

**ADOPTED**  
**by the GSA Administrative Board**

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European  
**G**lobal Navigation  
**S**atellite Systems  
**A**gency

# Annual accounts of the European Global Navigation Satellite Systems Agency

Financial year **2018**

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## **CERTIFICATION OF THE ACCOUNTS**

The annual accounts of the GSA, the European Global Navigation Satellite Systems Agency, for the year 2018 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.

Therefore, 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**

*11 June 2019*

## 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 EGNOS<sup>1</sup> and GALILEO<sup>2</sup>, 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;
- 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<sup>3</sup>. The delegation agreements in place to cater for those specific activities are:

- 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 on 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.

### Highlights of the year

During the financial year 2018, the GSA has achieved a number of milestones with financial impact, including:

- 500 million Galileo-enabled devices in the world at end 2018, thanks in large part to the success of the GSA market development activities,
- The Galileo Security Monitoring Centre (GSMC) back-up site has successfully started working in Spain,

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Hereinafter referred to as 'Commission'

- the Ground Mission Segment (WP2x and WP3x) and the EGNOS V3 contracts were signed with industry and started being operational,
- the Agency has successfully undertaken the related activities to the Galileo Launch 10.

In summary, a total of EUR 803 million were paid in 2018, representing a 20% increase compared to the previous reporting period.

# **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.*

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## BALANCE SHEET

EUR '000

	Note	31.12.2018	31.12.2017
<b>NON-CURRENT ASSETS</b>			
<i>Intangible assets</i>		–	2
<i>Property, plant and equipment</i>	2.1	935	944
<i>Pre-financing</i>	2.2	103 769	171 633
		<b>104 704</b>	<b>172 579</b>
<b>CURRENT ASSETS</b>			
<i>Pre-financing</i>	2.2	245 323	72 758
<i>Exchange receivables and non-exchange recoverables</i>	2.3	468 465	526 099
		<b>713 789</b>	<b>598 857</b>
<b>TOTAL ASSETS</b>		<b>818 492</b>	<b>771 436</b>
<b>NON-CURRENT LIABILITIES</b>			
<i>Provisions</i>	2.4	(1 262)	–
		<b>(1 262)</b>	<b>–</b>
<b>CURRENT LIABILITIES</b>			
<i>Provisions</i>	2.4	(328)	–
<i>Payables</i>	2.5	(736 608)	(680 282)
<i>Accrued charges and deferred income</i>	2.6	(80 053)	(88 291)
		<b>(816 989)</b>	<b>(768 573)</b>
<b>TOTAL LIABILITIES</b>		<b>(818 251)</b>	<b>(768 573)</b>
<b>NET ASSETS</b>		<b>241</b>	<b>2 864</b>
<i>Accumulated surplus</i>		2 864	4 062
<i>Economic result of the year</i>		(2 622)	(1 199)
<b>NET ASSETS</b>		<b>241</b>	<b>2 864</b>



## STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	Note	2018	2017
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>			
Recovery of expenses		896	168
Funds from the Commission	3.1	693 696	606 893
Other non-exchange revenue		297	267
		<b>694 889</b>	<b>607 328</b>
<b>Revenue from exchange transactions</b>			
Financial income		2	1
Other exchange revenue		(47)	(8)
		<b>(45)</b>	<b>(7)</b>
Total revenue		<b>694 844</b>	<b>607 321</b>
<b>EXPENSES</b>			
Operating costs	3.2	(670 054)	(585 073)
Staff costs	3.3	(16 013)	(14 273)
Finance costs		(1)	(1)
Other expenses	3.4	(11 398)	(9 173)
Total expenses		<b>(697 467)</b>	<b>(608 520)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(2 622)</b>	<b>(1 199)</b>

**CASHFLOW STATEMENT<sup>4</sup>**

EUR '000

	Note	2018	2017
<i>Economic result of the year</i>		(2 622)	(1 199)
<b>Operating activities</b>			
<i>Depreciation and amortization</i>		430	425
<i>(Increase)/decrease in pre-financing</i>		(104 701)	(104 354)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>		57 634	(37 410)
<i>Increase/(decrease) in provisions</i>		1 590	–
<i>Increase/(decrease) in payables</i>		56 326	90 781
<i>Increase/(decrease) in accrued charges and deferred income</i>		(8 238)	52 223
<b>Investing activities</b>			
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>		(419)	(465)
<b>NET CASHFLOW</b>		–	–
<i>Net increase/(decrease) in cash and cash equivalents</i>		–	–
<i>Cash and cash equivalents at the beginning of the year</i>		–	–
<i>Cash and cash equivalents at year-end</i>		–	–

<sup>4</sup> 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
<b>BALANCE AS AT 31.12.2016</b>	<b>3 888</b>	<b>175</b>	<b>4 062</b>
<i>Allocation of the 2016 economic result</i>	175	(175)	-
<i>Economic result of the year</i>	-	(1 199)	(1 199)
<b>BALANCE AS AT 31.12.2017</b>	<b>4 062</b>	<b>(1 199)</b>	<b>2 864</b>
<i>Allocation of the 2017 economic result</i>	(1 199)	1 199	-
<i>Economic result of the year</i>	-	(2 622)	(2 622)
<b>BALANCE AS AT 31.12.2018</b>	<b>2 864</b>	<b>(2 622)</b>	<b>241</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

# 1. SIGNIFICANT ACCOUNTING POLICIES

## 1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of 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	31.12.2018	31.12.2017	Currency	31.12.2018	31.12.2017
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.3014</b>	4.1770
<b>CZK</b>	<b>25.7240</b>	25.5350	<b>RON</b>	<b>4.6635</b>	4.6585
<b>DKK</b>	<b>7.4673</b>	7.4449	<b>SEK</b>	<b>10.2548</b>	9.8438
<b>GBP</b>	<b>0.8945</b>	0.8872	<b>CHF</b>	<b>1.1269</b>	1.1702
<b>HRK</b>	<b>7.4125</b>	7.4400	<b>JPY</b>	<b>125.8500</b>	135.0100
<b>HUF</b>	<b>320.9800</b>	310.3300	<b>USD</b>	<b>1.1450</b>	1.1993

### 1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to; amounts for employee benefit liabilities, 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

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. During this financial year, the entity did not hold any investments in this category.

#### **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 and loans are recognised when cash is deposited in a financial institution or advanced to borrowers. 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 from 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).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

#### 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.

## **1.6. CONSOLIDATION**

The accounts of this entity are fully consolidated in the EU consolidated annual accounts.

## 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 31.12.2017</i>	63	483	2 435	453	3 434
<i>Additions</i>	–	5	389	25	419
<i>Disposals</i>	–	(0)	(22)	0	(22)
<b>Gross carrying amount at 31.12.2018</b>	<b>63</b>	<b>488</b>	<b>2 804</b>	<b>478</b>	<b>3 833</b>
<i>Accumulated depreciation at 31.12.2017</i>	(2)	(168)	(1 982)	(339)	(2 490)
<i>Depreciation charge for the year</i>	(8)	(51)	(301)	(71)	(431)
<i>Disposals</i>	–	0	23	(0)	23
<b>Accumulated depreciation at 31.12.2018</b>	<b>(9)</b>	<b>(219)</b>	<b>(2 260)</b>	<b>(410)</b>	<b>(2 898)</b>
<b>NET CARRYING AMOUNT AT 31.12.2018</b>	<b>54</b>	<b>270</b>	<b>544</b>	<b>67</b>	<b>935</b>
<i>NET CARRYING AMOUNT AT 31.12.2017</i>	62	316	453	114	944

#### 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	
	31.12.2018	31.12.2017
<i>Non-current pre-financing</i>	103 769	171 633
<i>Current pre-financing</i>	245 323	72 758
<b>Total</b>	<b>349 092</b>	<b>244 391</b>

For all pre-financing amounts open at 31.12.2018 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 31.12.2018 (see note 2.6). All pre-financing that was considered unlikely to be cleared in the course of 2019 was classified as non-current pre-financing.

At 31 December 2018, guarantees received covering pre-financing amounted to kEUR 103 075 (2017: kEUR 116 705).

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 to the Galileo Exploitation delegation agreement signed in December 2016 as well as the GSOp (Galileo Service Operator) framework contract.

## 2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31.12.2018 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	31.12.2018	31.12.2017
<b>Current</b>			
<i>Recoverables from non-exchange transactions</i>	2.3.1	471	348
<i>Receivables from exchange transactions</i>	2.3.2	467 994	525 751
<b>Total</b>		<b>468 465</b>	<b>526 099</b>

### 2.3.1. RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS

EUR '000

	31.12.2018	31.12.2017
<i>Member States</i>	457	307
<i>Accrued income and deferred charges</i>	15	41
<b>Total</b>	<b>471</b>	<b>348</b>

Recoverables from Member States represent VAT amounts to be recovered from France, Czech Republic, the United Kingdom and the Netherlands.

### 2.3.2. RECEIVABLES FROM EXCHANGE TRANSACTIONS

EUR '000

	31.12.2018	31.12.2017
<i>Central treasury liaison accounts</i>	466 740	524 918
<i>Deferred charges relating to exchange transactions</i>	887	761
<i>Customers</i>	334	21
<i>Others</i>	32	50
<b>Total</b>	<b>467 994</b>	<b>525 751</b>

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 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 decrease is due to a higher amount of pre-financing paid in order to cover increased activities resulting from the signature of the second amendment to the Galileo Exploitation delegation agreement.

The heading Deferred charges relating to exchange transactions consists of advance payments made in 2018 for school tuition fees, subscriptions, maintenance fees and other IT services to be delivered in 2019.

## LIABILITIES

### 2.4. PROVISIONS

	EUR '000	
	2018	2017
<i>Non-current provision</i>	1 262	–
<i>Current provision</i>	328	–
<b>Total</b>	<b>1 590</b>	<b>–</b>

The GSA entered into a non-cancellable lease of 10 years for office space located in Swanick (the United Kingdom). As the UK announced its intention to leave the European Union, they will become a non-Member-State, leading to the EU entities operating in the UK moving out. According to the terms of the lease agreement the GSA is only allowed to cancel the lease after the tenth year and is not allowed to sublet. As a result, the obligation for the future payments of the next 5 years has been provisioned.

### 2.5. PAYABLES

	EUR '000	
	31.12.2018	31.12.2017
<i>Pre-financing received from EC - delegation agreements</i>	727 570	675 293
<i>Vendors</i>	7 644	3 394
<i>Public bodies</i>	1 196	–
<i>Sundry payables</i>	127	1 364
<i>Pre-financing received from EC - balancing subsidy</i>	61	231
<i>EU consolidated entities</i>	10	1
<b>Total</b>	<b>736 608</b>	<b>680 282</b>

The most significant pre-financing amounts received relate to the delegation agreements EGNOS Exploitation (kEUR 221 247) and Galileo Exploitation (kEUR 491 660). The significant increase in pre-financing received from the Commission is to cover activities resulting from the signature of the second amendment to the Galileo Exploitation delegation agreement and the subsequent launching of the GSOp framework contract. This increase of activities explains also the increase of vendors' balance compared to last year.

The amounts payables to the public bodies at 31 December 2018 include the pre-financing claims 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 cut-off date.

Sundry payables mainly consist in 2018 of amounts payables for fixed assets received not yet invoiced. At end 2017 this account consisted of amounts retained in 2017 from the beneficiaries of the Horizon 2020 pre-financing (automatic guarantee retention of 5 % from the pre-financing) to be transferred to the Participant Guarantee Fund. In 2018 all these amounts were transferred to the Participant Guarantee Fund during the year, thus no amounts were due at the end of the year.

The balancing subsidy surplus to be returned to the Commission represents the unused amount of the 2018 Commission balancing subsidy that is to be reimbursed by GSA in 2019.

## 2.6. ACCRUED CHARGES AND DEFERRED INCOME

EUR '000

	31.12.2018	31.12.2017
<i>Accrued charges</i>	80 053	88 291

Accrued charges are composed of estimated operating expenses of kEUR 78 339, 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 2018 are included in the estimated costs incurred by 31 December 2018. 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**).

Included under this heading are also accrued administrative expenses, i.e. estimated costs of services and goods delivered in year 2018 but not yet invoiced or processed by the end of the year of kEUR 1 293: services provided by third parties (kEUR 803), building maintenance and security (kEUR 234), staff related costs (kEUR 141), missions (kEUR 95) and others (kEUR 20). The heading also includes accrued charges for untaken leave of kEUR 421.

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### REVENUE

#### NON-EXCHANGE REVENUE

##### 3.1. FUNDS FROM THE COMMISSION

	EUR '000	
	2018	2017
<i>Funds from the Commission</i>	661 527	578 656
<i>Balancing subsidy</i>	32 169	28 237
<b>Total</b>	<b>693 696</b>	<b>606 893</b>

Included under this heading is income relating to funds received from the Commission stemming from the implementation of delegation agreements between GSA and the Commission (kEUR 661 527) and the accrued revenue from the 2018 balancing subsidy (kEUR 32 169) related to the implementation of the GSA core tasks.

The significant increase is a result of continuous 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	
	2018	2017
<i>Operating costs</i>	670 054	585 073

Included under this heading are operating expenses incurred in relation to core tasks and tasks delegated by the Commission carried out in 2018. For open commitments without any validated cost statements the 2018 expenses were estimated on a commitment-by-commitment basis using the best available information at 31 December 2018 (see note **2.6**).

The increase compared to 2017 is due to the continued implementation of delegation agreements (Galileo, EGNOS) that were signed in 2014 and thus more operating expenses were incurred and accrued for works accomplished under those agreements in 2018, mainly the cruising speed in the Working Arrangements with the European Space Agency and the activities supporting the Galileo Service Provision.



### 3.3. STAFF COSTS

EUR '000

	2018	2017
<i>Staff costs</i>	16 013	14 273

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

	2018	2017
<i>External non IT services</i>	2 660	2 196
<i>Property, plant and equipment related expenses</i>	2 608	2 780
<i>Provisions</i>	1 590	8
<i>External IT services</i>	1 487	1 432
<i>Missions</i>	1 302	1 397
<i>Administrative expenses with EU entities</i>	612	513
<i>Operating lease expenses</i>	541	228
<i>Experts and related expenditure</i>	283	384
<i>Training costs</i>	168	126
<i>Recruitment costs</i>	128	76
<i>Foreign exchange losses</i>	20	32
<b>Total</b>	<b>11 398</b>	<b>9 173</b>

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

Provisions refer to a provision for an onerous contract related to the lease agreement of the UK based offices, as explained in note 2.4.

Included under this heading are expenses of kEUR 541 relating to operating leases. The operating leases relate to the premises in France and the 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>	552	2 229	1 915	4 696
<i>IT materials and other equipment</i>	6	24	48	78
<b>Total</b>	<b>558</b>	<b>2 253</b>	<b>1 963</b>	<b>4 774</b>

## 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 court will rule in his favour, 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 Court is expected to rule on the case in 2020.

The payments carried out under the GSOp contract by the end of the reporting period amounted to EUR 170 million.

### 4.2. OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR '000

	31.12.2018	31.12.2017
<i>Outstanding commitments not yet expensed</i>	1 522 165	1 208 287

The outstanding commitments not yet expensed comprises the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2018 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 host agreement between the GSA and the Czech Republic that entered in force on 31 May 2012, the headquarters building in Prague is provided to the 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 the GSA and the Netherlands that entered into force on 30 May 2016, the GRC (Galileo Reference Centre) building is provided to the GSA free of charge. The yearly value of the rent is estimated to be kEUR 290.

The GSA has as well signed two host agreements with Spain. According to the first one, which entered into force on 30 June 2014, the GSC (Galileo Service Centre) building is provided to the GSA free of charge. The yearly value of the rent is estimated to be KEUR 19. The second host agreement, which will enter into force early 2019, states that the GSMC (Galileo Security Monitoring Centre) back-up site building will be provided free of charge.

### 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.

	2018	2017
<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.

## 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 2018, the financial assets are composed of exchange receivables and non-exchange recoverables. Their ending balances are mainly quoted in EUR.

At 31 December 2018 financial liabilities are composed of accounts payable. Their ending balances are mainly quoted in EUR.

### 5.3. CREDIT RISK

#### Financial assets that are neither past due nor impaired

At 31 December 2018 financial assets comprise exchange receivables and non-exchange recoverables that are neither past due nor impaired of kEUR 468 465.

#### Financial assets by risk category

Receivables of kEUR 467 388 relate to entities with prime and high grade, kEUR 1 069 entirely relate to entities without external credit rating that never defaulted in the past and KEUR 8 to entities with a lower medium grade.

### 5.4. LIQUIDITY RISK

#### Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are composed of accounts payable of kEUR 736 608 with remaining contractual maturity of less than 1 year.

# **REPORTS ON THE IMPLEMENTATION OF THE BUDGET 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.*

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# **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 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 2018, the 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 2018, the GSA received a gross sum of circa EUR 32 million as a subsidy in two instalments, circa EUR 714 million as external assigned revenue, in six instalments, and circa EUR 0.4 million as miscellaneous revenue.

#### **Expenditure**

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 2018 amounted to circa EUR 803 million – EUR 20 million for costs under Title 1; EUR 6 million for costs under Title 2 and EUR 777 million for costs under Title 3<sup>5</sup>.

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 Horizon 2020). 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.

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<sup>5</sup> Due to the late posting of a regularisation financial transaction, an impact of EUR -25 million in assigned revenue on Title 3 is not visible for the financial year 2018.



## 2. BUDGET RESULT

		EUR '000	
	Title	2018	2017
<b>Revenue</b>		746 419	704 414
of which:			
Payments from the Institutions and Bodies	2	746 035	703 816
Miscellaneous revenue	9	384	599
<b>Expenditure</b>		(823 731)	(663 098)
of which:			
Staff expenditure	1	(19 041)	(16 866)
Admin expenditure	2	(3 769)	(3 255)
Operational expenditure	3	(800 920)	(642 977)
<b>Payment appropriations carried over to the following year</b>		(5 245)	(3 928)
of which:			
Staff expenditure	1	(728)	(586)
Admin expenditure	2	(4 517)	(2 199)
Operational expenditure	3	–	(1 143)
<b>Cancellation of unused appropriations carried over from year n-1</b>		127	271
<b>Evolution of assigned revenue</b>		82 558	(37 387)
<b>Exchange rate differences</b>		(66)	(40)
<b>Budget result</b>		<b>61</b>	<b>232</b>

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

EUR '000

	2018	2017
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(2 622)</b>	<b>(1 199)</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	<b>(239 276)</b>	<b>(391 922)</b>
Adjustments for accrual cut-off (net)	283 869	66 230
Unpaid invoices at year end but booked in expenses (net)	552	591
Depreciation, amortization and impairment of intangible and tangible assets	430	425
Movement in provisions	1 590	–
Recovery orders issued in the year and not yet cashed	–	(14)
Pre-financing given in previous year and cleared in the year	6 142	10 045
Pre-financing received in previous year and cleared in the year	(535 692)	(473 943)
Payments made from carry-over of payment appropriations	3 801	4 844
Other individually immaterial	31	(100)
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	<b>241 959</b>	<b>393 352</b>
Asset acquisitions (less unpaid amounts)	(276)	(352)
New pre-financing paid in the year and remaining open as at 31 December	(397 734)	(136 216)
New pre-financing received in the year and remaining open as at 31 December	588 031	573 044
Entitlements established in previous year and cashed in the year	(877)	185
Entitlements established on balance sheet accounts and cashed in the year	8	(2 246)
Payment appropriations carried over to next year	(467 062)	(523 683)
Cancellation of unused carried over payment appropriations from previous year	127	271
Adjustment for carry-over of assigned revenue appropriations from previous year	519 755	482 367
Other individually immaterial	(13)	(18)
<b>BUDGET RESULT OF THE YEAR</b>	<b>61</b>	<b>232</b>

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1. Implementation of budget revenue - Title 2

EUR '000

Item		Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
2 0 0 0	Operating subvention EC	33 358	33 358	32 231	–	32 231	32 231	–	32 231	97 %	–
2 0 0 8	Programmes subvention EC	–	–	713 796	8	713 804	713 796	8	713 804	–	–
Total Chapter 2 0		33 358	33 358	746 027	8	746 035	746 027	8	746 035	2 236 %	–
<b>Total Title 2</b>		<b>33 358</b>	<b>33 358</b>	<b>746 027</b>	<b>8</b>	<b>746 035</b>	<b>746 7</b>	<b>8</b>	<b>746 035</b>	<b>2 236 %</b>	<b>–</b>

### 4.2. Implementation of budget revenue - Title 9

EUR '000

Item		Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
9 0 0 0	Miscellaneous income	–	–	697	19	716	371	14	384	–	332
Total Chapter 9 0		–	–	697	19	716	371	14	384	–	332
<b>Total Title 9</b>		<b>–</b>	<b>–</b>	<b>697</b>	<b>19</b>	<b>716</b>	<b>371</b>	<b>14</b>	<b>384</b>	<b>–</b>	<b>332</b>
<b>GRAND TOTAL</b>		<b>33 358</b>	<b>33 358</b>	<b>746 724</b>	<b>26</b>	<b>746 751</b>	<b>746 398</b>	<b>21</b>	<b>746 419</b>	<b>2 238 %</b>	<b>332</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1. Breakdown & changes in commitment appropriations

#### 5.1.1 Breakdown & changes in commitment appropriations - Title 1

EUR '000

Item	Initial adopted budget	Budget appropriations		Final budget adopted	Additional appropriations			Total apppr. available
		Amending budgets	Transfers		Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1 1 0 0 Staff expenditure	15 047	(340)	885	15 592	–	2	2	15 594
Total Chapter 1 1	15 047	(340)	885	15 592	–	2	2	15 594
1 2 0 0 Recruitment costs	116	–	21	137	–	0	0	138
1 2 1 0 Medical services	33	27	(8)	52	–	–	–	52
Total Chapter 1 2	149	27	14	190	–	0	0	190
1 3 0 0 Missions and travel	1 307	5	147	1 459	–	8	8	1 467
Total Chapter 1 3	1 307	5	147	1 459	–	8	8	1 467
1 4 0 0 Training expenditure	239	(39)	182	382	–	3	3	385
Total Chapter 1 4	239	(39)	182	382	–	3	3	385
1 5 0 0 Social measures	850	–	(482)	368	–	1	1	370
Total Chapter 1 5	850	–	(482)	368	–	1	1	370
1 6 0 0 External service providers	300	–	24	324	–	1	1	325
Total Chapter 1 6	300	–	24	324	–	1	1	325
1 7 0 0 Representation expenditure	2	–	(1)	1	–	–	–	1
Total Chapter 1 7	2	–	(1)	1	–	–	–	1
1 8 0 0 Tuition fees	1 230	(30)	238	1 438	–	67	67	1 506
Total Chapter 1 8	1 230	(30)	238	1 438	–	67	67	1 506
<b>Total Title 1</b>	<b>19 124</b>	<b>(378)</b>	<b>1 007</b>	<b>19 754</b>	<b>–</b>	<b>83</b>	<b>83</b>	<b>19 837</b>

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

EUR '000

Item	Initial adopted budget	Budget appropriations			Final budget adopted	Additional appropriations			Total approp. available
		Amending budgets	Transfers			Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
2 0 0 0 Investment in immovable property, rental	3 381	(381)	134	3 134	–	459	459	3 592	
Total Chapter 2 0	3 381	(381)	134	3 134	–	459	459	3 592	
2 1 0 0 Data processing cost	1 664	(164)	1 755	3 255	–	44	44	3 299	
Total Chapter 2 1	1 664	(164)	1 755	3 255	–	44	44	3 299	
2 2 0 0 Movable property and associated costs	100	(70)	(12)	18	–	–	–	18	
Total Chapter 2 2	100	(70)	(12)	18	–	–	–	18	
2 3 0 0 Current administrative expenditure	863	–	209	1 072	–	0	0	1 073	
Total Chapter 2 3	863	–	209	1 072	–	0	0	1 073	
2 4 0 0 Postage and telecommunication costs	405	(135)	(59)	211	–	0	0	211	
Total Chapter 2 4	405	(135)	(59)	211	–	0	0	211	
2 5 0 0 Expenditure in meetings	60	–	12	72	–	–	–	72	
Total Chapter 2 5	60	–	12	72	–	–	–	72	
2 6 0 0 Security Accreditation Board (SAB) administrative expenditure	350	–	(56)	294	–	–	–	294	
Total Chapter 2 6	350	–	(56)	294	–	–	–	294	
<b>Total Title 2</b>	<b>6 823</b>	<b>(750)</b>	<b>1 983</b>	<b>8 056</b>	<b>–</b>	<b>503</b>	<b>503</b>	<b>8 558</b>	

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

EUR '000

Item	Initial adopted budget	Budget appropriations		Final budget adopted	Additional appropriations			Total appropri- available
		Amendin g budgets	Transfers		Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3 1 0 0 Expenditure on studies	6 361	-	(2 475)	3 886	-	-	-	3 886
<b>Total Chapter 3 1</b>	<b>6 361</b>	<b>-</b>	<b>(2 475)</b>	<b>3 886</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 886</b>
3 3 0 0 Security Accreditation Board (SAB) expenditure	1 050	-	(515)	535	-	-	-	535
<b>Total Chapter 3 3</b>	<b>1 050</b>	<b>-</b>	<b>(515)</b>	<b>535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>535</b>
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 20 European Geostationary Navigation Overlay Service (EGNOS) exploitation	-	-	-	-	-	739 750	739 750	739 750
3 9 21 H2020 - 1st call	-	-	-	-	-	2 928	2 928	2 928
3 9 22 Galileo exploitation	-	-	-	-	-	1 509 913	1 509 913	1 509 913
3 9 23 H2020 - 2nd call	-	-	-	-	-	1 537	1 537	1 537
3 9 24 H2020 - 3rd call	-	-	-	-	-	10 883	10 883	10 883
<b>Total Chapter 3 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 267 166</b>	<b>2 267 166</b>	<b>2 267 166</b>
<b>Total Title 3</b>	<b>7 411</b>	<b>-</b>	<b>(2 990)</b>	<b>4 421</b>	<b>-</b>	<b>2 267 166</b>	<b>2 267 166</b>	<b>2 271 587</b>
<b>GRAND TOTAL</b>	<b>33 358</b>	<b>(1 128)</b>	<b>(0)</b>	<b>32 231</b>	<b>-</b>	<b>2 267 752</b>	<b>2 267 752</b>	<b>2 299 982</b>

## 5.2. Breakdown & changes in payment appropriations

### 5.2.1 Breakdown & changes in payment appropriations - Title 1

EUR '000

Item	Initial budget adopted	Budget appropriations		Final adopted budget	Additional appropriations			Total apppr. available
		Amending budgets	Transfers		Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1 1 0 0 Staff expenditure	15 047	(340)	885	15 592	–	2	2	15 594
Total Chapter 1 1	15 047	(340)	885	15 592	–	2	2	15 594
1 2 0 0 Recruitment costs	116	–	21	137	21	0	21	158
1 2 1 0 Medical services	33	27	(8)	52	24	–	24	76
Total Chapter 1 2	149	27	14	190	44	0	45	234
1 3 0 0 Missions and travel	1 307	5	147	1 459	195	8	203	1 662
Total Chapter 1 3	1 307	5	147	1 459	195	8	203	1 662
1 4 0 0 Training expenditure	239	(39)	182	382	43	3	46	428
Total Chapter 1 4	239	(39)	182	382	43	3	46	428
1 5 0 0 Social measures	850	–	(482)	368	64	1	66	434
Total Chapter 1 5	850	–	(482)	368	64	1	66	434
1 6 0 0 External service providers	300	–	24	324	114	1	115	439
Total Chapter 1 6	300	–	24	324	114	1	115	439
1 7 0 0 Representation expenditure	2	–	(1)	1	–	–	–	1
Total Chapter 1 7	2	–	(1)	1	–	–	–	1
1 8 0 0 Tuition fees	1 230	(30)	238	1 438	126	67	194	1 632
Total Chapter 1 8	1 230	(30)	238	1 438	126	67	194	1 632
<b>Total Title 1</b>	<b>19 124</b>	<b>(378)</b>	<b>1 007</b>	<b>19 754</b>	<b>586</b>	<b>83</b>	<b>670</b>	<b>20 24</b>

## 5.2.2 Breakdown &amp; changes in payment appropriations - Title 2

EUR '000

Item		Budget appropriations			Additional appropriations			Total apppr. available	
		Initial budget adopted	Amendin g budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue		Total
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2 0 0 0	Investment in immovable property, rental	3 381	(381)	134	3 134	758	459	1 216	4 350
Total Chapter 2 0		3 381	(381)	134	3 134	758	459	1 216	4 350
2 1 0 0	Data processing cost	1 664	(164)	1 755	3 255	730	44	775	4 030
Total Chapter 2 1		1 664	(164)	1 755	3 255	730	44	775	4 030
2 2 0 0	Movable property and associated costs	100	(70)	(12)	18	–	–	–	18
Total Chapter 2 2		100	(70)	(12)	18	–	–	–	18
2 3 0 0	Current administrative expenditure	863	–	209	1 072	424	0	424	1 497
Total Chapter 2 3		863	–	209	1 072	424	0	424	1 497
2 4 0 0	Postage and telecommunication costs	405	(135)	(59)	211	154	0	154	365
Total Chapter 2 4		405	(135)	(59)	211	154	0	154	365
2 5 0 0	Expenditure in meetings	60	–	12	72	6	–	6	78
Total Chapter 2 5		60	–	12	72	6	–	6	78
2 6 0 0	Security Accreditation Board (SAB) administrative expenditure	350	–	(56)	294	126	–	126	421
Total Chapter 2 6		350	–	(56)	294	126	–	126	421
Total Title 2		6 823	(750)	1 983	8 056	2 199	503	2 701	10 757



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

EUR '000

Item		Initial budget adopted	Budget appropriations			Additional appropriations			Total apppr. available
			Amendin g budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3 1 0 0	Expenditure on studies	6 361	–	(2 665)	3 696	1 137	–	1 137	4 833
Total Chapter 3 1		6 361	–	(2 665)	3 696	1 137	–	1 137	4 833
3 3 0 0	Security Accreditation Board (SAB) expenditure	1 050	–	(325)	725	6	–	6	731
Total Chapter 3 3		1 050	–	(325)	725	6	–	6	731
3 9 13	7th framework programme - 1st and 2nd call	–	–	–	–	–	142	142	142
3 9 17	7th framework programme - 3rd call	–	–	–	–	–	335	335	335
3 9 18	Public regulated services	–	–	–	–	–	3 028	3 028	3 028
3 9 20	European Geostationary Navigation Overlay Service (EGNOS) exploitation	–	–	–	–	–	283 763	283 763	283 763
3 9 21	H2020 - 1st call	–	–	–	–	–	23 292	23 292	23 292
3 9 22	Galileo exploitation	–	–	–	–	–	911 178	911 178	911 178
3 9 23	H2020 - 2nd call	–	–	–	–	–	4 775	4 775	4 775
3 9 24	H2020 - 3rd call	–	–	–	–	–	6 845	6 845	6 845
Total Chapter 3 9		–	–	–	–	–	1 233 357	1 233 357	1 233 357
Total Title 3		7 411	–	(2 990)	4 421	1 143	1 233 357	1 234 500	1 238 921
GRAND TOTAL		33 358	(1 128)	(0)	32 231	3 928	1 233 943	1 237 871	1 270 102

## 5.3. Implementation of commitment appropriations

### 5.3.1 Implementation of commitment appropriations - Title 1

EUR '000

Item	Total approp. available	from final adopt. budget	Commitments made		Total	%	Appropriations carried over to 2019			Appropriations lapsing			
			from carry-overs	from assign. revenue			Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1 1 0 0 Staff expenditure	15 594	15 592	–	2	15 594	100 %	–	–	–	–	–	–	–
Total Chapter 1 1	15 594	15 592	–	2	15 594	100 %	–	–	–	–	–	–	–
1 2 0 0 Recruitment costs	138	137	–	–	137	100 %	0	–	0	–	–	–	–
1 2 1 0 Medical services	52	52	–	–	52	100 %	–	–	–	–	–	–	–
Total Chapter 1 2	190	190	–	–	190	100 %	0	–	0	–	–	–	–
1 3 0 0 Missions and travel	1 467	1 459	–	6	1 465	100 %	2	–	2	–	–	–	–
Total Chapter 1 3	1 467	1 459	–	6	1 465	100 %	2	–	2	–	–	–	–
1 4 0 0 Training expenditure	385	382	–	3	385	100 %	–	–	–	–	–	–	–
Total Chapter 1 4	385	382	–	3	385	100 %	–	–	–	–	–	–	–
1 5 0 0 Social measures	370	368	–	–	368	100 %	1	–	1	–	–	–	–
Total Chapter 1 5	370	368	–	–	368	100 %	1	–	1	–	–	–	–
1 6 0 0 External service providers	325	324	–	1	325	100 %	–	–	–	–	–	–	–
Total Chapter 1 6	325	324	–	1	325	100 %	–	–	–	–	–	–	–
1 7 0 0 Representation expenditure	1	1	–	–	1	100 %	–	–	–	–	–	–	–
Total Chapter 1 7	1	1	–	–	1	100 %	–	–	–	–	–	–	–
1 8 0 0 Tuition fees	1 506	1 438	–	3	1 442	96 %	64	–	64	–	–	–	–
Total Chapter 1 8	1 506	1 438	–	3	1 442	96 %	64	–	64	–	–	–	–
<b>Total Title 1</b>	<b>19 837</b>	<b>19 754</b>	<b>–</b>	<b>15</b>	<b>19 769</b>	<b>100 %</b>	<b>68</b>	<b>–</b>	<b>68</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 5.3.2 Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2019			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
2 0 0 0 Investment in immovable property, rental	3 592	3 134	-	218	3 352	93 %	240	-	240	-	-	-	-
<b>Total Chapter 2 0</b>	<b>3 592</b>	<b>3 134</b>	<b>-</b>	<b>218</b>	<b>3 352</b>	<b>93 %</b>	<b>240</b>	<b>-</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2 1 0 0 Data processing cost	3 299	3 255	-	12	3 268	99 %	32	-	32	-	-	-	-
<b>Total Chapter 2 1</b>	<b>3 299</b>	<b>3 255</b>	<b>-</b>	<b>12</b>	<b>3 268</b>	<b>99 %</b>	<b>32</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2 2 0 0 Movable property and associated costs	18	18	-	-	18	100 %	-	-	-	-	-	-	-
<b>Total Chapter 2 2</b>	<b>18</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2 3 0 0 Current administrative expenditure	1 073	1 072	-	-	1 072	100 %	0	-	0	-	-	-	-
<b>Total Chapter 2 3</b>	<b>1 073</b>	<b>1 072</b>	<b>-</b>	<b>-</b>	<b>1 072</b>	<b>100 %</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2 4 0 0 Postage and telecommunication costs	211	211	-	0	211	100 %	-	-	-	-	-	-	-
<b>Total Chapter 2 4</b>	<b>211</b>	<b>211</b>	<b>-</b>	<b>0</b>	<b>211</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2 5 0 0 Expenditure in meetings	72	72	-	-	72	100 %	-	-	-	-	-	-	-
<b>Total Chapter 2 5</b>	<b>72</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>72</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2 6 0 0 Security Accreditation Board (SAB) administrative expenditure	294	294	-	-	294	100 %	-	-	-	-	-	-	-
<b>Total Chapter 2 6</b>	<b>294</b>	<b>294</b>	<b>-</b>	<b>-</b>	<b>294</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Title 2</b>	<b>8 558</b>	<b>8 056</b>	<b>-</b>	<b>231</b>	<b>8 286</b>	<b>97 %</b>	<b>272</b>	<b>-</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5.3.3 Implementation of commitment appropriations - Title 3

EUR '000

		Total approp. available	Commitments made				Appropriations carried over to 2019			Appropriations lapsing				
			from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
Item		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	3 886	3 886	-	-	3 886	100 %	-	-	-	-	-	-	-
Total Chapter 3 1		3 886	3 886	-	-	3 886	100 %	-	-	-	-	-	-	-
3 3 0 0	Security Accreditation Board (SAB) expenditure	535	535	-	-	535	100 %	-	-	-	-	-	-	-
Total Chapter 3 3		535	535	-	-	535	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 20	European Geostationary Navigation Overlay Service (EGNOS) exploitation	739 750	-	-	330 411	330 411	45 %	409 338	-	409 338	-	-	-	-
3 9 21	H2020 - 1st call	2 928	-	-	423	423	14 %	2 505	-	2 505	-	-	-	-
3 9 22	Galileo exploitation	1 509 913	-	-	831 780	831 780	55 %	678 133	-	678 133	-	-	-	-
3 9 23	H2020 - 2nd call	1 537	-	-	3	3	0 %	1 534	-	1 534	-	-	-	-
3 9 24	H2020 - 3rd call	10 883	-	-	10 602	10 602	97 %	281	-	281	-	-	-	-
Total Chapter 3 9		2 267 166	-	-	1 173 219	1 173 219	52 %	1 093 946	-	1 093 946	-	-	-	-
Total Title 3		2 271 587	4 421	-	1 173 219	1 177 640	52 %	1 093 946	-	1 093 946	-	-	-	-
GRAND TOTAL		2 299 982	32 231	-	1 173 465	1 205 696	52 %	1 094 287	-	1 094 287	-	-	-	-

## 5.4. Implementation of payment appropriations

### 5.4.1 Implementation of payment appropriations - Title 1

Item	Total approp. availab.	Payments made				Appropriations carried over to 2019					Appropriations lapsing	
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs
	1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12
1 1 0 0 Staff expenditure	15 594	15 592	–	2	15 594	100 %	–	–	–	–	–	–
Total chapter 1 1	15 594	15 592	–	2	15 594	100 %	–	–	–	–	–	–
1 2 0 0 Recruitment costs	158	99	21	–	120	75 %	38	–	0	39	–	–
1 2 1 0 Medical services	76	5	23	–	28	37 %	47	–	–	47	–	1
Total chapter 1 2	234	104	44	–	148	63 %	85	–	0	86	–	1
1 3 0 0 Missions and travel	1 662	1 263	154	6	1 423	86 %	196	–	2	198	–	40
Total chapter 1 3	1 662	1 263	154	6	1 423	86 %	196	–	2	198	–	40
1 4 0 0 Training expenditure	428	255	37	3	295	69 %	127	–	–	127	–	6
Total chapter 1 4	428	255	37	3	295	69 %	127	–	–	127	–	6
1 5 0 0 Social measures	434	187	64	–	251	58 %	181	–	1	183	–	–
Total chapter 1 5	434	187	64	–	251	58 %	181	–	1	183	–	–
1 6 0 0 External service providers	439	207	112	1	319	73 %	118	–	–	118	–	2
Total chapter 1 6	439	207	112	1	319	73 %	118	–	–	118	–	2
1 7 0 0 Representation expenditure	1	1	–	–	1	94 %	0	–	–	0	–	–
Total chapter 1 7	1	1	–	–	1	94 %	0	–	–	0	–	–
1 8 0 0 Tuition fees	1 632	1 418	126	3	1 547	95 %	21	–	64	85	–	–
Total chapter 1 8	1 632	1 418	126	3	1 547	95 %	21	–	64	85	–	–
<b>Total Title 1</b>	<b>20 424</b>	<b>19 026</b>	<b>538</b>	<b>15</b>	<b>19 579</b>	<b>96 %</b>	<b>728</b>	<b>–</b>	<b>68</b>	<b>796</b>	<b>–</b>	<b>48</b>

## 5.4.2 Implementation of payment appropriations - Title 2

Item		Total approp. availab.	Payments made				Appropriations carried over to 2019				Appropriations lapsing		
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs
		1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12
2 0 0 0	Investment in immovable property, rental	4 350	1 931	745	218	2 894	67 %	1 203	–	240	1 443	–	13
Total chapter 2 0		4 350	1 931	745	218	2 894	67 %	1 203	–	240	1 443	–	13
2 1 0 0	Data processing cost	4 030	744	729	12	1 486	37 %	2 511	–	32	2 543	–	2
Total chapter 2 1		4 030	744	729	12	1 486	37 %	2 511	–	32	2 543	–	2
2 2 0 0	Movable property and associated costs	18	18	–	–	18	100 %	–	–	–	–	–	–
Total chapter 2 2		18	18	–	–	18	100 %	–	–	–	–	–	–
2 3 0 0	Current administrative expenditure	1 497	422	412	–	833	56 %	651	–	0	651	–	12
Total chapter 2 3		1 497	422	412	–	833	56 %	651	–	0	651	–	12
2 4 0 0	Postage and telecommunication costs	365	83	115	0	199	54 %	127	–	–	127	–	39
Total chapter 2 4		365	83	115	0	199	54 %	127	–	–	127	–	39
2 5 0 0	Expenditure in meetings	78	63	4	–	67	86 %	9	–	–	9	–	2
Total chapter 2 5		78	63	4	–	67	86 %	9	–	–	9	–	2
2 6 0 0	Security Accreditation Board (SAB) administrative expenditure	421	277	116	–	393	93 %	17	–	–	17	–	11
Total chapter 2 6		421	277	116	–	393	93 %	17	–	–	17	–	11
Total Title 2		10 757	3 538	2 120	231	5 889	55 %	4 517	–	272	4 789	–	78

## 5.4.3 Implementation of payment appropriations - Title 3

Item	Total approp. availab.	Payments made					Appropriations carried over to 2019				Appropriations lapsing	
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs
	1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12
3 1 0 0 Expenditure on studies	4 833	3 695	1 137	–	4 832	100 %	0	–	–	–	1	–
<b>Total chapter 3 1</b>	<b>4 833</b>	<b>3 695</b>	<b>1 137</b>	<b>–</b>	<b>4 832</b>	<b>100 %</b>	<b>0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>–</b>
3 3 0 0 Security Accreditation Board (SAB) expenditure	731	725	6	–	731	100 %	0	–	–	–	–	–
<b>Total chapter 3 3</b>	<b>731</b>	<b>725</b>	<b>6</b>	<b>–</b>	<b>731</b>	<b>100 %</b>	<b>0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
3 9 13 7th framework programme - 1st and 2nd call	142	–	–	–	–	0 %	0	–	142	142	–	–
3 9 17 7th framework programme - 3rd call	335	–	–	–	–	0 %	0	–	335	335	–	–
3 9 18 Public regulated services	3 028	–	–	–	–	0 %	0	–	3 028	3 028	–	–
3 9 20 European Geostationary Navigation Overlay Service (EGNOS) exploitation	283 763	–	–	162 586	162 586	57 %	0	–	121 177	121 177	–	–
3 9 21 H2020 - 1st call	23 292	–	–	12 948	12 948	56 %	0	–	10 344	10 344	–	–
3 9 22 Galileo exploitation	911 178	–	–	612 879	612 879	67 %	0	–	298 299	298 299	–	–
3 9 23 H2020 - 2nd call	4 775	–	–	2 205	2 205	46 %	0	–	2 570	2 570	–	–
3 9 24 H2020 - 3rd call	6 845	–	–	5 882	5 882	86 %	0	–	962	962	–	–
<b>Total chapter 3 9</b>	<b>1 233 357</b>	<b>–</b>	<b>–</b>	<b>796 500</b>	<b>796 500</b>	<b>65 %</b>	<b>0</b>	<b>–</b>	<b>436 857</b>	<b>436 857</b>	<b>–</b>	<b>–</b>
<b>Total Title 3</b>	<b>1 238 921</b>	<b>4 420</b>	<b>1 143</b>	<b>796 500</b>	<b>802 063</b>	<b>65 %</b>	<b>0</b>	<b>–</b>	<b>436 857</b>	<b>436 857</b>	<b>1</b>	<b>–</b>
<b>GRAND TOTAL</b>	<b>1 270 102</b>	<b>26 985</b>	<b>3 801</b>	<b>796 746</b>	<b>827 532</b>	<b>65 %</b>	<b>5 245</b>	<b>–</b>	<b>437 197</b>	<b>442 442</b>	<b>1</b>	<b>127</b>

Note: Due to the late posting of a regularisation financial transaction, an impact of kEUR -24 620 in assigned revenue on line 3 9 2 2 is not visible for the financial year 2018.

## 6. COMMITMENTS OUTSTANDING

### 6.1 Commitments outstanding - Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the year				
	Commitm. carried forward from previous year	Decommit. Revaluation Cancel-lations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end	Total commitm. 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	-	-	-	-	15 594	15 594	-	-	-
Total chapter 1 1	-	-	-	-	15 594	15 594	-	-	-
1 2 0 0 Recruitment costs	21	-	21	-	137	99	-	38	38
1 2 1 0 Medical services	24	(1)	23	-	52	5	-	47	47
Total chapter 1 2	44	(1)	44	-	190	104	-	85	85
1 3 0 0 Missions and travel	195	(40)	154	-	1 465	1 269	-	196	196
Total chapter 1 3	195	(40)	154	-	1 465	1 269	-	196	196
1 4 0 0 Training expenditure	43	(6)	37	-	385	258	-	127	127
Total chapter 1 4	43	(6)	37	-	385	258	-	127	127
1 5 0 0 Social measures	64	-	64	-	368	187	-	181	181
Total chapter 1 5	64	-	64	-	368	187	-	181	181
1 6 0 0 External service providers	114	(2)	112	-	325	207	-	118	118
Total chapter 1 6	114	(2)	112	-	325	207	-	118	118
1 7 0 0 Representation expenditure	-	-	-	-	1	1	-	0	0
Total chapter 1 7	-	-	-	-	1	1	-	0	0
1 8 0 0 Tuition fees	126	-	126	-	1 442	1 421	-	21	21
Total chapter 1 8	126	-	126	-	1 442	1 421	-	21	21
<b>Total Title 1</b>	<b>586</b>	<b>(48)</b>	<b>538</b>	<b>-</b>	<b>19 769</b>	<b>19 041</b>	<b>-</b>	<b>728</b>	<b>728</b>



## 6.2 Commitments outstanding - Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the year				
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end	Total commitm. 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	758	(13)	745	–	3 352	2 149	–	1 203	1 203
Total chapter 2 0	758	(13)	745	–	3 352	2 149	–	1 203	1 203
2 1 0 0 Data processing cost	730	(2)	729	–	3 268	757	–	2 511	2 511
Total chapter 2 1	730	(2)	729	–	3 268	757	–	2 511	2 511
2 2 0 0 Movable property and associated costs	–	–	–	–	18	18	–	–	–
Total chapter 2 2	–	–	–	–	18	18	–	–	–
2 3 0 0 Current administrative expenditure	424	(12)	412	–	1 072	422	–	651	651
Total chapter 2 3	424	(12)	412	–	1 072	422	–	651	651
2 4 0 0 Postage and telecommunication costs	154	(39)	115	–	211	84	–	127	127
Total chapter 2 4	154	(39)	115	–	211	84	–	127	127
2 5 0 0 Expenditure in meetings	6	(2)	4	–	72	63	–	9	9
Total chapter 2 5	6	(2)	4	–	72	63	–	9	9
2 6 0 0 Security Accreditation Board (SAB) administrative expenditure	126	(11)	116	–	294	277	–	17	17
Total chapter 2 6	126	(11)	116	–	294	277	–	17	17
<b>Total Title 2</b>	<b>2 199</b>	<b>(78)</b>	<b>2 120</b>	<b>–</b>	<b>8 286</b>	<b>3 769</b>	<b>–</b>	<b>4 517</b>	<b>4 517</b>

## 6.3 Commitments outstanding - Title 3

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the year				
Item		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end	Total commitm. 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	6 456	(87)	4 432	1 936	3 886	400	–	3 486	5 423
Total chapter 3 1		6 456	(87)	4 432	1 936	3 886	400	–	3 486	5 423
3 3 0 0	Security Accreditation Board (SAB) expenditure	1 210	(65)	731	414	535	–	–	535	949
Total chapter 3 3		1 210	(65)	731	414	535	–	–	535	949
3 9 18	Public regulated services	3 028	–	–	3 028	–	–	–	–	3 028
3 9 20	European Geostationary Navigation Overlay Service (EGNOS) exploitation	387 697	(609)	84 932	302 156	330 411	77 654	–	252 757	554 913
3 9 21	H2020 - 1st call	24 912	(515)	12 937	11 460	423	12	–	411	11 871
3 9 22	Galileo exploitation	793 605	(4 152)	310 633	478 820	831 780	302 246	–	529 534	1 008 355
3 9 23	H2020 - 2nd call	6 152	(169)	2 202	3 781	3	3	–	–	3 781
3 9 24	H2020 - 3rd call	12 357	–	59	12 298	10 602	5 823	–	4 779	17 077
Total chapter 3 9		1 227 750	(5 445)	410 763	811 543	1 173 219	385 738	–	787 482	1 599 025
<b>Total Title 3</b>		<b>1 235 415</b>	<b>(5 597)</b>	<b>415 926</b>	<b>813 893</b>	<b>1 177 640</b>	<b>386 137</b>	<b>–</b>	<b>791 503</b>	<b>1 605 396</b>
<b>GRAND TOTAL</b>		<b>1 238 201</b>	<b>(5 724)</b>	<b>418 584</b>	<b>813 893</b>	<b>1 205 696</b>	<b>408 948</b>	<b>–</b>	<b>796 748</b>	<b>1 610 641</b>

## 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 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.

### 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.

For agencies, 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: for the EU institutions, the European Parliament and the Council of Ministers.

For the agencies and joint undertakings, their board is the budgetary authority.

### 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. Financial Regulation Art. 7: 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. Financial Regulation Art. 7: 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.

For reference, regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union.

### 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 Treaty on the Functioning of the European Union. 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.

Only for joint undertakings, as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called "N+3" rule). Hence, lapsing appropriations for JUs could be reactivated until financial year "N+3".

### Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty on the Functioning of the European Union giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain articles from the treaty 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. (Financial Regulation Art. 9). 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 (Financial Regulation Art. 7).

#### 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 (Cf. 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. However they are expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The Financial Regulation 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.