



Final Annual Accounts

Research Executive Agency

Financial Statements

Reports on the implementation of the budget

Financial year 2019

The opinion of the Steering Committee was given on 16.06.2020

The accounts are sent to the Commission's Accounting Officer, the European Court of Auditors, the European Parliament and the Council.

They will also be published on the REA website: <http://ec.europa.eu/research/rea/>



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CERTIFICATE AND STATEMENT OF THE DIRECTOR

CERTIFICATE

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Research Executive Agency in accordance with Article 246 of the Financial Regulation ('FR')¹ and I hereby certify that the annual accounts of the Research Executive Agency for the year 2019 have been prepared in accordance with Title XIII of the FR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the Research Executive Agency's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Research Executive Agency.

STATEMENT OF THE DIRECTOR

I, the undersigned, Director of the Research Executive Agency, in my capacity as authorising officer,

- Declare that the information contained in this report gives a true and fair view.
- State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

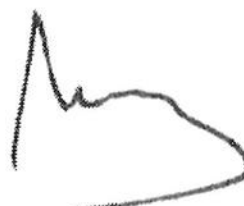
This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the work of ex-ante controls as well as the observations of the Internal Audit Service.

- Confirm that I am not aware of anything not reported here which could harm the interests of the Agency or the Commission.

Brussels, 16 June 2020



Valérie Ponta-Breitenstein
Accounting Officer



Marc Tachelet
Director

¹ Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC, OJ L 347 of 20.12.2013, p.104.

1. INTRODUCTION

1.1. Legal Basis

The financial statements of REA and its report on budget implementation for 2019 were prepared in accordance with:

- Commission Regulation (EC) No 1653/2004 of the Council of 21 September 2004, on a Standard Financial Regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the Statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, as last amended by Commission Regulation (EC) No 651/2008 of 09 July 2008;
- Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012 (2012 Financial Regulation);
- The Accounting Rules on accrual accounting adopted by the Accounting Officer of the Commission in December 2004 and last updated in January 2019.

1.2. Background Information

The Research Executive Agency (hereinafter referred to as “REA” or as “the Agency”) was established in December 2007 by the Commission Decision 2008/46/EC². This Decision was repealed and replaced by Commission Decision 2013/778/EU³ of 13 December 2013 establishing REA for the period 01.01.2014 to 31.12.2024.

REA operates in accordance with Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, including budget implementation.

The Agency is entrusted with the management of selected actions of various parts of the Specific Programme Implementing Horizon 2020 – The Framework Programme for Research and Innovation (2014-2020)⁴, as well as with the implementation of the legacy of parts of specific programmes within the Seventh Framework Programme (Decision 1982/2006/EC).

The REA Delegation Act and its Annexes, adopted on 20 December 2013 by Commission Decision C(2013) 9418, state which parts of Horizon 2020 are delegated to REA, which tasks are managed for each project and how REA interacts with the European Commission (i.e. with REA’s parent DGs). It also details the mandate regarding the support services. The mandate was subsequently updated (see below).

Under the **current mandate**, REA:

- manages the following Horizon 2020 activities:
 - under “Excellent Science”:
 - Marie Skłodowska-Curie Actions;
 - Future Emerging Technologies – FET-Open;
 - under “Industrial Leadership”:
 - Space Research;
 - under “Societal Challenges”:

² OJ L 11 of 15.1.2008, p.9.

³ OJ L 346 of 20.12.2013.

⁴ Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC, OJ L 347 of 20.12.2013, p.104.

- Food security, sustainable agriculture and forestry, marine & maritime and inland water research and the bio-economy;
- Europe in a changing world: Inclusive, innovative and reflective societies;
- Secure Societies – Protecting freedom and security of Europe and its citizens;
- under “Horizon 2020 Specific Objectives”:
 - Spreading Excellence and Widening Participation;
 - Science with and for Society.
- continues to manage the legacy of all the FP7 actions from the previous mandate: Marie Curie Actions – People Specific Programme; Space Research and Security Research, both under the Cooperation Specific Programme; FP7 SME actions under the Capacities Specific Programme;
- Regarding support services, REA’s mandate since 2014 serves more clients and provides more services:
 - For expert management: REA contracts and pays all expert evaluators for all services managing “Horizon 2020” except the European Research Council Executive Agency, some Joint Undertakings and “Horizon 2020 – Euratom”. Expert monitors (also referred to as "reviewers") remain to be managed by each service;
 - For participant validation services: REA provides validation services to all Horizon 2020 services and to a number of other programmes (e.g. Erasmus+, Creative Europe, Europe for Citizenship, COSME, programmes in the fields of health and consumers, justice and home affairs as well as agricultural promotion);

The Delegation Act was last amended by the Commission Decision C(2017) 4900 of 14 July 2017. This extension of the mandate entered into force on 1 January 2018 and delegated the following additional tasks to REA:

- to provide extended services related to the legal validation of participants and the preparation of financial capacity checks, in response to the obligation of the Single Electronic Data Interchange Area – SEDIA (based on Article 95(2) of the Financial Regulation), for all Direct Management managed by the Commission, the Executive Agencies and Joint Undertakings;
- to implement projects generating EU classified information.

External Audit

The European Court of Auditors is required to scrutinise the REA's accounts in line with the requirements of Article 248 of the Treaty on the Functioning of the EU.

Discharge

The European Parliament is the discharge Authority within the EU. This means that, following the audit and finalisation of the annual accounts, it falls to the Council to recommend and then to the European Parliament to give a discharge to the Director of REA for a given financial year.

2. FINANCIAL STATEMENTS 2019

2.1. REA balance sheet as of 31.12.2019 (in euros)

	Notes (section 2.5.2)	31.12.2019	31.12.2018	Variation Amount	Variation %
ASSETS		13.063.398	12.377.449	685.949	6%
NON CURRENT ASSETS		2.318.663	2.065.174	253.489	12%
INTANGIBLE FIXED ASSETS	2.5.2.1	395.410	212.831	182.579	86%
TANGIBLE FIXED ASSETS	2.5.2.2	1.923.253	1.852.343	70.910	4%
Plant and equipment		0	0		
Furniture and vehicles		7.808	13.292	-5.484	-41%
Computer hardware		79.250	179.157	-99.907	-56%
Others fixtures and fittings		1.679.939	1.659.894	20.045	1%
Computer hardware under finance lease		156.256	0	156.256	
CURRENT ASSETS		10.744.735	10.312.275	432.460	4%
EXCHANGE RECEIVABLES		3.612.453	4.002.056	-389.602	-10%
Current receivable customers	2.5.2.3	32.724	0	32.724	
Deferred charges	2.5.2.4	2.993.529	2.891.642	101.887	4%
Deferred charges with consolidated entities	2.5.2.5	55.669	1.018.505	-962.836	-95%
Sundry receivables	2.5.2.6	66.221	91.908	-25.687	-28%
Current receivable consolidated entities	2.5.2.7	457.310	0	457.310	
Accrued income	2.5.2.8	7.000	0	7.000	
NON EXCHANGE RECEIVABLES	2.5.2.9	1.055	5.999	1.055	
Accrued income		165	0	165	
Other current receivable		890	0	890	
Other current receivable with consolidated entities		0	5.999	-5.999	-100%
CASH AND CASH EQUIVALENTS	2.5.2.10	7.131.227	6.304.220	827.007	13%
LIABILITIES		13.063.398	12.377.449	685.949	6%
NON CURRENT LIABILITIES		121.153	0	121.153	
FINANCE LEASE	2.5.2.11	121.153	0	121.153	
Long Term Lease		121.153	0	121.153	
CURRENT LIABILITIES		4.281.906	3.168.731	1.113.175	35%
CURRENT FINANCIAL LIABILITIES	2.5.2.12	33.881	0	33.881	
Short Term Lease		33.881	0	33.881	
CURRENT PAYABLE	2.5.2.13	65.932	40.240	25.693	64%
Current payable vendor		64.971	15.523	49.448	319%
Other current payable		0	5.202	-5.202	-100%
Current payable consolidated entities		0	19.515	-19.515	-100%
Other current payable consolidated entities		961	0	961	
SUNDRY PAYABLES	2.5.2.14	23.487	30.097	-6.610	-22%
ACCOUNT PAYABLE CONSOLIDATED ENTITIES	2.5.2.15	384.439	275.363	109.076	40%
Pre-financing from consolidated entities		384.439	275.363	109.076	40%
ACCRUED CHARGES AND DEFERRED INCOME		3.774.166	2.823.031	951.136	34%
Accrued charges	2.5.2.16	1.524.914	1.789.076	-264.161	-15%
Accrued charges with consolidated entities	2.5.2.17	1.855.581	1.033.955	821.625	79%
Deferred income with consolidated entities	2.5.2.18	393.672	0	393.672	
NET ASSET		8.660.340	9.208.718	-548.379	-6%
ACCUMULATED SURPLUS/(DEFICIT)		9.208.718	10.492.520	-1.283.802	
ECONOMIC RESULT OF THE YEAR (profit+/loss-)		-548.379	-1.283.802	735.424	

2.2. REA Statement of financial performance (in euros)

	Notes (section 2.5.3)	31.12.2019	31.12.2018	Variation Amount	Variation %
ECONOMIC RESULT OF THE YEAR		-548.379	-1.283.802	735.424	57%
OPERATING REVENUE		75.580.028	68.991.643	6.588.385	10%
NON-EXCHANGE REVENUES		75.298.394	68.959.488	6.337.598	9%
Other non exchange revenue	2.5.3.1	1.308	0		
Subsidy of the Commission	2.5.3.2	75.297.086	68.959.488	6.337.598	9%
EXCHANGE REVENUES		281.634	32.155	249.479	776%
Fixed assets related revenue	2.5.3.3	0	26.404	-26.404	-100%
Income with consolidated entities	2.5.3.4	241.566	0	241.566	
Exchange rate differences gains	2.5.3.5	335	211	124	59%
Other miscellaneous revenues	2.5.3.6	39.734	5.541	34.193	617%
OPERATING EXPENSES		76.128.407	70.275.445	5.852.962	8%
EXCHANGE EXPENSES		76.128.407	70.275.445	5.852.962	8%
Staff expenses	2.5.3.7	54.295.380	48.880.036	5.415.345	11%
Interest expenses	2.5.3.8	1.222	0	1.222	
Administrative and IT expenses	2.5.3.9	8.644.914	9.739.253	-1.094.339	-11%
Assets related expenses	2.5.3.10	806.968	939.456	-132.488	-14%
Land and building	2.5.3.11	12.379.153	10.715.834	1.663.319	16%
Exchange rate differences losses		770	867	-97	-11%

2.3. REA Cash flow statement (in euros)

	NOTES (section 2.5.4)	31.12.2019	31.12.2018
Economic result of the year		-548.379	-1.283.802
Operating activities			
Amortization (intangible fixed assets) (+)		63.424	55.527
Depreciation (tangible fixed assets) (+)		743.544	883.929
Increase/(decrease) in Provisions for risks and liabilities			
Increase/(decrease) in Value reduction for doubtful debts			
(Increase)/decrease in Long term Receivables			
(Increase)/decrease in Short term Receivables		-116.979	-102.668
(Increase)/decrease in Receivables related to consolidated EU ent.		511.525	4.126.345
Increase/(decrease) in Long term liabilities		121.153	-
Increase/(decrease) in Accounts payables		-192.644	468.587
Increase/(decrease) in Liabilities related to consolidated EU entities		1.305.819	-227.498
Total Operating activities net cash Flow		1.887.464	3.920.420
Investing activities			
Amounts written off tangible fixed assets			
Increase of tangible and intangible fixed assets(-)		-1.060.457	-1.520.046
Total Investing activities net cash Flow		-1.060.457	-1.520.046
NET CASHFLOW		827.007	2.400.374
Net Increase/(decrease) in cash and cash equivalents		827.007	2.400.374
Cash and cash equivalents at the beginning of the period		6.304.220	3.903.846
CASH AND CASH EQUIVALENT AT YEAR END		7.131.227	6.304.220

2.4. REA statement of changes in net assets (in euros)

	Accumulated Surplus (+) / Deficit (-)	Economic result of the year	Net assets (total)
Balance as of 31 December 2018	10.492.520	-1.283.802	9.208.718
Changes in accounting policies	0	0	0
Balance as of 01 January 2019	10.492.520	-1.283.802	9.208.718
Fair value movements			0
Allocation of the Economic Result of Previous Year	-1.283.802		
Economic Result of the year		-548.379	
Balance as of 31 December 2019	9.208.718	-548.379	8.660.340

2.5. Notes to the financial statements

These financial statements cover the period from 1 January 2019 until 31 December 2019.

2.5.1. Significant accounting policies

Legal basis and accounting rules

The accounts are kept in accordance with Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies.

REA being fully consolidated in the Commission accounts, the 2019 REA financial statements and report on implementation of the budget have been established in accordance with the legal basis described in the introduction.

These financial statements are prepared on the basis of the EU Accounting Rules as adopted by the Commission's Accounting Officer which adapt the International Public Sector Accounting Standards (IPSAS) (and in some cases the International Financial Reporting Standards) to the specific environment of the EU, while the reports on implementation of the budget continue to be primarily based on movements of cash.

The accounting system of REA comprises general accounts and budget accounts. These accounts are kept in euros on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle⁵. The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet as at 31 December.

The REA's financial statements have been drawn up using the methods of preparation as set out in the accounting rules laid down by the Commission's Accounting Officer.

Accounting principles

The objective of the financial statements is to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. For a public sector entity such as REA, the objectives are more specifically to provide information useful for decision making and to demonstrate the accountability of the entity for the resources entrusted to it.

Article 53 of the standard financial regulation for executive agencies⁶ sets out the accounting principles to be applied in drawing up the financial statements:

Going concern basis

When preparing financial statements an assessment of an entity's ability to continue as a going concern shall be made. Financial statements shall be prepared on a going-concern basis unless there is an intention to liquidate the entity or to cease operating, or if there is no realistic alternative but to do so. These financial statements have been prepared in accordance with the going-concern principle, which means that the Agency is deemed to have been established for an indefinite duration.

⁵ This differs from cash-based accounting because of elements such as carryovers.

⁶ Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes and amended by Commission Regulation (EC) No 651/2008 of 09 July 2008.

Prudence

The principle of prudence means that assets and income shall not be overstated and liabilities and charges shall not be understated. However, the principle of prudence does not allow the creation of hidden reserves or undue provisions.

Consistent accounting methods

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

The Agency's Accounting Officer may not depart from the principle of consistent accounting methods other than in exceptional circumstances, in particular:

- a) in the event of a significant change in the nature of the entity's operations;
- b) where the change made is for the sake of a more appropriate presentation of the accounting operations.

Comparability of information

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

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

Materiality

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

Transactions may be aggregated where:

- a) the transactions are identical in nature, even if the amounts are large;
- b) the amounts are negligible;
- c) aggregation offers more clarity in the financial statements.

No netting

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

Reality over appearance

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

Accrual-based accounting

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

Exception to the accounting principles

Where, in a specific case, the Accounting Officer considers that an exception should be made to the application of one of the accounting principles defined above this exception must be duly substantiated and reported in the annex to the financial statements.

In parallel, the overall considerations (or accounting principles) to be followed when preparing the financial statements are also laid down in EU Accounting Rule 1 and are the same as those described in IPSAS 1, that is: fair presentation, accrual basis, going concern basis, consistency of presentation, aggregation, no offsetting and comparative information.

Basis of preparation

Functional and reporting currency

The financial statements are presented in euros, which is the functional and reporting currency of the EU.

Transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing at the date of the transactions.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary items in foreign currency into euros at year-end are recognised in the statement of financial performance.

Chart of Accounts

The chart of accounts used by REA follows the structure of the chart of accounts of the European Commission (PCUE).

Use of estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts presented and disclosed in the *Financial Statements* of REA. Significant estimates and assumptions in these financial statements require judgment and are used for, but not limited to, accrued income and charges, provisions, contingent assets and liabilities. Actual results reported in future periods may be different from these estimates. Changes in estimates are reflected in the period in which they become known.

Balance sheet

The balance sheet of REA is consisting of assets and liabilities.

Assets

Assets are non-physical/physical economically valued items owned and controlled by REA with the expectation that they will provide future benefit to the Agency.

Intangible assets

An intangible asset is an asset that is not physical in nature.

In the balance sheet of REA, intangible assets are mostly consisting of software licences. The latter are stated at historical acquisition cost less accumulated depreciation and adjusted for

eventual impairment. Intangible assets are amortised on a straight-line basis over the estimated / contractual useful life of the concerned asset.

According to EU Accounting Rule 6, internally developed intangible assets can be capitalised when the relevant capitalisation criteria are met. All costs directly attributable to the creation, production and preparation of the asset, to make it operational as intended by the management of the Agency, should be capitalised.

Costs associated with research activities, non-capitalisable development and maintenance are recognised (in the Statement of financial performance) as expenses when incurred.

REA considers a useful life of 4 years (25% amortisation rate) for its intangible assets.

Property, plant and equipment

Property, plant and equipment are tangible assets. A tangible asset is an asset that has a physical form.

Tangible fixed assets are stated at historical acquisition cost less accumulated depreciation and adjusted for eventual impairment.

Historical acquisition cost includes expenditures that are directly attributable to the acquisition or construction of the asset. Subsequent costs can be included in the asset's gross book value (or recognised as a separate asset), when these subsequent costs can be reliably measured and provide future economic benefit to the Agency.

Fixed asset repairs and maintenance costs are recognised as expenses (in the statement of financial performance) when incurred.

According to EU Accounting Rule 7, fixed assets are depreciated over their useful life and according to the straight-line depreciation method.

The following rates are applicable for the depreciation of fixed assets:

Asset type	Depreciation rate
Buildings	4%-10%
Plant and equipment	25%
Furniture and vehicles	10%-25%
Computer hardware	25%
Other fixed fixtures and fittings	10%-25%-33%

Pro-rata temporis depreciation is considered for assets acquired through the accounting year.

Assets under construction are not depreciated as long as not ready for use.

The gain/loss on the disposal of fixed assets is calculated by the difference between the proceeds of the sale of the asset and the net book value of the disposed asset. The gain/loss from the disposal of the asset is recognised in the Statement of financial performance.

Receivables

Current receivables (whose maturity is of less than 12 months at the balance sheet date) are included under current assets in the balance sheet.

Receivables are carried at their original value less an eventual write-down for impairment. A receivable write-down is accounted for when there is an objective risk that the receivable will be only partially or will not (at all) be collected at the date it becomes due or later. The amount of the write-down is calculated as the difference between the asset's book value and

the expected recoverable amount. The write-down is recognised in the Statement of financial performance.

Cash and cash equivalents

Cash and cash equivalents refer to the line item on the balance sheet that reports the value of the Agency's assets that are cash or can be converted into cash immediately. They include cash-at-hand and deposits at banks.

Liabilities

Liabilities in the balance sheet of the Agency represent financial debts or obligations that arise during the course of the Agency's operations.

Provisions

REA makes accounting provisions for future probable obligations as a result of past events. Provisions cover probable losses that would impact the Agency's operations.

Even though the exact amount of the possible liability resulting from the obligation is not known, a reliable estimate of the obligation can be made and accounted for as the amount of the provision at the balance sheet reporting date.

Payables

Payables are recorded at their original amount when vendor invoices are received; related expenses are recognised in the Statement of financial performance when the goods and/or services are received and accepted by REA.

Accruals and deferrals

In accordance with the EU Accounting Rules, which aim at ensuring that the financial statements reflect a true and fair view of the Agency's operations, transactions and events are recognised in the financial statements in the period they relate to.

Therefore, an expense accrual is recorded in a specific accounting period when the related expense is incurred over the concerned period (goods / services have been delivered) but the invoice is not yet received and accounted for.

Revenue accruals are recorded in a specific accounting period when related services / goods have been delivered during the concerned period but the invoice has not yet been issued and accounted for.

On the other hand, should there be an invoice received/issued for goods / services not yet received / delivered, the related expense / revenue will be deferred and recognised in the subsequent accounting period (in which goods / services will be received / delivered).

Statement of financial performance

Revenue

Non-exchange revenue represents the vast majority of the REA's revenues and mainly consists of subsidies from the EU.

Exchange revenue is the revenue from the sale of goods and services. It is recognised when the goods / services are delivered to the purchaser. If services are rendered over successive accounting periods, associated revenue is recognised based on the stage of completion at the reporting date.

Interest income consists of received bank interests.

Expenses

Exchange expenses arise from the purchase of goods/services. They are recorded in the Statement of financial performance when incurred, i.e. when related goods/services are delivered / consumed (according to the principles of accrual-based accounting).

Non-exchange expenses relate to transfers to beneficiaries and can be of two types mainly: entitlements and transfers under agreement.

Transfers to beneficiaries are recognised as expenses when (i.e. in the accounting period during which) the event giving rise to the transfer occurred under the condition that:

- the nature of the transfer is allowed by a regulation (Financial, Staff, other Regulation) and/or the transfer has been made according to a contract signed with the beneficiary;
- all eligibility criteria have been met by the beneficiary for the transfer to be made.

When a request for payment or cost claim is received and meets the above mentioned recognition criteria, it is expensed for the eligible amount. At the end of the accounting period, incurred eligible expenses (due to the Beneficiaries) but not yet requested/claimed are estimated and recorded as accrued expenses.

Contingent assets and liabilities

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 fully within the control of REA. It is not recognised because the amount of the asset cannot be measured with sufficient reliability. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

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 fully within the control of REA; 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.

Consolidation

According to Article 57 of the Standard Financial Regulation for the executive agencies, the REA's accounts are consolidated with the Commission's annual accounts.

2.5.2. Notes to the Balance sheet

Non current assets

(1) Intangible fixed assets

The intangible fixed assets at REA consist of computer software and internally generated IT tools. To be capitalised, computer software should have a purchase price above € 700.

In compliance with Accounting Rule 6, internally developed intangible assets are capitalised since January 2010. Considering the size of the REA's administrative budget, the threshold amount for capitalisation has been set at € 100,000.

The variation of the intangible fixed assets in 2019 is detailed as follows (in euros):

Intangible Fixed Assets	Computer Software	Internally developed intangible fixed assets	Intangible assets under construction	Total
Gross carrying amounts 31.12.2018 (EUR)	4.257.200,48	1.133.223,07	90.044,62	5.480.468,17
Additions	1.239,95		244.763,29	246.003,24
Disposals				0,00
Transfer between headings		145.685,77	-145.685,77	0,00
Gross carrying amounts 31.12.2019 (EUR)	4.258.440,43	1.278.908,84	189.122,14	5.726.471,41
Accumulated amortization and impairment 31.12.2018(EUR)	-4.255.950,48	-1.011.687,07		-5.267.637,55
Amortization	-662,97	-62.760,77		-63.423,74
Disposals				0,00
Accumulated amortization and impairment 31.12.2019 (EUR)	-4.256.613,45	-1.074.447,84	0,00	-5.331.061,29
Net carrying amounts 31.12.2019 (EUR)	1.826,98	204.461,00	189.122,14	395.410,12

In 2014, the Commission set up the Common Support Centre (CSC) in DG RTD, responsible for the implementation and support of IT systems for Horizon 2020. Following a partnership agreement, the CSC (representing the Research and Innovation DGs and DIGIT) has developed several IT tools (COMPASS, SYGMA,...). The development costs of these IT tools are shared among DGs without any financial participation of REA. DG Research and Innovation is the owner of these tools.

The Agency has nevertheless developed internally intangible assets for the management of the FP7 actions in order to cover functionalities that are not provided by the central tools. These assets are now fully amortised.

Since last year, the Agency is developing a new tool to facilitate the planning of the operational management of e-grants activities (OMEGA). Some modules have been put in production in 2018 and 2019, others are still under constructions.

(2) Tangible fixed assets

Tangible fixed assets at REA consist of technical equipment, furniture, computer hardware, leasehold improvements, telecommunication and audio-visual equipment. The two last categories are grouped under fixtures and fittings.

To be capitalised, tangible fixed assets should have a purchase price above € 700. Items with lower value are treated as expenses of the year; however, they are registered in the physical inventory.

The Agency has signed a usufruct contract for the Building COV2 covering the period 2008-2023 and a service-level agreement with OIB for the rent of COVE. The rent/usufruct instalments are paid annually and registered as expenses (not capitalised).

Nevertheless, the works made for the initial fitting out of the building COV2 have been capitalised over a useful life of 10 years under "other fixtures and fittings".

The variation of the tangible fixed assets in 2019 is detailed as follows (in euros):

Tangible Fixed Assets	Plant and Equipment	Furniture and vehicles	Computer hardware	Other Fixtures and Fittings	Other PPE Under leasing	Total
Gross carrying amounts 31.12.2018 (EUR)	2.420,22	30.683,47	1.226.535,67	7.147.618,44	0,00	8.407.257,80
Additions			6.543,20	633.475,03	174.435,20	814.453,43
Disposals						0,00
Gross carrying amounts 31.12.2019 (EUR)	2.420,22	30.683,47	1.233.078,87	7.781.093,47	174.435,20	9.221.711,23
Accumulated amortization and impairment 31.12.2018 (EUR)	-2.420,22	-17.391,47	-1.047.378,67	-5.487.724,43	0,00	-6.554.914,79
Depreciation		-5.484,00	-106.450,20	-613.430,51	-18.179,20	-743.543,91
Disposals						0,00
Accumulated amortization and impairment 31.12.2019 (EUR)	-2.420,22	-22.875,47	-1.153.828,87	-6.101.154,94	-18.179,20	-7.298.458,70
Net carrying amounts 31.12.2019 (EUR)	0,00	7.808,00	79.250,00	1.679.938,53	156.256,00	1.923.252,53

The main movements in tangible fixed assets that call for a comment concern the categories “fixtures and fittings” and “Other PPE under leasing”; they are explained as follows.

In 2017, it was decided to invest in the modernisation of the Common Evaluation Platform in the COVE Building in order to have an increased evaluation capacity and also to better respond to an increasing number of evaluations done remotely. The investments were implemented in two phases. Therefore, the Agency signed a first specific convention and cooperation agreement with the SCIC in 2017 and a second one in 2018 to cover the purchase and installation of audio-visual equipment. The material corresponding to the second phase has been delivered and installed in 2019 (€ 633,475.03 under additions).

In 2019, the Agency renewed its fleet of photocopiers. The new equipment, installed in September, was acquired under a five-year finance lease at the end of which the Agency may decide to exercise its purchase option.

Current Assets

(3) Current receivable customers (€ 32,724)

At the end of 2019, three recovery orders are not cashed out of which two are overdue and reminders have been sent to the debtors concerned.

(4) Deferred charges (€ 2,993,529)

The deferred charges include the part of the usufruct instalment for REA's premises (offices in COV2) paid in 2019 and related to 2020 (€ 2,812,424) and other prepaid charges (€ 181,105) mainly related to IT maintenance.

(5) Deferred charges consolidated entities (€ 55,669)

The Agency has prepaid in 2019:

- € 44,331 to OIB for waste sorting stations to be delivered in 2020;
- € 11,338 to DG EAC for trainees (period January to February 2020).

The significant decrease compared to last year is mainly due to the fact that the Agency had prepaid to SCIC in 2018 the delivery and installation of audio-visual equipment for the second phase of investment on the Common Evaluation Platform.

(6) Sundry Receivables (€ 66,221)

The sundry receivables relate to salary regularisations or other regularisations linked to the payroll (€ 69,690) vis-à-vis staff.

(7) Current receivable consolidated entities (€ 457,310)

REA has re-invoiced the rent of the 19th floor for the period from 19/11/2019 to 23/09/2020 to ERCEA. The debit note was sent at the end of the year and will be cashed in 2020.

(8) Accrued income (€ 7,000)

This amount relates to the part of the selection costs incurred by the Agency for the constitution of a reserve list of candidates which was used by the EPSO for the recruitment of one member of its staff.

(9) Other non exchange receivables (€ 1,055)

This amount corresponds to debit notes not yet due at 31 december 2019. These debit notes relate to payroll regularisations with a non consolidated entity and to penalties charged to a contractor for non compliance with contractual provisions

(10) Cash and cash equivalents (€ 7,131,227)

This balance corresponds exclusively to the cash held on the REA's bank account on 31 December 2019. The bank account is held with ING. REA does not hold any petty cash or other cash equivalents.

Non Current liabilities

(11) Long-term lease (€ 121,153)

The amount corresponds to the portion of the debt due in more than one year for photocopiers acquired by the Agency via a financial leasing contract.

Current liabilities

(12) Short-term lease (€ 33,881)

The amount corresponds to the portion of the long-term debt due within one year for photocopiers acquired by the Agency via a financial leasing contract

(13) Current payables (€ 65,932)

The account includes:

- outstanding commercial invoices (€ 64,971) with suppliers of goods and services;
- regularisations linked to the payroll and still to be settled with other EU institutions (€ 961).

(14) Sundry payables (€ 23,487)

The amount corresponds to parental contributions for nursery and day-care to be reimbursed to the Commission.

(15) Accounts payable to consolidated entities (€ 384,439)

The amount corresponds to the 2019 positive budgetary outturn to be reimbursed to DG Research and Innovation in 2020 after adoption of the final 2019 accounts.

(16) Accrued charges (€ 1,524,914)

Accrued charges are expenses corresponding to goods and services provided to the Agency in 2019 but not invoiced at year end. The pending payment obligations of the Agency (called RAL – "reste à liquider") have been analysed to estimate the amount of accruals.

The amount relates to:

- goods and services delivered by suppliers in 2019 but not invoiced at year-end (€ 525,347), like IT consultancy, use of interim staff, IT maintenance, office supplies, legal support, trainings, mission expenses;
- charges relating to untaken annual leave by staff € 999,567.

(17) Accruals consolidated entities (€ 1,855,581)

Accruals with consolidated entities concern goods and services provided by other EU institutions in 2019 in the framework of a Service Level Agreement and not yet invoiced as of 31.12.2019. The amount is distributed between different services of the Commission:

– OIB:	€ 1,606,498
– DG HR:	€ 135,839
– DIGIT:	€ 53,784
– PMO:	€ 39,087
– OP:	€ 200
– EPSO:	€ 20,173

(18) Differed income consolidated entities (€ 393,672)

The amount corresponds to the rent for the 19th floor made available to ERCEA and already invoiced for the period from January to September 2020.

2.5.3. Notes to the Statement of financial performance

Non-exchange revenues

(1) Other non exchange revenue (€ 1,308)

The amount relates to penalties charged to a contractor for non-compliance with certain contractual provisions.

(2) Subsidy of the Commission (€ 75,297,086)

The Commission's subsidy is equal to the part of the Commission's contribution to the operating budget, received in 2019 by REA, used to cover the total expenditure of the year (the payments done during the year as well as the outstanding payment obligations at year-end – called RAL), reduced by the cancellation of unused amounts carried over from the previous year (unused RAL from previous year) and the recovery of unduly paid amounts (other income) and increased by the exchange rate losses (see budget outturn table under section 3.2).

This method for determining revenue follows the cashed-based accounting principle and results from the budget outturn.

Exchange revenues

(3) Fixed assets related revenue (€ 0)

Unlike last year, no goods were transferred to the Agency free of charge by another institution.

(4) Income with consolidated entities (€ 241,566)

This corresponds to the recovery of unduly paid amounts booked in charges in 2018 and to the re-invoicing to ERCEA of the rent for the 19th floor for the period from 19/11/2019 to 31/12/2019.

(5) Exchange rate differences (€ 335)

The amount results from exchange gains on payments in foreign currency.

(6) Other operating revenue – miscellaneous (€ 39,734)

The miscellaneous revenues include the re-invoicing of:

- legal costs incurred by the Agency in the context of a legal proceeding against beneficiaries of a grant (granted on the operational budget),
- recruitment costs,
- amounts unduly paid and booked in charge in 2018

Expenses

(7) Staff expenses (€ 54,295,380)

Compared to last year, staff costs have increased by approximately € 5.4 million (11%) because the number of positions occupied in 2019 is higher than in 2018 and the cost of salaries has increased (indexation, seniority progression and reclassifications).

Staff expenses include:

- the gross salaries, allowances, social and pension contributions, an accrual for untaken holidays and other staff costs € 53,740,969;
- the amount paid to the DG EAC for the trainees employed by the Agency during 2019 (€ 57,145);
- The employer's contribution to the school transport, contribution to staff public transport passes and other staff perquisites (€ 497,266).

(8) Interest expenses (€ 1,222)

It represents the interest expenses paid in 2019 for the financial leasing of photocopiers.

(9) Administrative and IT expenses (€ 8,644,914)

- € 5,219,702 relate to services provided by consolidated entities (OIB, DG DIGIT, DG HR, DG BUDG, DG SCIC, PMO, EPSO) in the framework of Service-Level agreements;
- € 3,425,212 relate to services or goods provided by external contractors in the following fields:
 - non IT services such as outsourced ex-post controls, interim staff (€ 880,180);
 - material, office supplies, licence fees, maintenance (€ 758,878);
 - missions (€ 580,642);

- training (€ 184,786);
- IT support (€ 662,131);
- Horizon 2020 evaluation platform (€ 153,733);
- communication (€ 163,796);
- recruitment (€ 26,116);
- legal assistance (€ 13,806);
- other (€ 1,144).

Compared to 2018, expenses on this item have decreased by approximately €1.1 million (11%) as a result of a decrease in costs on various items such as:

- Interim staff and outsourced ex-post controls (- € 0.41 million)
- Material, office supplies, licence fees, maintenance (- € 0.31 million)
- Services provided by consolidated entities (- € 0.14 million)
- IT support (- € 0.13 million)

(10) Assets related expenses (€ 806,968)

These expenses relate to the depreciation charges of the Agency's tangible and intangible fixed assets respectively € 743,544 and € 63,424.

Depreciation expenses decreased from 2018 as some equipment is fully depreciated and not replaced.

(11) Land and Building (€ 12,379,153)

Compared to last year, the building and associated costs have increased by approximately € 1.7 million (16%). It is mainly due to an increase in office surface occupied by REA and an increase of prices of the services provided by OIB (higher unit prices and changes in the method of calculation of the costs following the Commission's guidance on the charge-back process for the provision of services to Agencies).

The amount includes the rent/usufruct instalments for REA's premises (offices in COV2 and the evaluation facility in COVE) and other building charges like maintenance, security and insurance.

Part of these expenses relate to services provided by consolidated entities in the framework of Service-Level agreements and represents € 8,554,445.

(12) Exchange rate differences losses. (€ 770)

Exchange rate losses resulting from payments in foreign currency.

2.5.4. Notes to the Cash-flow statement

The purpose of the cash-flow statement is to provide information on the sources and uses of cash by REA. It is prepared using the indirect method. It presents information about cash generated from operations and the effects of various changes in the balance sheet on the Agency's cash position.

(1) Operating activities

Operating activities reflect the cash generated / (used) from regular activities of REA.

(2) Investing activities

Investing activities reflect the cash generated / (used) from the acquisition and disposal of intangible and tangible fixed assets.

2.5.5. Contingent assets and liabilities

The Agency has no contingent assets or liabilities to disclose at the end of 2019.

2.5.6. Other significant disclosures

Commitments for future expenditure	
Commitments made in 2019 and not yet paid as of 31.12.2019	4,362,405
Future charges related to the REA building	12,101,575
Total	16,463,980

Commitments made in 2019 and not yet paid as of 31.12.2019 correspond to the difference between open amounts on commitments entered in 2019 (RAL: € 6,790,092) and the estimated accruals excluding provision for untaken holidays as of 31.12.2019 (€ 2,427,687). The amount is comparable to 2018.

The total future charges related to the usufruct contract signed with a third party for the building COV2 amounts to € 12,101,575. The period covered runs until 23.09.2023.

2.5.7. Financial Instruments

Financial instruments comprise cash, current receivables, current payables, amounts due to and recoverable from consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks. Information about how they are managed is set out below.

The carrying amounts of financial instruments are detailed hereafter (in EUR).

	2019	2018
Financial assets		
Current receivables	32.724	0
Deferred charges	3.049.198	3.910.147
Sundry receivables	66.221	91.908
Current receivables	0	0
Current receivables consolidated entities	457.310	0
Other receivables	890	5.999
Accrued income	7.165	0
Cash and cash equivalent	7.131.227	6.304.220
Total financial assets	10.744.735	10.312.275
Financial liabilities		
Current payables	64.971	20.725
Current payables to consolidated entities	961	19.515
Sundry payables	23.487	30.097
Payables consolidated ent.	384.439	275.363
Total financial liabilities	473.859	345.700
Total net position	10.270.877	9.966.575

Credit risk

The credit risk is the risk of loss due to a debtor's default, when a contracted party fails to meet its obligations in accordance with the agreed terms.

It should be underlined that differed charges and receivables mainly concern consolidated entities.

The Commission subsidy is paid in 3 instalments to limit the amount of cash on the bank account.

The bank was selected via a call for tender and the minimum short term credit rating required for admission to the tendering procedure is Moody's P-1 or equivalent (S&P: A-1 or Fitch: F1). The credit ratings of the bank are reviewed on a regular basis.

REA holds a bank account at ING Belgium; risks have been assessed as follows by the principal rating agencies:

	Standard & Poor's	Moody's	Fitch
Short-term rating	A-1	P-1	F1
Long-term rating	A+	Aa3	A+

The short term-rating is high grade. The long-term rating established by both Standard & Poor's and Fitch is upper-medium grade while it is considered as high grade by Moody's.

The maximum exposure to credit risk can be summarised as follows:

	All receivables with third parties and accruals & deferrals	Receivables with consolidated entities	Cash equivalent	Current bank account
31.12.2019				
Counterparties with external credit rating:	0,00	0,00	0,00	7.131.226,80
Prime and high grade				7.131.226,80
Upper medium grade				
Lower medium grade				
Non-investment grade				
Counterparties without external credit rating:	3.156.198,36	457.310,21	0,00	0,00
Debtors who never defaulted	3.156.198,36	457.310,21		
Debtors who defaulted in the past				

Age of financial assets not impaired 31.12.2019	Neither past due nor impaired	Past due but not impaired			Total
		< 1 year	1-5 years	> 5 years	
Receivables with third parties	3.126.448,36	29.750,00			3.156.198,36
Receivables with consolidated entities	457.310,21				457.310,21

Liquidity risk

Liquidity risk is the possible inability to meet short term obligations, as a result of the inability to convert its current assets into cash without incurring capital losses.

The Agency mitigates its liquidity risk by monitoring forecasted and actual cash flows. Aging balances for assets and liabilities are an important source of information.

At the end of 2019, the Agency has a long term lease liability of € 121,153. The short-term payables are equal to € 473,858 out of which € 384,439 vis-à-vis consolidated entities.

The Agency's bank account may not be overdrawn and the EU budgetary principles ensure that overall cash resources for a given year are sufficient for the execution of payments.

Foreign currency risk

Currency risk is the risk that the value of operations or investments will be affected by exchange rate fluctuations. As only very few transactions are in other currency and amounts are not significant, REA has no foreign currency risk.

2.5.8. Changes in accounting policies

No change in accounting policy was introduced in 2019.

2.5.9. Related party disclosures

The related parties of REA are key management personnel. They are responsible for the strategic direction and operational management of the Agency and are entrusted with significant authority to execute their mandate.

Highest grade description	Grade	Number of persons of this grade
Heads of department and Heads of Unit	AD14	6
Director, Heads of department and Heads of Unit	AD13	7
Heads of Unit	AD12	2

The balance position of the Agency with the key management personnel for its activity period as autonomous entity during the financial year 2019 is composed of the salary and allowances as determined for the relevant grade by the Staff Regulations of the Officials of the European Communities. No specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

2.5.10. Post balance sheet events

Subsequent events are defined as events which occur between the year-end and the date on which the accounts are issued. Two types of events can be identified:

- subsequent events relating to an existing situation at year-end; the financial effect need to be reflected in the annual accounts;
- subsequent events not related to an existing situation at 31 December of the financial year; no accounting entry is necessary, but the nature of the event, estimate of the financial effect or indication of impossibility of carrying out the estimate should be mentioned in the notes to the financial statements if the amount is significant.

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts. For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. However, based on the information available at the date of signature of these annual accounts, REA does not expect material financial effects due to the coronavirus outbreak.

3. REPORTS ON THE IMPLEMENTATION OF THE BUDGET

3.1. Introduction

3.1.1. Budgetary structure

The budgetary accounts are kept in accordance with the Standard Financial Regulation for executive agencies.

The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the implementation of the Agency's activities.

The budget structure for REA consists only of non-differentiated administrative appropriations, meaning that the commitment and the payment appropriations are of the same amount. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality).

The appropriations are split into commitment and payment appropriations:

- Commitment appropriations (CA): cover the total cost of the legal obligations entered into for the current financial year;
- Payment appropriations (PA): cover expenditure arising from commitments entered into in the current financial year and/or earlier financial years.

The main sources of appropriations are:

- The budget for the current year which corresponds to the initial adopted budget and its subsequent amending budgets and transfers (fund source C1);
- The non-differentiated payment appropriations carried over from the previous year (fund source C8).

The 2019 budget is distributed in the following budget titles:

Budget Title	2019 Commitment appropriations (C1)	Payment Appropriations carried over from 2018 (C8)	TOTAL
Title 1 - Staff expenditure	57.164.395	381.336	57.545.731
Title 2 - Infrastructure and operating expenditure	11.507.435	1.151.816	12.659.251
Title 3 - Programme support expenditure	7.130.255	4.563.036	11.693.291
TOTAL	75.802.085	6.096.189	81.898.274

Title 1 budget lines are related to staff expenditure:

- Chapter 11: remuneration, allowances and charges for the statutory Staff of the Agency paid directly to the staff member and included in the salary pay slip as well as expenses for interim supportive staff and trainees;
- Chapter 12: specific Staff related charges, costs for missions, training courses, medical service, staff perquisites (e.g. public transport reimbursements) and internal meeting expenses are incorporated under this chapter. The costs of recruitments and of any change of personnel incurred by the Agency are also included.

Title 2 budget lines relate to infrastructure and operating expenditure:

- Chapter 21: Building expenditure. The rent is fixed through a usufruct contract signed by the Agency following a tender procedure launched to the benefit to the European Commission and its consolidated entities. Charges for the maintenance, cleaning, security,

heating, etc. of the building, and costs of the fitting out of premises are also included under this chapter;

- Chapter 22: ICT expenditure. This includes the purchase of equipment, licences, support for maintenance, specific IT developments and IT services;
- Chapter 23: Movable property and Current Operating expenditure. This chapter covers the costs of furniture and office supplies for the Agency and its staff and other current operating expenditure.

Title 3 budget lines relate to programme support expenditure:

- Chapter 31: Programme Management expenditure such as external communication, information and ICT expenses as well as external audits and missions. This budget chapter concerns administrative expenditure directly related to the management of operational activities delegated to the Agency.
- Chapter 32: Common Support Services expenditure, such as building and ICT expenses for the Common Evaluation Platform and Common Support Services as well as meetings of experts.

3.1.2. Budgetary principles

The budget of REA has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in the standard Financial Regulation for the executive agencies.

Principle of annuality

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

Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December.

Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the Accounting Officer by 31 December of that year at the latest.

Principle of equilibrium

The Agency's budget revenue and payment appropriations must be in balance.

Commitment appropriations may not exceed the amount of the Community subsidy, plus own revenue and any other revenue. The Agency may not raise loans.

Principle of unit of account

The budget shall be drawn up and implemented in Euro and the accounts shall be presented in Euro. However, for cash-flow purposes, the Accounting Officer and, in the case of imprest accounts, imprest administrators shall be authorised to carry out operations in national currencies.

Principle of universality

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

Principle of specification

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

The Executive Agency's Director may authorise transfers from one article to another within each chapter. Transfers between chapters/titles may be authorised by the Agency's Steering Committee.

Principle of sound financial management

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

The principle of economy requires that the resources used by the Agency for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency is concerned with the best relationship between resources employed and results achieved.

The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

Principle of transparency

The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency. The budget, as finally adopted, shall be published in the Official Journal of the European Union and amending budgets shall be published in an appropriate way within two months of their adoption.

3.1.3. Key data

Budget	€ 75.802.085
Commitments Appropriations (fund source C1)	99,95% of the current year's commitment appropriations are implemented 8,96% of the appropriations are carried forward to 2020
Payments	90,99% of the current year's payment appropriations are implemented 95,24% of the payment appropriations carried-over from 2018 are implemented

3.2. Budget Result

The budgetary outturn account was prepared in accordance with the requirements of Article 244 of Commission Regulation (EU, Euratom) No 2018/1046 and in accordance with Article 56 of the Standard Financial Regulation for executive agencies.

The revenue entered in the accounts is the amount actually received during the course of the year. For the purpose of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus any of the appropriations for that year that are carried over to the following year. Payments made against the year's appropriations mean payments that are made by the accounting officer by 31 December of the financial year.

The following are added to or deducted from the resulting figure:

- the cancellations of payment appropriations carried over from previous years (added),
- the balance of exchange-rate gains (added) and losses (deducted) recorded during the year.

Budget outturn table in EUR

		2019	2018
REVENUE			
Balancing Commission subsidy	+	75.681.525,01	69.234.850,40
Other income	+	179.080,15	340.989,60
TOTAL REVENUE (a)		75.860.605,16	69.575.840,00
EXPENDITURE			
<i>Title I: Staff</i>			
Payments	-	56.793.664,22	51.442.101,99
Appropriations carried over	-	349.280,74	381.336,18
<i>Title II: Administrative Expenses</i>			
Payments	-	9.600.326,38	8.690.017,61
Appropriations carried over	-	1.904.009,13	1.151.816,32
<i>Title III: Operating Expenditure</i>			
Payments	-	2.581.908,07	3.332.657,39
Appropriations carried over	-	4.536.801,98	4.563.036,36
TOTAL EXPENDITURE (b)		75.765.990,52	69.560.965,85
OUTTURN FOR THE FINANCIAL YEAR (a-b)		94.614,64	14.874,15
Cancellation of unused payment appropriations carried over from previous year	+	290.259,27	261.144,32
Exchange differences for the year (gain +/-loss -)	+/-	-434,81	-655,81
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		384.439,10	275.362,66
Commission subsidy		75.297.085,91	
Pre-financing remaining open to be reimburse to the Commission in year N+1		384.439,10	

The 2019 budget result amounts to € 384,439.10 and corresponds to:

- € 36,094.48: current year commitment appropriations (C1) not used,
- € 58,520.16: miscellaneous revenue (recovery orders issued and cashed by the Agency) not used in the financing of the Agency's operating budget (out of € 179,080.15),
- € 290,259.27: appropriations carried over from 2018 to 2019 (C8) and not used,
- € - 434,81: exchange rate losses.

Reconciliation of the 2019 economic result with the 2019 budgetary

	amount
Economic result (+ for surplus and - for deficit)	-548.379
Adjustment for accrual items (items included in the economic result but not in the budgetary result)	
Adjustments for Accrued charges and deferred income (reversal previous year)	-2.830.440
Adjustments for Accrued charges and deferred income (cut off current year)	3.820.925
Depreciation of intangible and tangible assets	806.968
Recovery Orders issued and not yet cashed	-490.034
Payments made from carry over of payment appropriations	5.805.930
Adjustment for deferred charges and accrued income (cut off current year)	-3.032.481
Adjustment for deferred charges and accrued income (reversal previous years)	3.904.478
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	
Asset acquisitions (excluding unpaid amounts at year end and including paid amount in N for assets received in N-1)	-892.118
New pre-financing received in the year and remaining open at year end (31/12)	384.439
Capital payments on financial leasing for year N	-19.402
Payment appropriations carried over to the next year	-6.790.092
Cancellation of unused carried over payment appropriations from previous year	290.259
Invoices booked in charge in the previous year but paid in the current year	-25.614
total	384.439
Budgetary result including amount of exchange rate differences	384.439
Amount of exchange rate differences included in the budgetary result	-435
Delta not explained	0

The economic result shown in the Statement of financial performance (point 2.2) differs from the budgetary result shown in the budget outturn account (point 3.2) because the economic result is based on accrual accounting principles (revenues and expenses are recorded when they occur; income is reported in the period it is earned regardless of when it is received and expenses are reported in the period they are incurred whether they are paid or not) while the budget result is based on modified cash accounting rules (revenues are recorded in the period they are cashed and expenses are recorded in the period they are paid, carry-over of appropriations are also recorded).

The difference between the economic result and the budgetary result can be explained and reconciled inter alia by the following elements:

- The economic result takes into account accrued charges via cut off correction entries. Expenses related to services provided or goods delivered in the current year but not paid at 31/12/N are charged in the financial year while the budgetary result takes also into account amounts of invoices received and paid at 31/12/N relating to services still to be provided or goods still to be delivered in the next financial year.
- The movement in provisions linked to the end-of-year estimates following the accrual based principle (e.g. untaken holidays) only impact the economic result. The budget result is not impacted as long as these provisions are not paid.
- The economic result only takes into account the depreciation expense of the fixed assets while the budgetary result takes into account the purchase cost of the fixed asset in the financial year it is paid.
- The economic result comprises all the revenues generated during the financial year even if entitlements established were not collected. The budgetary result takes into account the revenue collected from entitlement established in the course of the year and amounts

collected from entitlements established in previous years. The entitlements established in the current year but not yet collected are not comprised in the budgetary result.

- The economic result takes into account expenses on carried over appropriations from the previous year when they are related to services provided or goods delivered in the current financial year while the budgetary result is not impacted by the payments done on carried over appropriations from the previous year. On the contrary, the cancellation of unused appropriations carried over from the previous year increases the budgetary result.
- The economic result does not take into account deferred charges. Expenses that are prepaid in the current financial year but related to services to be provided in subsequent years are not charged in the current financial year but in the year to which they relate. The budgetary result is however impacted when the amount has been paid in the current financial year.

3.3. Budget Revenue

Income Budget Line	Type of revenue	Budget 2019	Entitlements established	Revenue received	Outstanding at year end
2000	European Commission subsidy	75.802.085	75.681.525	75.681.525	0
4000	revenues accruing from other EU Bodies		457.310		457.310
9000	Miscellaneous revenue	p.m.	211.804	179.080	32.724
TOTAL		75.802.085	76.350.639	75.860.605	490.034

In accordance with Article 5 of the Standard Financial regulation for Executive Agencies, the revenue of the Agency shall comprise the grant awarded by the Commission and any other revenue, including assigned revenue within the meaning of Article 15 thereof.

The balancing subsidy paid by DG RTD in 2019 amounts to € 75,681,525 out of which:

- € 71,394,652 from EU28 appropriations,
- € 1,652,426 from EFTA/EEA appropriations
- € 2,634,447 from third country appropriations

The revenue accruing from other EU Bodies concerns the amount of the rent that REA has re-invoiced to ERCEA following an agreement between the two agencies. It corresponds to the surface put at the disposal of ERCEA for the period from 19/11/2019 to 23/09/2020. The debit note was not yet settled at the end of December.

The miscellaneous revenue relates to the recovery of:

- amounts overpaid to the OIB under the SLA for the year 2018: € 177,927
- legal costs incurred by the agency in the context of a legal proceeding against beneficiaries of a grant granted on the operational budget and recovered from these beneficiaries: € 29,750
- recovery of amounts overpaid to contractors: € 2,984
- penalties against a contractor: € 1,143

A part of this revenue (€ 32,724) was not cashed at the end of December.

3.4. Budget Expenditure

3.4.1. Overview 2019 budget and transfers

Initial budget

The REA Steering Committee adopted the 2019 administrative budget on 7 December 2018 for a total amount of € 75,802,085 (EU28: € 71,394,652 + EFTA/EEA contribution: € 1,652,426 + third country contribution: € 2,755,007) in line with the draft budget.

Compared to the final budget 2018, the initial budget 2019 is increased with € 6,226,245, equivalent to 9%. The change stems mainly from increases in title 1 (€ 4,987,555) and in title 2 (€ 1,763,605) partially compensated by a decrease in title 3 (€ -524,915).

On Title 1, the increase results from a better average occupancy rate compared to 2018, new recruitments in relation to the 18 newly authorised positions for 2019, the salary indexation, the impact of reclassifications and career progression linked to seniority and successful selection in higher function groups.

On Title 2, appropriations are increased mainly to cover the cost of the 2 additional floors of office space made available to REA in 2019 and also the indexation of the usufruct instalments. In addition, this initial budget provides for the charge-back, announced by the Commission, related to the costs incurred for the development of SUMMA (the new budgetary accounting system).

On the contrary, expenses on Title 3 are decreasing in 2019 given that the Agency made significant investments in 2017 and 2018 to renew and replace equipment in the evaluation platform.

Budget transfers

In August, a transfer of € 5,340 inside chapter 12 was authorised by the Director to cover a small increase in the number of missions related to the professional and personal development of staff (budget line 1222) and to allow the purchase of commemorative medals for the staff in the context of REA's 10th Anniversary celebration (budget line 1231). The corresponding deduction was made on the budget line 1211 "Specific staff related charges, support services for the management of staff rights and payroll, charges relating to recruitment and change of personnel".

In October 2019, the Steering Committee adopted a first budget transfer of € 1,051,905 (1.4% of the total budget).

On the one hand, the following budget lines have been reinforced to cover expenses higher than expected:

Budget Line	Description	Amount (EUR)	Reason
1111	Temporary Agents - Remuneration, Allowances and Charges	+ 84,450	Average salaries and indexation higher than estimates.
1121	Contract Agents - Remuneration, Allowances and Charges	+ 511,860	Some recruitments took place earlier than expected. Average salaries and indexation were slightly higher than the estimates.
1222	Missions related to the Professional and Personal Development of Staff	+4,190	Increased number of missions related to the Professional and Personal Development of Staff.
1224	Mobility and Other Social expenses	+10,190	Increased budgetary needs for reimbursement to staff of their costs for public transport.
1231	Representation expenses,	+6,700	The costs of REA's 10-years anniversary event were slightly

Budget Line	Description	Amount (EUR)	Reason
	<i>Events and Internal meetings</i>		higher than expected.
2111	<i>Rent / Usufruct instalments, Building Charges and associated expenses</i>	+399,815	Expenses related to the SLA with OIB for building management higher than expected due to an increase in office surface occupied by REA and an increase of prices of the services provided by OIB.
3231	<i>Meetings of Experts and associated costs</i>	+34,700	Increased budget needs for meetings with expert evaluators and associated costs, including beverages and snacks served during evaluations.

On the other hand, the following surpluses have been identified enabling to fund the above-mentioned needs:

Budget Line	Description	Amount (EUR)	Reason
1132	<i>Interim supportive agents and Trainees</i>	- 65,085	Reduction of the number of interim staff contracted.
1211	<i>Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel</i>	- 136,585	Decrease of the budgetary needs for: <ul style="list-style-type: none"> the contribution from REA to the "Centre de la petite enfance" (CPE), the SLA with PMO and the reimbursement of costs related to recruitment.
1221	<i>Training Courses for the Professional and Personal Development of Staff</i>	- 2,955	Slight decrease in the budgetary needs for Training.
2211	<i>ICT Environment (Infrastructure, Systems and Services)</i>	- 471,835	Following guidance from the central services, DG RTD covers the development costs for the SUMMA project (initially budgeted for an amount of EUR 585,000). This decrease is partially offset by increasing the budget for replacing obsolete desktop PCs by laptops and docking stations.
2221	<i>Data Processing and application development and associated expenditure</i>	- 4,385	Slight decrease of the overall budget for ICT intra-muros developers.
2311	<i>Furniture, Materials and Technical Installations and associated expenditure</i>	- 34,200	Decrease of the budgetary needs for the SLA with OIB for inventory management and the disposal of office furniture.
2321	<i>Office Supplies and Other Current Operating expenditure</i>	- 14,900	Decrease of the budget for legal assistance, charges and damages for staff-related legal affairs.
3111	<i>Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses</i>	- 84,590	Cancellation of expenses related to video productions. Decrease in the expenses for promotion materials
3112	<i>ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses</i>	- 56,630	Fewer days contracted for an ICT intra-muros developer of IT tools used in programme management.
3121	<i>External Audits</i>	- 60,535	Cancellation of one audit from a previous year's batch of outsourced external audits and reduction of the budget initially estimated for this year's batch.
3122	<i>Missions and Other expenses related to the Administrative Management of Programmes</i>	- 3,245	Decrease of the budget for legal assistance, charges and damages for programme management related legal affairs. This is partially offset by an increase of the budget for missions due to more projects being subject to intermediary reviews than expected.
3211	<i>Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform</i>	- 112,980	Postponement of the installation of security scanners at the entrance of the building and related expenses with security guards. Decrease of the budget for the SLA with OIB for the charges of the building of the evaluation platform.
3221	<i>ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs</i>	- 3,980	Decrease of the budget for photocopiers and for the SLA with SCIC, partially compensated by additional expenses for furniture, ICT materials and waste sorting stations.

In November, a transfer inside chapter 12 was authorised by the Director. The appropriations on the budget line 1221 "training courses for the professional and personal development of staff were reduced by € 27,500 as several training actions have been cancelled and postponed to 2020 allowing the following budget lines to be reinforced:

- € 18,500 on line 1211 "Specific staff related charges, support services for the management of staff rights and payroll, charges relating to recruitment and change of personnel" to cope with unexpected expenses related to travel cost for installation and move of staff as well as to cover higher expenses related to school buses;
- € 9,000 on line 1224 "Mobility and other social expenses" to cover increased expenses related to reimbursement for staff of public transport subscription and complementary assistance to disabled staff members.

In December, the Agency performed a last review of its budget to identify any needs for adjustment and to optimise the budget execution. The Steering Committee approved, consequently, on 13 December 2019 a budget transfer of € 225,340.

On the one hand, the following budget lines have been reinforced to cover needs identified by the end of the year:

Budget Line	Description	Amount (EUR)	Reason
1211	<i>Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel</i>	+ 7,780	Increase of the budgetary needs for the SLA with DG HR.
1222	<i>Missions related to the Professional and Personal Development of Staff</i>	+1,955	Increased number of missions related to the Professional and Personal Development of Staff.
1224	<i>Mobility and Other Social expenses</i>	+6,000	Increased expenses for complementary assistance to disabled staff members.
2111	<i>Rent / Usufruct instalments, Building Charges and associated expenses</i>	+63,880	Increased expenses related to the SLA with OIB for building management due to higher unit prices and changes in the method of calculation of the costs (following the Commission's guidance on the charge-back process for the provision of services to Agencies).
3211	<i>Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform</i>	+145,725	

On the other hand, the following surpluses have been identified enabling to fund the above-mentioned needs:

Budget Line	Description	Amount (EUR)	Reason
1111	<i>Temporary Agents – Remuneration, Allowances and Charges</i>	- 50,040	Minor adjustments taking into account the staff occupied until 31/12/2019.
1121	<i>Contract Agents – Remuneration, Allowances and Charges</i>	- 5,720	
1132	<i>Interim supportive agents and Trainees</i>	- 13,780	Decreased number of interim staff (in full time equivalent).
1221	<i>Training Courses for the Professional and Personal Development of Staff</i>	-18,715	Postponement of some training sessions from 2019 to 2020.
1231	<i>Representation expenses, Events and Internal meetings</i>	-1,705	Decreased costs of satellite events related with the celebration of REA's 10 th Anniversary.
2211	<i>ICT Environment (Infrastructure, Systems and Services)</i>	- 30,995	Downward revision of the amount earmarked for the MoU with DG DIGIT but partially offset by the anticipated acquisition of laptops to replace obsolete computers.

Budget Line	Description	Amount (EUR)	Reason
2311	<i>Furniture, Materials and Technical Installations and associated expenditure</i>	- 1,900	Reduced expenses related to moves in the SLA with OIB.
2321	<i>Office Supplies and Other Current Operating expenditure</i>	-3,490	Cancellation of the budget earmarked for legal assistance related to staff matters which is now included in the SLA with DG HR but partially offset by the increased expenses with OIB for archiving, courier and printing.
3111	<i>Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses</i>	-31,765	Decreased needs for the acquisition of promotional material linked to external communication.
3121	<i>External Audits</i>	- 27,495	Lower cost than earmarked of the batch for new external audits and cancellation of one batch of audits previously contracted.
3221	<i>ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs</i>	- 13,605	Decreased expenses for the MoU with DG DIGIT for the Common Support Services and for the SLA with OIB linked with waste sorting stations but partially offset with an increased need for printshop services included in the SLA with OIB .
3231	<i>Meetings of Experts and associated costs</i>	-26,130	Reduced needs for drinks and food served in experts' meetings.

The initial 2019 budget and the transfers are presented in the table hereafter in EUR.

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	Initial Budget 2019	TRANSFER 2019/01 [Internal transfer initiated on 22.08.2019] - REA.1631 -	BUDGET 2019 following the internal Transfer 2019/01	TRANSFER 2019/02 [approved by the Steering Committee on 16.10.2019] - REA.1635 -	BUDGET 2019 following the Transfer 2019/02	TRANSFER 2019/03 [Internal transfer initiated on 06.11.2019] - REA.1641 -	BUDGET 2019 following the Transfer 2019/03	TRANSFER 2019/04 [to be approved by the Steering Committee on 13.12.2019] - REA.1644 -	BUDGET 2019 following the Transfer 2019/04
TOTAL EXPENDITURE		75.802.085,00	0,00	75.802.085,00	0,00	75.802.085,00	0,00	75.802.085,00	0,00	75.802.085,00
Title	1	STAFF EXPENDITURE	0,00	56.825.855,00	412.765,00	57.238.620,00	0,00	57.238.620,00	-74.225,00	57.164.395,00
Chapter	11	Remunerations, Allowances and Charges	0,00	54.085.430,00	531.225,00	54.616.655,00	0,00	54.616.655,00	-69.540,00	54.547.115,00
Article	111	Staff occupying an employment in the establishment plan	0,00	21.699.495,00	84.450,00	21.783.945,00	0,00	21.783.945,00	-50.040,00	21.733.905,00
Item	1111	Temporary Agents - Remuneration, Allowances and Charges	0,00	21.699.495,00	84.450,00	21.783.945,00	0,00	21.783.945,00	-50.040,00	21.733.905,00
Article	112	Contract Agents	0,00	31.448.400,00	511.860,00	31.960.260,00	0,00	31.960.260,00	-5.720,00	31.954.540,00
Item	1121	Contract Agents - Remuneration, Allowances and Charges	0,00	31.448.400,00	511.860,00	31.960.260,00	0,00	31.960.260,00	-5.720,00	31.954.540,00
Article	113	Other Staff Remunerations, Allowances and Charges	0,00	937.535,00	-65.085,00	872.450,00	0,00	872.450,00	-13.780,00	858.670,00
Item	1131	Seconded National Experts - Allowances and Charges	0,00	937.535,00	-65.085,00	872.450,00	0,00	872.450,00	-13.780,00	858.670,00
Item	1132	Interim supportive agents and Trainees	0,00	937.535,00	-65.085,00	872.450,00	0,00	872.450,00	-13.780,00	858.670,00
Chapter	12	Professional Development and Social expenditure	0,00	2.740.425,00	-118.460,00	2.621.965,00	0,00	2.621.965,00	-4.685,00	2.617.280,00
Article	121	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	-5.340,00	1.777.835,00	-136.585,00	1.641.250,00	18.500,00	1.659.750,00	7.780,00	1.667.530,00
Item	1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	-5.340,00	1.777.835,00	-136.585,00	1.641.250,00	18.500,00	1.659.750,00	7.780,00	1.667.530,00
Article	122	Professional and Personal Development and Social expenses for Staff	3.000,00	886.230,00	11.425,00	897.655,00	-18.500,00	879.155,00	-10.760,00	868.395,00
Item	1221	Training Courses for the Professional and Personal Development of Staff	0,00	558.500,00	-2.955,00	555.545,00	-27.500,00	528.045,00	-18.715,00	509.330,00
Item	1222	Missions related to the Professional and Personal Development of Staff	3.000,00	15.000,00	4.190,00	22.190,00	0,00	22.190,00	1.955,00	24.145,00
Item	1223	Medical Service	0,00	169.330,00	0,00	169.330,00	0,00	169.330,00	0,00	169.330,00
Item	1224	Mobility and Other Social expenses	0,00	140.400,00	10.190,00	150.590,00	9.000,00	159.590,00	6.000,00	165.590,00
Article	123	Representation expenses, Events and Internal meetings	2.340,00	74.020,00	6.700,00	83.060,00	0,00	83.060,00	-1.705,00	81.355,00
Item	1231	Representation expenses, Events and Internal meetings	2.340,00	74.020,00	6.700,00	83.060,00	0,00	83.060,00	-1.705,00	81.355,00

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	Initial Budget 2019	TRANSFER 2019/01 [Internal transfer initiated on 22.08.2019] - REA.1631 -	BUDGET 2019 following the Internal Transfer 2019/01	TRANSFER 2019/02 [approved by the Steering Committee on 16.10.2019] - REA.1635 -	BUDGET 2019 following the Transfer 2019/02	TRANSFER 2019/03 [Internal transfer initiated on 06.11.2019] - REA.1641 -	BUDGET 2019 following the Transfer 2019/03	TRANSFER 2019/04 [to be approved by the Steering Committee on 13.12.2019] - REA.1644 -	BUDGET 2019 following the Transfer 2019/04
Title	2 INFRASTRUCTURE AND OPERATING EXPENDITURE	11.605.445,00	0,00	11.605.445,00	-125.505,00	11.479.940,00	0,00	11.479.940,00	27.495,00	11.507.435,00
Chapter	21 Building expenditure	7.564.105,00	0,00	7.564.105,00	399.815,00	7.963.920,00	0,00	7.963.920,00	63.880,00	8.027.800,00
Article	211 Rent / Usufruct instalments and Building Charges	7.564.105,00	0,00	7.564.105,00	399.815,00	7.963.920,00	0,00	7.963.920,00	63.880,00	8.027.800,00
Item	2111 Rent / Usufruct instalments, Building Charges and associated expenses	7.564.105,00	0,00	7.564.105,00	399.815,00	7.963.920,00	0,00	7.963.920,00	63.880,00	8.027.800,00
Chapter	22 ICT expenditure	3.566.330,00	0,00	3.566.330,00	-476.220,00	3.090.110,00	0,00	3.090.110,00	-30.995,00	3.059.115,00
Article	221 ICT Environment	3.043.425,00	0,00	3.043.425,00	-471.835,00	2.571.590,00	0,00	2.571.590,00	-30.995,00	2.540.595,00
Item	2211 ICT Environment (Infrastructure, Systems and Services)	3.043.425,00	0,00	3.043.425,00	-471.835,00	2.571.590,00	0,00	2.571.590,00	-30.995,00	2.540.595,00
Article	222 Data Processing and application development	522.905,00	0,00	522.905,00	-4.385,00	518.520,00	0,00	518.520,00	0,00	518.520,00
Item	2221 Data Processing and application development and associated expenditure	522.905,00	0,00	522.905,00	-4.385,00	518.520,00	0,00	518.520,00	0,00	518.520,00
Chapter	23 Movable property and Current Operating expenditure	475.010,00	0,00	475.010,00	-49.100,00	425.910,00	0,00	425.910,00	-5.390,00	420.520,00
Article	231 Furniture, Materials and Technical Installations	161.200,00	0,00	161.200,00	-34.200,00	127.000,00	0,00	127.000,00	-1.900,00	125.100,00
Item	2311 Furniture, Materials and Technical Installations and associated expenditure	161.200,00	0,00	161.200,00	-34.200,00	127.000,00	0,00	127.000,00	-1.900,00	125.100,00
Article	232 Current Operating expenditure	313.810,00	0,00	313.810,00	-14.900,00	298.910,00	0,00	298.910,00	-3.490,00	295.420,00
Item	2321 Office Supplies and Other Current Operating expenditure	313.810,00	0,00	313.810,00	-14.900,00	298.910,00	0,00	298.910,00	-3.490,00	295.420,00
Title	3 PROGRAMME SUPPORT EXPENDITURE	7.370.785,00	0,00	7.370.785,00	-287.260,00	7.083.525,00	0,00	7.083.525,00	46.730,00	7.130.255,00
Chapter	31 Programme Management expenditure	1.586.695,00	0,00	1.586.695,00	-205.000,00	1.381.695,00	0,00	1.381.695,00	-59.260,00	1.322.435,00
Article	311 Communication, Information and ICT expenditure related to the Management of Delegated Programmes	723.000,00	0,00	723.000,00	-141.220,00	581.780,00	0,00	581.780,00	-31.765,00	550.015,00
Item	3111 Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	247.925,00	0,00	247.925,00	-84.590,00	163.335,00	0,00	163.335,00	-31.765,00	131.570,00
Item	3112 ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	475.075,00	0,00	475.075,00	-56.630,00	418.445,00	0,00	418.445,00	0,00	418.445,00
Article	312 External Audits, Missions and Other expenses related to the Management of Delegated Programmes	863.695,00	0,00	863.695,00	-63.780,00	799.915,00	0,00	799.915,00	-27.495,00	772.420,00
Item	3121 External Audits	188.635,00	0,00	188.635,00	-60.535,00	128.100,00	0,00	128.100,00	-27.495,00	100.605,00
Item	3122 Missions and Other expenses related to the Administrative Management of Programmes	675.060,00	0,00	675.060,00	-3.245,00	671.815,00	0,00	671.815,00	0,00	671.815,00
Chapter	32 Common Support Services expenditure	5.784.090,00	0,00	5.784.090,00	-82.260,00	5.701.830,00	0,00	5.701.830,00	105.990,00	5.807.820,00
Article	321 Common Support Services and Evaluation Platform - Building expenditure	4.980.105,00	0,00	4.980.105,00	-112.980,00	4.867.125,00	0,00	4.867.125,00	145.725,00	5.012.850,00
Item	3211 Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	4.980.105,00	0,00	4.980.105,00	-112.980,00	4.867.125,00	0,00	4.867.125,00	145.725,00	5.012.850,00
Article	322 Common Support Services and Evaluation Platform - ICT, Logistics, Information and Current Operating expenditure	646.985,00	0,00	646.985,00	-3.980,00	643.005,00	0,00	643.005,00	-13.605,00	629.400,00
Item	3221 ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs	646.985,00	0,00	646.985,00	-3.980,00	643.005,00	0,00	643.005,00	-13.605,00	629.400,00
Article	323 Meetings of Experts	157.000,00	0,00	157.000,00	34.700,00	191.700,00	0,00	191.700,00	-26.130,00	165.570,00
Item	3231 Meetings of Experts and associated costs	157.000,00	0,00	157.000,00	34.700,00	191.700,00	0,00	191.700,00	-26.130,00	165.570,00

3.4.2. Implementation of 2019 commitment and payment appropriations – fund source C1

The budget execution does not call for any particular comment given the high rate of implementation in both commitment and payment appropriations. Indeed, the overall implementation rate reaches 99.95% in commitment appropriations (which is comparable to 2018) and 90.99% in payment appropriations (which is also comparable to 2018). Only 0.05% (€ 36,094) of the commitment appropriations remains unused and 8.96% (€ 6,790,092) of the undifferentiated commitment and payment appropriations are carried forward to 2020 to cover the payment of services/goods delivered in 2019 but not invoiced at the end of December or to be delivered early 2020.

As last year, the Agency had to carry forward an amount of € 3,851,020 on the budget line 3211 including the rent (3.4M€) for the evaluation platform that OIB did not invoice in 2019.

The total budget amounts to € 75,802,085 out of which € 75,765,990 are committed and € 68,975,899 are paid. Appropriations are distributed as follows:

- 75.41% on title 1 "Staff expenditure" (+0.9% compared to 2018);
- 15.18% on title 2 "Infrastructure and operating expenditure" (+1% compared to 2018);
- 9.41% on title 3 "Programme support expenditure" (-1.9% compared to 2018).

As regards title 1, 93.92% of the amount committed covers the remuneration, allowances and charges of the staff (interim supportive agents and trainees excluded). 182 temporary agents and 571 contract agents were employed at the end of December 2019 equivalent to 96.7% of the authorised positions. 4.58% of the committed amount is related to professional development and social expenditure. The remaining balance concerns the use of "interimaires" to compensate for long term absences, parental leave and part time work.

With respect to title 2, the building expenditure (rent/usufruct instalments, building charges and associated costs) and the ICT expenditure (IT equipment and services) represent respectively 69.78% (+2.4% compared to 2018) and 26.56% (-2.1% compared to 2018) of the amount committed under this title. The remaining amount concerns movable property and current operating expenditure. The ratios are stable compared to last year.

As regards title 3, 81.55% of the amount is committed to cover the expenditure related to the provision of administrative and logistical support services to participants, Commission services, other agencies and joint undertakings. The expenditure consists mainly in building expenses and ICT expenses incurred for the provision of Common Support Services and the management of the Evaluation Platform.

The programme management expenditure represents 18.45% of the amount committed under this title and relates to communication activities, ICT environment, audits of FP7 beneficiaries carried out by external contractors and missions carried out as part of the management of projects subsidised by the Agency.

The detailed budget implementation is provided in the table hereafter.

Expenditure Titles, Chapters, Articles and Items	Appropriations 2019 (C1)	Commitment Appropriations (CA)			Payment Appropriations (PA)																
		Implemented Commitment appropriations		Unused Commitment appropriations	Implemented Payment appropriations		Outstanding RAL to carry forward to 2020														
		value	%	D = A-B	E = D/A	value	%	value	%												
A		B		C = B/A		F		G = F/A		H = B-F		I = H/B									
TOTAL EXPENDITURE		75.802.085,00		75.765.990,52		99,95%		36.094,48		0,05%		68.975.898,67		90,99%		6.790.091,85		8,96%			
STAFF EXPENDITURE		57.164.395,00		57.142.944,96		99,96%		21.450,04		0,04%		56.793.664,22		99,35%		349.280,74		0,61%			
Chapter	11	Remunerations, Allowances and Charges		54.547.115,00		54.526.019,96		99,96%		21.095,04		0,04%		54.371.748,18		99,68%		154.271,78		0,28%	
Article	111	Staff occupying an employment in the establishment plan		21.733.905,00		21.733.801,10		100,00%		103,90		0,00%		21.733.801,10		100,00%		0,00		0,00%	
Item	1111	Temporary Agents - Remuneration, Allowances and Charges		21.733.905,00		21.733.801,10		100,00%		103,90		0,00%		21.733.801,10		100,00%		0,00		0,00%	
Article	112	Contract Agents		31.954.540,00		31.933.550,54		99,93%		20.989,46		0,07%		31.933.550,54		99,93%		0,00		0,00%	
Item	1121	Contract Agents - Remuneration, Allowances and Charges		31.954.540,00		31.933.550,54		99,93%		20.989,46		0,07%		31.933.550,54		99,93%		0,00		0,00%	
Article	113	Other Staff Remunerations, Allowances and Charges		858.670,00		858.668,32		100,00%		1,68		0,00%		704.396,54		82,03%		154.271,78		17,97%	
Item	1131	Seconded National Experts - Allowances and Charges		p.m.		p.m.		-		p.m.		-		p.m.		-		p.m.		-	
Item	1132	Interim supportive agents and Trainees		858.670,00		858.668,32		100,00%		1,68		0,00%		704.396,54		82,03%		154.271,78		17,97%	
Chapter	12	Professional Development and Social expenditure		2.617.280,00		2.616.925,00		99,99%		355,00		0,01%		2.421.916,04		92,54%		195.008,96		7,45%	
Article	121	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel		1.667.530,00		1.667.530,00		100,00%		0,00		0,00%		1.618.907,72		97,08%		48.622,28		2,92%	
Item	1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel		1.667.530,00		1.667.530,00		100,00%		0,00		0,00%		1.618.907,72		97,08%		48.622,28		2,92%	
Article	122	Professional and Personal Development and Social expenses for Staff		868.395,00		868.395,00		100,00%		0,00		0,00%		723.478,28		83,31%		144.916,72		16,69%	
Item	1221	Training Courses for the Professional and Personal Development of Staff		509.330,00		509.330,00		100,00%		0,00		0,00%		445.010,27		87,37%		64.319,73		12,63%	
Item	1222	Missions related to the Professional and Personal Development of Staff		24.145,00		24.145,00		100,00%		0,00		0,00%		19.250,08		79,73%		4.894,92		20,27%	
Item	1223	Medical Service		169.330,00		169.330,00		100,00%		0,00		0,00%		109.177,00		64,48%		60.153,00		35,52%	
Item	1224	Mobility and Other Social expenses		165.590,00		165.590,00		100,00%		0,00		0,00%		150.040,93		90,61%		15.549,07		9,39%	
Article	123	Representation expenses, Events and Internal meetings		81.355,00		81.000,00		99,56%		355,00		0,44%		79.530,04		97,76%		1.469,96		1,81%	
Item	1231	Representation expenses, Events and Internal meetings		81.355,00		81.000,00		99,56%		355,00		0,44%		79.530,04		97,76%		1.469,96		1,81%	

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	Appropriations 2019 (C1)			Commitment Appropriations (CA)			Payment Appropriations (PA)		
		A	B	C = B/A	value	%	D = A-B	value	%	Outstanding RAL to carry forward to 2020
Title	2 INFRASTRUCTURE AND OPERATING EXPENDITURE	11.507.435,00	11.504.335,51	99,97%	3.099,49	0,03%	0,00	9.600.326,38	83,43%	1.904.009,13
Chapter	21 Building expenditure	8.027.800,00	8.027.800,00	100,00%	0,00	0,00%	0,00	7.013.497,88	87,37%	1.014.302,12
Article	211 Rent / Usufruct instalments and Building Charges	8.027.800,00	8.027.800,00	100,00%	0,00	0,00%	0,00	7.013.497,88	87,37%	1.014.302,12
Item	2111 Rent / Usufruct instalments, Building Charges and associated expenses	8.027.800,00	8.027.800,00	100,00%	0,00	0,00%	0,00	7.013.497,88	87,37%	1.014.302,12
Chapter	22 ICT expenditure	3.059.115,00	3.056.015,51	99,90%	3.099,49	0,10%	1.570,04	2.255.333,86	73,73%	800.681,65
Article	221 ICT Environment	2.540.595,00	2.539.024,96	99,94%	1.570,04	0,06%	1.570,04	1.980.467,58	77,95%	558.557,38
Item	2211 ICT Environment (Infrastructure, Systems and Services)	2.540.595,00	2.539.024,96	99,94%	1.570,04	0,06%	1.570,04	1.980.467,58	77,95%	558.557,38
Article	222 Data Processing and application development	518.520,00	516.990,55	99,71%	1.529,45	0,29%	1.529,45	274.866,28	53,01%	242.124,27
Item	2221 Data Processing and application development and associated expenditure	518.520,00	516.990,55	99,71%	1.529,45	0,29%	1.529,45	274.866,28	53,01%	242.124,27
Chapter	23 Movable property and Current Operating expenditure	420.520,00	420.520,00	100,00%	0,00	0,00%	0,00	331.494,64	78,83%	89.025,36
Article	231 Furniture, Materials and Technical Installations	125.100,00	125.100,00	100,00%	0,00	0,00%	0,00	86.224,40	68,92%	38.875,60
Item	2311 Furniture, Materials and Technical Installations and associated expenditure	125.100,00	125.100,00	100,00%	0,00	0,00%	0,00	86.224,40	68,92%	38.875,60
Article	232 Current Operating expenditure	295.420,00	295.420,00	100,00%	0,00	0,00%	0,00	245.270,24	83,02%	50.149,76
Item	2321 Office Supplies and Other Current Operating expenditure	295.420,00	295.420,00	100,00%	0,00	0,00%	0,00	245.270,24	83,02%	50.149,76

Expenditure Titles, Chapters, Articles and Items	Appropriations 2019 (C1)	Commitment Appropriations (CA)				Payment Appropriations (PA)			
		Implemented Commitment appropriations		Unused Commitment appropriations		Implemented Payment appropriations		Outstanding RAL to carry forward to 2020	
		value	%	D = A-B	E = D/A	value	%	value	%
A		B		C = B/A		F		G = F/A	
7.130.255,00		7.118.710,05		99,84%		2.581.908,07		36,21%	
PROGRAMME SUPPORT EXPENDITURE		1.313.340,96		99,31%		862.811,85		65,24%	
311		546.714,53		99,40%		337.529,95		61,37%	
3111		129.798,38		98,65%		97.987,83		74,48%	
3112		416.916,15		99,63%		239.542,12		57,25%	
312		766.626,43		99,25%		525.281,90		68,00%	
3121		94.811,88		94,24%		0,00		0,00%	
3122		671.814,55		100,00%		525.281,90		78,19%	
PROGRAMME SUPPORT EXPENDITURE		5.805.369,09		99,96%		1.719.096,22		29,60%	
3211		5.012.850,00		100,00%		1.161.830,11		23,18%	
3212		5.012.850,00		100,00%		1.161.830,11		23,18%	
322		629.400,00		100,00%		417.556,10		66,34%	
3221		629.400,00		100,00%		417.556,10		66,34%	
323		163.119,09		98,52%		139.710,01		84,38%	
3231		163.119,09		98,52%		139.710,01		84,38%	

3.4.3. Implementation of commitment and payment appropriations carried over from 2018 – Fund source C8

The 2018 appropriations that were carried forward to 2019 (C8 appropriations in 2019) amount to € 6,096,188.86. Out of this amount € 5,805,929.59, equivalent to 95% (93% in 2018) of the carried over appropriations, are paid and € 290,259.27 are not used and consequently cancelled.

The implementation rate of C8 appropriations carried over has improved with a further 2% in 2019 compared to 2018. The reinforced monitoring put in place since 2017 has helped to reduce the rate of cancelled appropriations from 22% in 2016 to 5% in 2019.

On title 1 "Staff expenditure", the unused appropriations carried over represent € 34,997.49 (9% of the appropriations carried over on this title). It stems mainly from an under implementation on the budget lines 1132 "Interim supportive agents and trainees" and 1231 "Representation expenses, events and internal meetings".

As regards line 1132, not all the appropriations carried forward have been used because the days actually worked by interim support staff and invoiced are less than the number of working days originally ordered.

As regards line 1231, the contract signed end of 2018 has been amended beginning of 2019 to partially reduce the use of additional services not provided for in the supplier's standard service catalogue.

The cancellation of appropriations on the title 2 "Infrastructure and operating expenditure" represents 11% of the total carried over amount and equals € 125,600. In chapter 21 "Building expenditure", the under-execution is essentially the result of a combination of 2 factors. The actual costs re-invoiced by the building owner for the common expenses are lower than estimated and some security services have been reduced or eliminated compared to the original planning.

With regard to chapter 22 "ICT expenditure", not all the appropriations carried over were used due to the fact that the maximum amount provided for in the contract for moves of ICT material has not been used as some moves have not been implemented. Some working days foreseen for certain IT contracts could not be delivered.

Concerning chapter 23, the under implementation mainly concerns the legal assistance services. In some cases, the legal procedures take more than two years and are still ongoing, therefore part of the services covered by the contracts could not be fully invoiced by the end of 2019.

On title 3 "Programme support expenditure", the unused carried over appropriations amount to € 129,661.57 (2.8% of the appropriations carried over on this title). The cancellation of appropriations mainly concerns the following budget lines:

- 3121 "external audit expenditure": € 34,558.69 have not been used due to delays of the contractor in closing audits and due to a reduction of payments as a result of imposing liquidated damages.
- 3122 "Missions and Other expenses related to the Administrative Management of Programmes": € 40,757.63 were not used because part of the services included in some contracts for legal assistance could not be invoiced as the procedure is not yet finalised and because the actual cost incurred for some missions is lower than estimated.
- 3211 "Building Rent/Usufruct, building charges and associated expenses": the € 37,347.67 left are due to an invoice lower than forecasted for water, gas and electricity.

The detailed budget implementation is provided in the table hereafter.

Budget Execution of C8 Appropriations as of 31/12/2019 in EUR									
Expenditure Titles, Chapters, Articles and Items		Official Name of the Expenditure Budget Lines		Appropriations 2019 (C8) (carried over from 2018)	Implemented Payment appropriations		Cancellation unused appropriations (carried over from 2018)		
					value	%	value	%	
TOTAL EXPENDITURE				A	B	C = B/A	D = A-B	E = D/A	
				6.096.188,86	5.805.929,59	95,2%	290.259,27	4,8%	
Title	1	STAFF EXPENDITURE		381.336,18	346.338,69	90,8%	34.997,49	9,2%	
Chapter	11	Remunerations, Allowances and Charges		153.882,90	143.372,04	93,2%	10.510,86	6,8%	
Article	111	Staff occupying an employment in the establishment plan		0,00	0,00	-	0,00	-	
Item	1111	Temporary Agents - Remuneration, Allow ances and Charges		0,00	0,00	-	0,00	-	
Article	112	Contract Agents		0,00	0,00	-	0,00	-	
Item	1121	Contract Agents - Remuneration, Allow ances and Charges		0,00	0,00	-	0,00	-	
Article	113	Other Staff Remunerations, Allowances and Charges		153.882,90	143.372,04	93,2%	10.510,86	6,8%	
Item	1131	Seconded National Experts - Allow ances and Charges		p.m.	p.m.	-	p.m.	-	
Item	1132	Interim supportive agents and Trainees		153.882,90	143.372,04	93,2%	10.510,86	6,8%	
Chapter	12	Professional Development and Social expenditure		227.453,28	202.966,65	89,2%	24.486,63	10,8%	
Article	121	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recrutitment and Change of Personnel		32.410,96	31.912,52	98,5%	498,44	1,5%	
Item	1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel		32.410,96	31.912,52	98,5%	498,44	1,5%	
Article	122	Professional and Personal Development and Social expenses for Staff		125.639,45	115.128,28	91,6%	10.511,17	8,4%	
Item	1221	Training Courses for the Professional and Personal Development of Staff		79.818,38	76.623,67	96,0%	3.194,71	4,0%	
Item	1222	Missions related to the Professional and Personal Development of Staff		3.067,44	783,38	25,5%	2.284,06	74,5%	
Item	1223	Medical Service		35.433,83	33.392,30	94,2%	2.041,53	5,8%	
Item	1224	Mobility and Other Social expenses		7.319,80	4.328,93	59,1%	2.990,87	40,9%	
Article	123	Representation expenses, Events and Internal meetings		69.402,87	55.925,85	80,6%	13.477,02	19,4%	
Item	1231	Representation expenses, Events and Internal meetings		69.402,87	55.925,85	80,6%	13.477,02	19,4%	
Title	2	INFRASTRUCTURE AND OPERATING EXPENDITURE		1.151.816,32	1.026.216,11	89,1%	125.600,21	10,9%	
Chapter	21	Building expenditure		594.490,11	541.878,31	91,2%	52.611,80	8,8%	
Article	211	Rent / Usufruct instalments and Building Charges		594.490,11	541.878,31	91,2%	52.611,80	8,8%	
Item	2111	Rent / Usufruct instalments, Building Charges and associated expenses		594.490,11	541.878,31	91,2%	52.611,80	8,8%	
Chapter	22	ICT expenditure		394.839,25	351.431,66	89,0%	43.407,59	11,0%	
Article	221	ICT Environment		184.570,95	159.319,53	86,3%	25.251,42	13,7%	
Item	2211	ICT Environment (Infrastructure, Systems and Services)		184.570,95	159.319,53	86,3%	25.251,42	13,7%	
Article	222	Data Processing and application development		210.268,30	192.112,13	91,4%	18.156,17	8,6%	
Item	2221	Data Processing and application development and associated expenditure		210.268,30	192.112,13	91,4%	18.156,17	8,6%	
Chapter	23	Movable property and Current Operating expenditure		162.486,96	132.906,14	81,8%	29.580,82	18,2%	
Article	231	Furniture, Materials and Technical Installations		117.386,96	92.525,80	78,8%	24.861,16	21,2%	
Item	2311	Furniture, Materials and Technical Installations and associated expenditure		117.386,96	92.525,80	78,8%	24.861,16	21,2%	
Article	232	Current Operating expenditure		45.100,00	40.380,34	89,5%	4.719,66	10,5%	
Item	2321	Office Supplies and Other Current Operating expenditure		45.100,00	40.380,34	89,5%	4.719,66	10,5%	
Title	3	PROGRAMME SUPPORT EXPENDITURE		4.563.036,36	4.433.374,79	97,2%	129.661,57	2,8%	
Chapter	31	Programme Management expenditure		582.617,68	499.363,02	85,7%	83.254,66	14,3%	
Article	311	Communication, Information and ICT expenditure related to the Management of Delegated Programmes		278.190,95	270.252,81	97,1%	7.938,14	2,8%	
Item	3111	Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses		56.653,92	52.387,50	92,5%	4.266,42	7,5%	
Item	3112	ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses		221.537,03	217.865,11	98,3%	3.671,92	1,7%	
Article	312	External Audits, Missions and Other expenses related to the Management of Delegated Programmes		304.426,73	229.110,41	75,3%	75.316,32	24,7%	
Item	3121	External Audits		148.171,00	113.612,31	76,7%	34.558,69	23,3%	
Item	3122	Missions and Other expenses related to the Administrative Management of Programmes		156.255,73	115.498,10	73,9%	40.757,63	26,1%	
Chapter	32	Common Support Services expenditure		3.980.418,68	3.934.011,77	98,8%	46.406,91	1,2%	
Article	321	Common Support Services and Evaluation Platform - Building expenditure		3.717.894,41	3.680.546,74	99,0%	37.347,67	1,0%	
Item	3211	Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform		3.717.894,41	3.680.546,74	99,0%	37.347,67	1,0%	
Article	322	Common Support Services and Evaluation Platform - ICT, Logistics, Information and Current Operating expenditure		221.648,33	219.154,63	98,9%	2.493,70	1,1%	
Item	3221	ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs		221.648,33	219.154,63	98,9%	2.493,70	1,1%	
Article	323	Meetings of Experts		40.875,94	34.310,40	83,9%	6.565,54	16,1%	
Item	3231	Meetings of Experts and associated costs		40.875,94	34.310,40	83,9%	6.565,54	16,1%	

3.5. REA staffing

The number of occupied posts increased from 736 at the end of 2018 to 753 at the end of 2019 (+2%) corresponding to 7 additional temporary agents (including seconded officials) and 10 contractual agents.

The average occupancy rate of the staff plan increased from 93% in 2018 to 96% in 2019.

ESTABLISHMENT PLAN				
<i>All Seconded Officials and Temporary Agents</i>				
Function Group and Category	2018	2018 Filled in as of 31/12/2018	2019	2019 Filled in as of 31/12/2019
AD16				
AD15				
AD14	8	5	9	6
AD13	11	10	11	9
AD12	12	6	11	9
AD11	11	7	13	8
AD10	16	7	14	10
AD9	25	36	36	34
AD8	28	32	29	36
AD7	32	29	24	27
AD6	28	24	27	28
AD5		8		2
TOTAL AD	171	164	174	169
AST11				
AST10				1
AST9	3	1	4	2
AST8	3	1	3	1
AST7	2	1	1	4
AST6		5		5
AST5		3		
AST4				
AST3				
AST2				
AST1				
TOTAL AST	8	11	8	13
GRAND TOTAL (AD+AST)	179	175	182	182
STAFF PLAN (EQUIVALENT ALLOWANCE OF POSTS IN APPROPRIATIONS)				
<i>Only Contract Agents</i>				
Function Group	2018	2018 Filled in as of 31/12/2018	2019	2019 Filled in as of 31/12/2019
FG IV	239	212	247	225
FG III	228	196	224	205
FG II	112	147	123	135
FG I	3	6	3	6
TOTAL	582	561	597	571
Of which:				
Financed from the contributions from the EU general budget:	551	551	563	563
Financed from "appropriations accruing from contributions from (non-European Economic Area) third parties to research and technological development (2014 to 2020)":	31	10	34	8
ALL STAFF PLAN				
<i>ALL AGENTS (except Interim Staff)</i>				
	2018	2018 Filled in as of 31/12/2018	2019	2019 Filled in as of 31/12/2019
Temporary Agents including Officials	179	175	182	182
Contract Agents	582	561	597	571
GRAND TOTAL	761	736	779	753

3.6. Glossary and Abbreviations

Term	Definition
ABAC	Name given to the Commission's accounting system which, since 2005, has been enriched by accrual accounting rules. Apart from the cash-based budgetary 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	The adopted budget approved by the REA Steering Committee (in line with the budget on the budget line in the general EU budget covering the subsidy to the Agency, 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	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 for which 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 <i>financial contributions from third countries to programmes financed by the Union</i> . <i>Main sources of internal assigned revenue is revenue from third parties in respect of goods, services or work supplied at their request or revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.</i> The complete list of items constituting assigned revenue is given in Article 21(2) of the Financial Regulation.
Authorizing 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.

Term	Definition
Budget	Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.
Budget result	The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for Agencies.
Budget implementation	Consumption of the budget through expenditure and revenue operations.
Budget item / Budget line / Budget position	As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.
Budgetary authority	Institutions with decisional powers on budgetary matters: the European Parliament and the Council of Ministers
Budgetary commitment	A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.
Cancellation of appropriations	Unused appropriations that may no longer be used.
Carryover of appropriations	Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.
Commitment appropriations	Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Article 7 FR: <i>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.</i>
De-commitment	Cancellation of a reservation of appropriations
Differentiated appropriations	Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Art. 7 FR: <i>Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.</i>
Earmarked revenue	Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)
Economic result	Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.
Entitlements established	Entitlements are recovery orders that the European Union must establish for collecting income.
Exchange rate difference	The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.
Expenditure	Term used to describe spending the budget from all types of funds sources.
Financial Regulation (FR)	Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union (OJ L 298, 26.10.2012, p.1)

Term	Definition
Funds Source	Type of appropriations (e.g.: C1, C8,...)
Grants	Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective that is 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
Legal base (basic act)	The legal base is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.
Legal commitment	A legal commitment establishes a legal obligation towards third parties.
Non-differentiated appropriations	Non-differentiated appropriations are for operations of an annual nature. (Article 10 FR). Non-differentiated appropriations apply to administrative expenditure.
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. Budgetary 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 (Article 7 FR).
RAL	Sum of outstanding commitments. Outstanding commitments (or RAL, from the French ' <i>reste à liquider</i> ') 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. <i>Outstanding commitments</i>)
Recovery	The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement for the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.
Result	Cf. Outturn
Revenue	Term used to describe income from all sources financing the budget.
Rules of application	Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.
Surplus	Positive difference between revenue and expenditure (see budgetary result) which has to be returned to the funding authority as provided in the Financial Regulation.
Transfer	Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.