	-	1	2 670	93%	216	-	216	-	-	-	-	-
Total chapter A-20	2 885	2 668	-	1	2 670	93%	216	-	216	-	-	-	-	-
A-2100 Data processing	1 911	1 910	-	-	1 910	100%	-	-	-	-	-	0	0	0
Total chapter A-21	1 911	1 910	-	-	1 910	100%	-	-	-	-	-	0	0	0
A-2200 Movable property	117	117	-	-	117	100%	-	-	-	-	-	-	-	-
Total chapter A-22	117	117	-	-	117	100%	-	-	-	-	-	-	-	-
A-2300 Current administrative costs	733	721	-	7	729	99%	4	-	4	-	-	-	-	-
Total chapter A-23	733	721	-	7	729	99%	4	-	4	-	-	-	-	-
A-2400 Postage and telecommunication	246	246	-	-	246	100%	-	-	-	-	-	-	-	-
Total chapter A-24	246	246	-	-	246	100%	-	-	-	-	-	-	-	-
A-2500 Expenditure on meetings	51	50	-	1	51	100%	-	-	-	-	-	-	-	-
Total chapter A-25	51	50	-	1	51	100%	-	-	-	-	-	-	-	-
A-2600 SAB administrative expenditure	454	454	-	-	454	100%	-	-	-	-	-	-	-	-
Total chapter A-26	454	454	-	-	454	100%	-	-	-	-	-	-	-	-
Total Title A-2	6 397	6 167	-	9	6 176	97%	220	-	220	-	-	0	0	0

5.3.3. Title B-3

EUR '000

	Commitments made						Appropriations carried over to 2017			Appropriations lapsing				Total 13=10 +11+ 12
	Total approp. availab.	From final adopt. budget	From carry overs	From assigned revenue	Total 5=2+3+4	% 6=5/1	Assigned revenue	By decision	Total 9=7+8	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		
B3-100 Operations and studies	7 283	7 283	-	-	7 283	100%	-	-	-	-	-	-	-	-
Total chapter B3-1	7 283	7 283	-	-	7 283	100%	-	-	-	-	-	-	-	-
B3-300 SAB Expenditure	650	650	-	-	650	100%	-	-	-	-	-	-	-	-
Total chapter B3-3	650	650	-	-	650	100%	-	-	-	-	-	-	-	-
B3-900 6th Framework Programme - 3rd Call	328	-	-	-	-	0%	328	-	328	-	-	-	-	-
B3-904 6th Framework Programme - 2nd Call	495	-	-	-	-	0%	495	-	495	-	-	-	-	-
B3-913 7 Framework Programme	338	-	-	27	27	8%	311	-	311	-	-	-	-	-
B3-917 FP7 - 3RD CALL	1 864	-	-	-	-	0%	1 864	-	1 864	-	-	-	-	-
B3-918 Delegation Agreement PRS Receiver/GSMC setting up	586	-	-	482	482	82%	104	-	104	-	-	-	-	-
B3-919 Delegation Agreement GNSS Exploitation	536	-	-	-	-	0%	536	-	536	-	-	-	-	-
B3-920 Delegation Agreement EGNOS Exploitation	868 415	-	-	33 465	33 465	4%	834 950	-	834 950	-	-	-	-	-
B3-921 H2020 Delegation Agreement	25 935	-	-	23 915	23 915	92%	2 020	-	2 020	-	-	-	-	-
B3-922 Galileo Delegation Agreement	2 392 411	-	-	1 007 810	1 007 810	42%	1 384 601	-	1 384 601	-	-	-	-	-
B3-923 H2020 2nd call	10 323	-	-	9 024	9 024	87%	1 299	-	1 299	-	-	-	-	-
Total chapter B3-9	3 301 231	-	-	1 074 724	1 074 724	33%	2 226 508	-	2 226 508	-	-	-	-	-
Total Title B-3	3 309 164	7 933	-	1 074 724	1 082 656	33%	2 226 508	-	2 226 508	-	-	-	0	0
GRAND TOTAL	3 330 584	29 086	-	1 074 755	1 103 842	33%	2 226 742	-	2 226 742	-	-	0	0	0

5.4. Implementation of payment appropriations

5.4.1. Title A-1

EUR '000

	Payments made						Appropriations carried over to 2017				Appropriations lapsing			Total 14=11+12 +13
	Total approp. availab.	From final adopted budget	From carry overs	From assigned revenue	Total	%	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
A-1100 Staff expenditure	11 660	11 656	-	4	11 660	100%	-	-	-	-	-	-	-	-
Total chapter A-11	11 660	11 656	-	4	11 660	100%	-	-	-	-	-	-	-	-
A-1200 Recruitment costs	137	79	14	-	94	68%	44	-	-	44	-	-	-	-
A-1210 Medical expenses	33	8	8	-	16	47%	12	-	-	12	-	6	-	6
Total chapter A-12	170	87	22	-	109	64%	56	-	-	56	-	6	-	6
A-1300 Mission and travel	1 435	1 046	85	-	1 132	79%	300	-	3	303	-	1	-	1
Total chapter A-13	1 435	1 046	85	-	1 132	79%	300	-	3	303	-	1	-	1
A-1400 Training expenses	291	76	56	6	138	47%	139	-	-	139	-	14	-	14
Total chapter A-14	291	76	56	6	138	47%	139	-	-	139	-	14	-	14
A-1500 Social Measures	110	94	-	-	94	85%	16	-	-	16	-	-	-	-
Total chapter A-15	110	94	-	-	94	85%	16	-	-	16	-	-	-	-
A-1600 External services	742	416	212	-	628	85%	110	-	-	110	-	4	-	4
Total chapter A-16	742	416	212	-	628	85%	110	-	-	110	-	4	-	4
A-1700 Representation expenditure	1	1	-	-	1	96%	-	-	-	-	-	0	-	0
Total chapter A-17	1	1	-	-	1	96%	-	-	-	-	-	0	-	0
A-1800 Tuition Fees	1 272	825	257	13	1 095	86%	165	-	12	177	-	-	-	-
Total chapter A-18	1 272	825	257	13	1 095	86%	165	-	12	177	-	-	-	-
Total Title A-1	15 681	14 202	632	22	14 856	95%	785	-	15	800	-	25	-	25

5.4.2. Title A-2

EUR '000

	Payments made						Appropriations carried over to 2017				Appropriations lapsing			Total 14=11+12 +13
	Total approp. availab.	From final adopted budget	From carry overs	From assigned revenue	Total 5=2+3+4	% 6 = 5/1	Automatic carry overs	By decision	Assigned revenue	Total 10=7+8+9	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	
A-2000 Rental of buildings	3 331	2 032	400	1	2 434	73%	636	–	216	852	–	45	–	45
Total chapter A-20	3 331	2 032	400	1	2 434	73%	636	–	216	852	–	45	–	45
A-2100 Data processing	3 295	412	1 360	–	1 771	54%	1 499	–	0	1 499	–	24	0	24
Total chapter A-21	3 295	412	1 360	–	1 771	54%	1 499	–	0	1 499	–	24	0	24
A-2200 Movable property	268	24	146	–	170	63%	93	–	–	93	–	5	–	5
Total chapter A-22	268	24	146	–	170	63%	93	–	–	93	–	5	–	5
A-2300 Current administrative costs	1 071	467	311	7	785	73%	254	–	4	258	–	28	–	28
Total chapter A-23	1 071	467	311	7	785	73%	254	–	4	258	–	28	–	28
A-2400 Postage and telecommunication	432	107	144	–	251	58%	139	–	–	139	–	42	–	42
Total chapter A-24	432	107	144	–	251	58%	139	–	–	139	–	42	–	42
A-2500 Expenditure on meetings	57	46	2	1	48	85%	4	–	–	4	–	5	–	5
Total chapter A-25	57	46	2	1	48	85%	4	–	–	4	–	5	–	5
A-2600 SAB administrative expenditure	454	273	–	–	273	60%	181	–	–	181	–	–	–	–
Total chapter A-26	454	273	–	–	273	60%	181	–	–	181	–	–	–	–
Total Title A-2	8 908	3 361	2 363	9	5 733	64%	2 806	–	220	3 026	–	149	0	149

5.4.3. Title B-3

EUR '000

	Payments made						Appropriations carried over to 2017				Appropriations lapsing			Total 14=11+12 +13
	Total approp. availab.	From final adopted budget	From carry overs	From assigned revenue	Total 5=2+3+4	% 6 = 5/1	Automatic carry overs	By decision	Assigned revenue	Total 10=7+8+9	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	
B3-100 Operations and studies	7 367	5 898	48	–	5 945	81%		1 385	–	1 385	–	36	–	36
Total chapter B3-1	7 367	5 898	48	–	5 945	81%		1 385	–	1 385	–	36	–	36
B3-300 SAB Expenditure	650	511	–	–	511	79%		138	–	138	–	–	–	–
Total chapter B3-3	650	511	–	–	511	79%		138	–	138	–	–	–	–
B3-900 6th Framework Programme - 3rd Call	328	–	–	–	–	0%		–	328	328	–	–	–	–
B3-904 6th Framework Programme - 2nd Call	661	–	–	166	166	25%		–	495	495	–	–	–	–
B3-913 7 Framework Programme	995	–	–	399	399	40%		–	595	595	–	–	–	–
B3-917 FP7 - 3RD CALL	2 187	–	–	1 493	1 493	68%		–	694	694	–	–	–	–
B3-918 Delegation Agreement PRS Receiver/GSMC setting up	8 294	–	–	241	241	3%		–	8 053	8 053	–	–	–	–
B3-919 Delegation Agreement GNSS Exploitation	470	–	–	–	–	0%		–	470	470	–	–	–	–
B3-920 Delegation Agreement EGNOS Exploitation	180 462	–	–	76 099	76 099	42%		–	104 363	104 363	–	–	–	–
B3-921 H2020 Delegation Agreement	17 422	–	–	10 615	10 615	61%		–	6 807	6 807	–	–	–	–
B3-922 Galileo Delegation Agreement	367 925	–	–	8 871	8 871	2%		–	359 054	359 054	–	–	–	–
B3-923 H2020 2nd call	15 000	–	–	13 727	13 727	92%		–	1 273	1 273	–	–	–	–
Total chapter B3-9	593 745	–	–	111 613	111 613	19%		–	482 132	482 132	–	–	–	–
Total Title B-3	601 761	6 409	48	111 613	118 069	20%		1 524	482 132	483 656	–	36	–	36
GRAND TOTAL	626 350	23 972	3 043	111 644	138 658	22%	3 591	1 524	482 368	487 482	–	209	0	210

5.5. COMMITMENTS OUTSTANDING

5.5.1. Title A-1

EUR '000									
	Commitments outstanding at the end of prev. year				Commitments of the year				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
A-1100 Staff expenditure	-	-	-	-	11 660	11 660	-	-	-
Total chapter A-11	-	-	-	-	11 660	11 660	-	-	-
A-1200 Recruitment costs	14	-	14	-	123	79	-	44	44
A-1210 Medical expenses	13	(6)	8	-	20	8	-	12	12
Total chapter A-12	27	(6)	22	-	143	87	-	56	56
A-1300 Mission and travel	86	(1)	85	-	1 346	1 046	-	300	300
Total chapter A-13	86	(1)	85	-	1 346	1 046	-	300	300
A-1400 Training expenses	70	(14)	56	-	221	82	-	139	139
Total chapter A-14	70	(14)	56	-	221	82	-	139	139
A-1500 Social Measures	-	-	-	-	110	94	-	16	16
Total chapter A-15	-	-	-	-	110	94	-	16	16
A-1600 External services	216	(4)	212	-	526	416	-	110	110
Total chapter A-16	216	(4)	212	-	526	416	-	110	110
A-1700 Representation expenditure	0	(0)	-	-	1	1	-	-	-
Total chapter A-17	0	(0)	-	-	1	1	-	-	-
A-1800 Tuition Fees	257	-	257	-	1 003	838	-	165	165
Total chapter A-18	257	-	257	-	1 003	838	-	165	165
Total Title A-1	657	(25)	632	-	15 009	14 224	-	785	785

5.5.2. Title A-2

										EUR '000
Commitments outstanding at the end of prev. year					Commitments of the year				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	
A-2000 Rental of buildings	445	(45)	400	-	2 670	2 034	-	636	636	
Total chapter A-20	445	(45)	400	-	2 670	2 034	-	636	636	
A-2100 Data processing	1 384	(24)	1 360	-	1 910	412	-	1 499	1 499	
Total chapter A-21	1 384	(24)	1 360	-	1 910	412	-	1 499	1 499	
A-2200 Movable property	151	(5)	146	-	117	24	-	93	93	
Total chapter A-22	151	(5)	146	-	117	24	-	93	93	
A-2300 Current administrative costs	338	(28)	311	-	729	475	-	254	254	
Total chapter A-23	338	(28)	311	-	729	475	-	254	254	
A-2400 Postage and telecommunication	187	(42)	144	-	246	107	-	139	139	
Total chapter A-24	187	(42)	144	-	246	107	-	139	139	
A-2500 Expenditure on meetings	7	(5)	2	-	51	46	-	4	4	
Total chapter A-25	7	(5)	2	-	51	46	-	4	4	
A-2600 SAB ADMININSTRATIVE EXPENDITURE	-	-	-	-	454	273	-	181	181	
Total chapter A-26	-	-	-	-	454	273	-	181	181	
Total Title A-2	2 511	(149)	2 363	-	6 176	3 370	-	2 806	2 806	

5.5.3. Title B-3

										EUR '000
Commitments outstanding at the end of prev. year					Commitments of the year				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	
B3-100 Operations and studies	5 674	(56)	4 534	1 084	7 283	1 412	-	5 871	6 956	
Total chapter B3-1	5 674	(56)	4 534	1 084	7 283	1 412	-	5 871	6 956	
B3-300 SAB Expenditure	1 085	(1)	511	572	650	-	-	650	1 222	
Total chapter B3-3	1 085	(1)	511	572	650	-	-	650	1 222	
B3-904 6th Framework Programme - 2nd Call	166	-	166	-	-	-	-	-	-	
B3-913 7 Framework Programme	888	(77)	372	439	27	27	-	-	439	
B3-917 FP7 - 3RD CALL	2 983	(1 241)	1 493	250	-	-	-	-	250	
B3-918 Delegation Agreement PRS Receiver/GSMC setting up	8 341	-	241	8 100	482	-	-	482	8 582	
B3-920 Delegation Agreement EGNOS Exploitation	438 649	(100)	62 520	376 030	33 465	13 580	-	19 886	395 915	
B3-921 H2020 Delegation Agreement	20 015	(988)	9 713	9 315	23 915	903	-	23 012	32 326	
B3-922 Galileo Delegation Agreement	7 599	(10)	4 475	3 113	1 007 810	4 396	-	1 003 414	1 006 528	
B3-923 H2020 2nd call	16 435	-	9 039	7 396	9 024	4 688	-	4 337	11 733	
Total chapter B3-9	495 077	(2 416)	88 019	404 642	1 074 724	23 594	-	1 051 130	1 455 773	
Total Title B-3	501 836	(2 473)	93 064	406 299	1 082 656	25 005	-	1 057 651	1 463 950	
GRAND TOTAL	505 004	(2 646)	96 059	406 299	1 103 842	42 599	-	1 061 242	1 467 541	

6. 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.Cf. Budget.

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. Main sources of external assigned revenue are financial contributions from third countries to programmes financed by the Union. Main sources of internal assigned revenue is revenue from third parties in respect of goods, services or work supplied at their request; (c) 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 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.

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.

Budgetary authority

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

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.

Result

Cf. Outturn

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.