

StC210619/3

**Decision of the Steering Committee
of the European Research Council Executive Agency
adopting the final accounts
of the European Research Council Executive Agency for 2018**

THE STEERING COMMITTEE OF THE EUROPEAN RESEARCH COUNCIL EXECUTIVE AGENCY,

Having regard to Council Regulation (EC) n° 58/2003¹ of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes,

Having regard to the Commission Implementing Decision 2013/779/EU² of 17 December 2013 establishing the European Research Council Executive Agency and repealing Decision 2008/37/EC,

Having regard to the Commission Decision of C(2013) 9428³ of 20 December 2013 on delegating powers to the European Research Council Executive Agency with a view to performance of tasks linked to the implementation of Union programmes in the field of frontier research comprising, in particular, implementation of appropriations entered in the general budget of the Union,

Having regard to Article 51 of Commission Regulation 1653/2004⁴, the accounts of the Agency shall comprise the financial statements and the reports on budget implementation. They shall be accompanied by a report on budgetary and financial management during the year, which shall give an account, inter alia, of the rate of implementation of the appropriations together with summary information on the transfers of appropriations among the various budget items.

Having regard to Article 57 of Commission Regulation 1653/2004, the Agency's accounts shall be consolidated with those of the Commission in accordance with the procedure provided for in Article 14 of Regulation (EC) No 58/2003 and, more particularly, in accordance with the provisions of point (b) of this article, the Steering Committee shall approve the final accounts of the Agency and shall send them by 1 July at the latest, to the Commission's Accounting Officer and to the Court of Auditors, the European Parliament and the Council.

Whereas,

(1) Following the end of the financial year 2018, the Steering Committee has notified the Accounting Officer of the Commission and the Court of Auditors the provisional annual accounts 2018 accompanied by the report on the budgetary and financial management during the year and has sent the report on budgetary and financial management to the European Parliament and the Council⁵.

(2) In the frame of the discharge procedure, and in conformity to article 287 of the Treaty on the Functioning of the European Union, the Court of Auditors has proceeded from 18 to 22 March

¹ OJ L 11, 16.1.2003, p.1.

² OJ L 346, 20.12.2013, p.58.

³ As last amended by Commission Decision C(2014) 9437, of 12 December 2014.

⁴ Commission Regulation (EC) n° 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) n° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes (OJ L 297, 22.09.2004, p.6), as last amended by Commission Regulation n° 651/2008 of 09 July 2008 hereinafter the 'Standard Financial Regulation'.

⁵ Article 57 (a) of the Standard Financial Regulation.

2019 to the control of the Agency 2018 provisional annual accounts⁶.

(3) Before the approval of the accounts by the Steering Committee, the Accounting Officer of the Agency has signed them off, thereby certifying that she has a reasonable assurance that the accounts present a true and fair view of the financial situation of the Agency⁷.

(4) Upon request from the Court of Auditors, the final accounts are accompanied of a Management Representation Letter, presented in Annex I and addressed to the President of the Court of Auditors, giving assurance on the legality and regularity of the expenditure under the control of the Authorizing Officer, on the true and fair view of the accounts and on the validation of the accounting system(s).

(5) The final accounts of the Agency for 2018 as presented in Annex II, consolidated with those of the Commission, will be published in the Official Journal of the European Union by 15 November 2019⁸.

HAS ADOPTED THIS DECISION:

Article 1

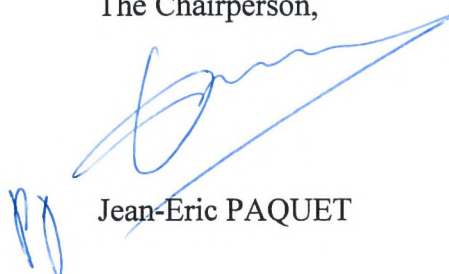
The final annual accounts and the report on Budgetary and Financial Management for financial year 2018 are hereby adopted, in the version presented in Annex II. The annual accounts of the Agency accompanied by the Budgetary and Financial Management report shall be sent by 1 July 2019 to the Accounting Officer of the Commission and to the Court of Auditors, the European Parliament and the Council.

Article 2

This Decision shall enter into force on the day following its adoption.

Done at Brussels, on 21 June 2019

For the ERCEA Steering Committee,
The Chairperson,



Jean-Eric PAQUET

⁶ Article 65 of the Standard Financial Regulation.

⁷ Article 30.2 of the Standard Financial Regulation.

⁸ Article 57 (c) of the Standard Financial Regulation.

ANNEX I

**Management Representation Letter to the attention of the President of the Court of Auditors
Final Annual Accounts of the European Research Council Executive Agency**

Representation Letter
Annual Accounts of the European Research Council Executive Agency

To the President of the European Court of Auditors

Subject: Representation letter covering the 2018 final accounts of the European Research Council Executive Agency (ERCEA)

This representation letter is provided in connection with your audit of the final accounts of the European Research Council Executive Agency consisting of the "financial statements"⁹ and the "reports on the implementation of the budget" for the financial year ended on 31 December 2018 for the purpose of expressing an opinion as to whether these present fairly, in all material respects, the financial position of the ERCEA as of 31 December 2018 and of the results of its operations, its cash flows, and the changes in net assets for the year then ended.

I have fulfilled my responsibilities concerning the design, implementation and maintenance of internal control relevant to the preparation and presentation of the accounts of the ERCEA that are free from material misstatement, whether due to fraud or error.

In line with Article 77 FR, the accounting systems laid down by the accounting officer and where appropriate systems laid down by the authorising officers to supply and justify accounting information have been validated.

All the information necessary for the production of the final accounts of the ERCEA which give a true and fair view of the assets and liabilities and of the budgetary implementation has been obtained.

I confirm, to the best of my knowledge and belief, having made such inquiries as I considered necessary for the purpose of appropriately informing myself, the following representations:

Final Accounts

1. The final accounts of the ERCEA for the financial year ended on 31 December 2018 referred to above are presented in accordance with the FR¹⁰ and the accounting rules and methods established by the European Commission on the basis of internationally accepted accounting standards for the public sector. The accounting rules adapt accruals based accounting principles to the specific environment of the European Union¹¹, while the 'reports on the implementation of the budget' continue to be primarily based on movements of cash.
2. No issues requiring a reservation have been brought to my attention.
3. Significant assumptions used by us in making accounting estimates, including those

⁹ The "financial statements" comprise the balance sheet, the statement of financial performance, the cash flow statement, the statement of changes in net assets and the notes to the financial statements.

¹⁰ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union.

¹¹ The accounting rules adopted are based on International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants or, in their absence, International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

measured at fair value, are reasonable.

4. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the accounting rules.
5. All events subsequent to the date of the accounts and for which the accounting rules and methods require adjustment or disclosure have been adjusted or disclosed.
6. The effects of any uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole.
7. There are no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements. The carrying value of receivables and recoverables which are potentially irrecoverable has been corrected, where necessary.
8. The ERCEA has satisfactory title to all assets and there are no liens or encumbrances on the assets.
9. All liabilities, both actual and contingent, have been recorded or disclosed, as appropriate, and all guarantees that have been given to third parties have been disclosed in the notes to the financial statements.
10. All claims against the ERCEA are reflected in the financial statements as a provision or, where relevant, as a contingent liability.
11. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. There are no lines of credit arrangements.

Information Provided

With regard to the information provided and the representations below, I highlight that I have provided you with such information for the ERCEA.

12. I have provided you with:

- Access to all information of which I am aware that is relevant to the preparation of the accounts such as records, documentation and other matters;
- Additional information that you have requested for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

13. All transactions have been recorded in the accounting records and are reflected in the accounts.

14. I have disclosed to you the results of my assessment of the risk that the accounts may be materially misstated as a result of fraud.

15. I have disclosed to you all information in relation to allegations of fraud, or suspected fraud,

affecting the agency's accounts that I have been informed of by management, current or previous employees or other relevant services, including the European Anti-Fraud Office (OLAF).

16. I have disclosed to you the identity of the agency's related parties and all the related party relationships and transactions of which we are aware, in accordance with the EU accounting rule 15.

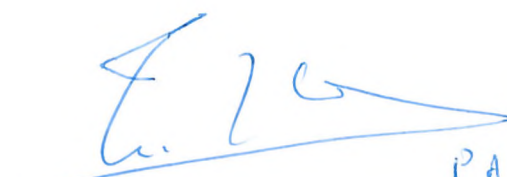
17. I have disclosed to you all instances of non-compliance and of suspected non-compliance with laws and regulations that we are aware of and whose effects should be considered when preparing the accounts.

18. Apart from the above, I confirm that:

- the accounts disclose adequately the final nature of those operations which are subject to future clearance of accounts or closure procedures;
- for all "probable" but not yet definitive receivables an adequate disclosure, including when possible an estimate of the amounts involved, is given in the notes to the accounts;
- the accounts include all the recovery orders issued by the Authorising Officers concerning the operations giving rise to reimbursement.
- Authorising Officers have not informed me of delays or other problems in the establishment of recovery orders.

Claire LEVAUER C. Leva
The Accounting Officer of the
European Research Council Executive Agency

21/06/2019
(Date)

 PABLO AMOR
The Director of the
European Research Council Executive Agency

21/6/2019
(Date)

ANNEX II

**Final Annual Accounts and Budgetary and Financial Management Report of the European Research
Council Executive Agency for Financial year 2018**



European Research Council
Executive Agency

Established by the European Commission

FINAL ANNUAL ACCOUNTS OF THE EUROPEAN RESEARCH COUNCIL EXECUTIVE AGENCY

Financial Statements

Reports on the implementation of the Budget

Financial Year 2018

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CERTIFICATE AND STATEMENT OF THE DIRECTOR

CERTIFICATE

The final annual accounts of the European Research Council Executive Agency for the year 2018 have been prepared in accordance with the Title IV Chapter 4 Section 3 and Title XIII of the Financial Regulation applicable to the general budget of the European Union and in accordance with Title VI of the Standard Financial Regulation for the Executive Agencies (Commission Regulation 1653/2004), the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the final annual accounts of the European Research Council Executive Agency in accordance with art. 30 (2) of the Standard Financial Regulation for the Executive Agencies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the final accounts that show the European Research Council Executive Agency's assets and liabilities and the budgetary implementation.

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

Brussels, 21/06/2019



Claire Levacher
Accounting Officer

STATEMENT OF THE DIRECTOR

I, the undersigned, Pablo AMOR, Director of the European Research Council Executive Agency, in my capacity as Authorising Officer,

- state that I have reasonable assurance that the resources assigned to the activities described in the final annual accounts 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 judgment and on the information at my disposal,

- confirm that I am not aware of anything not reported in the annual accounts which could harm the interests of the European Research Council Executive Agency.

Brussels, 21/06/2019

Pablo Amor
Director



INTRODUCTION

LEGAL BASIS

The accounts of the European Research Council Executive Agency are kept in accordance with:

- The Commission Regulation (EC) n°1653/2004 of the Council of 21 September 2004 on a Standard Financial Regulation for the executive agencies pursuant to Council Regulation (EC) n° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, amended by Commission Regulation (EC) n°1821/2005 of 08 November 2005 and Commission Regulation (EC) n° 651/2008 of 09 July 2008.
- The Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ-L 193/30.07.2018, p.1).
- The accounting rules, methods and guidelines as adopted and provided by the Accountant of the Commission in December 2004 and last updated in January 2019.
- The Commission Regulation (EC) No 2909/2000 of 29 December 2000 on the accounting management of the European Communities' non-financial fixed assets.

BACKGROUND INFORMATION

The European Research Council (ERC) consists of a Scientific Council and a Dedicated Implementation Structure, the European Research Council Executive Agency (ERCEA).

The Scientific Council defines the scientific funding strategy and methodologies, whereas the Dedicated Implementation Structure implements and applies this strategy and methodologies in the management and operations of the ERC activities.

The ERCEA was set up in December 2013 by Commission Decision 2013/779/EU of 17 December 2013 establishing the ERCEA and repealing Decision 2008/37/EC, for the management of the specific objective 'Strengthening frontier research through the activities of the European Research Council' of Part I 'Excellent Science' of the Specific Programme implementing Horizon 2020 (2014-2020).

The ERCEA succeeds the Executive Agency established by Decision 2008/37/EC and operates in accordance with Council Regulation (EC) No 58/2003 of 19 December 2002 laying the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, including budget implementation.

The ERC is the first European funding body set up to support investigator-driven frontier research following the relevant regulation and decisions:

- The 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.

- The Council Decision 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decisions 2006/971/EC, 2006/972/EC, 2006/973/EC, 2006/974/EC and 2006/975/EC.
- The Commission Decision C(2013) 8915 of 12 December 2013 establishing the European Research Council.

Its main aim is to stimulate scientific excellence by supporting and encouraging the very best, truly creative scientists, scholars and engineers to be adventurous and take risks in their research. The scientists are encouraged to go beyond established frontiers of knowledge and the boundaries of disciplines.

The ERC complements other funding activities in Europe such as those of the national research funding agencies, and implements the specific objective 'Strengthening frontier research through the activities of the European Research Council' of Part I 'Excellent Science' of the Specific Programme implementing Horizon 2020 (2014-2020).

Being 'investigator-driven', or 'bottom-up', in nature, the ERC approach allows researchers to identify new opportunities and directions in any field of research, rather than being led by priorities set by politicians. This approach ensures that funds are channelled into new and promising areas of research with a greater degree of flexibility.

ERC grants are awarded through open competition to projects headed by starting, consolidating or established researchers, irrespective of their origins, who are working or moving to work in Europe - the sole criterion for selection is scientific excellence. The aim here is to recognise the best ideas, and retain and confer status and visibility to the best brains in Europe, while also attracting talent from abroad. Synergy grant (SyG) schemes, to promote substantial advances at the frontiers of knowledge, to cross-fertilize scientific fields and to encourage new productive lines of enquiry and new methods and techniques including unconventional approaches and investigations at the interface between established disciplines, and the Proof of Concept instrument (PoC), aiming at bridging the gap between research and social or commercial innovation, are also awarded.

The implementation by the ERC of the operational budget, covering mainly the evaluation and grants management, from the general budget of the Union is delegated to the director of the ERCEA, who thereby assumes the role of authorising officer by delegation. The operational budget (in 2018 € 1.885.044.059¹²) is implemented under direct management. The related accounts are included in the European Commission annual accounts. The discharge in respect of the implementation of the operational appropriations is covered by the general discharge given to the Commission.

The ERCEA has its own legal personality. As a corollary, the agency has its own operating budget. The budget covers its operating expenditure, mainly staff expenditure, office related costs, IT related costs and other services. Its revenue consist of an EU annual subsidy (in 2018 € 48.808.107). The ERCEA's Director is the Authorising Officer for this budget. He implements it under direct management. This operating budget is subject to a separate discharge by the Parliament.

The final annual accounts (financial statements and reports on the implementation of the budget of the ERCEA) covered by this document relates to the operating budget.

¹² Commission Decision C(2018) 657 final – 23/03/2018 approving the Annual Work Programme of the European Research Council Executive Agency for 2018

External Audit

The European Court of Auditors is required to scrutinise the ERCEA's accounts in line with the requirements of Article 287 of the Treaty on the Functioning of the European Union¹³.

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 ERCEA for a given financial year.

¹³ Art. 65 of the Commission Regulation (EC) n° 1653/2004 of the 21 December 2004 on a standard regulation for the executive agencies pursuant to Council Regulation (EC) n° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes. The reference to Article 248 of the EC Treaty in the mentioned article of the Standard regulation for EAs needs to be read as being made to the Article 287 of the Treaty on the Functioning of the European Union.

FINANCIAL STATEMENTS

Financial Year 2018

BALANCE SHEET

EUR

	Note	31.12.2018	31.12.2017
NON-CURRENT ASSETS		2.631.782,67	2.818.510,66
Intangible assets	2.1.	439.656,00	885.990,72
Property, Plant and Equipment	2.2.	2.192.126,67	1.932.519,94
Land and buildings		909,00	1.525,00
Plant and equipment			
Computer hardware		360.028,00	433.409,00
Furniture and vehicles		90.691,00	120.782,00
Other fixtures and fittings		1.740.498,67	1.376.803,94
CURRENT ASSETS		5.896.184,56	6.398.127,32
Exchange Receivables	2.3.	2.519.777,09	3.656.496,25
Current receivables			
Current receivables from consolidated entities			2.703,25
Sundry receivables		17.584,22	72.226,90
Deferred charges		2.480.790,61	3.581.566,10
Accrued income		21.402,26	
Non-exchange Receivables	2.4.	0,00	26.738,50
Current recoverable Member State			26.738,50
Cash and cash equivalents	2.5.	3.376.407,47	2.714.892,57
TOTAL ASSETS		8.527.967,23	9.216.637,98
NON CURRENT LIABILITIES			
CURRENT LIABILITIES		3.540.017,49	2.585.677,34
Provisions for risks and liabilities	2.6.	45.864,67	
Payables	2.7.	3.494.152,82	2.585.677,34
Current payables			
Sundry payables		70.608,29	26.868,40
Accrued charges and deferred income		2.939.434,31	2.170.121,24
Accounts payable to consolidated EU entities	2.7.1	484.110,22	388.687,70
TOTAL LIABILITIES		3.540.017,49	2.585.677,34
NET ASSETS		4.987.949,74	6.630.960,64
Accumulated surplus/deficit		6.630.960,64	7.055.397,72
Economic result of the year		(1.643.010,90)	(424.437,08)

STATEMENT OF FINANCIAL PERFORMANCE

EUR

	Note	2018	2017
OPERATING REVENUE	3.1.	48.426.715,23	47.070.426,45
Non-exchange revenue		48.327.535,97	46.895.495,30
European Union Contribution	3.1.1.	48.323.996,78	46.834.712,30
Other non-exchange revenue	3.1.2	3.539,19	60.783,00
Exchange revenue	3.1.3	99.179,26	174.931,15
OPERATING EXPENSES		50.069.726,13	47.494.863,53
Administrative expenses	3.2.	50.069.726,13	47.494.863,53
Staff expenses	3.2.1	35.352.326,33	33.366.556,58
Property, plant and equipment related expenses		6.792.857,89	6.824.325,61
Other expenses		7.924.172,59	7.303.981,34
Financial expenses		369,32	
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		(1.643.010,90)	(424.437,08)
Financial revenue			
Financial expenses			
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES			
Extraordinary gains			
Extraordinary losses			
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS			
ECONOMIC RESULT OF THE YEAR		(1.643.010,90)	(424.437,08)

CASH FLOW STATEMENT

EUR

	Note	2018	2017
Economic result of the year		(1.643.010,90)	(424.437,08)
Operating activities	4.1.		
Amortisation		1.043.958,05	1.215.230,20
Depreciation		493.407,33	923.161,68
(Increase)/Decrease in receivables and recoverables		1.163.457,66	(1.337.251,69)
Increase/(Decrease) in provisions		45.864,67	(55.000,00)
Increase/(Decrease) in payables		813.052,96	(73.039,06)
Increase/(Decrease) in liabilities to consolidated EU entities		95.422,52	(14.848.468,61)
Net cash-flow from operating activities		3.655.163,19	(14.175.367,48)
Investing activities	4.2.		
(Increase)/Decrease in intangible assets and property, plant and equipment		(1.350.637,39)	(364.965,95)
Net cash-flow from investing activities		(1.350.637,39)	(364.965,95)
Net cash-flow		661.514,90	(14.964.770,51)
Net increase/(decrease) in cash and cash equivalents		661.514,90	(14.964.770,51)
Cash and cash equivalents at the beginning of the year		2.714.892,57	17.679.663,08
Cash and cash equivalents at year-end		3.376.407,47	2.714.892,57

STATEMENT OF CHANGES IN NET ASSETS

EUR

	Accumulated Surplus/Deficit	Economic result of the year	Net Assets (Total)
Balance as at 31 December 2017	7.055.397,72	(424.437,08)	6.630.960,64
Changes in accounting policies			
Balance as at 1 January 2018	7.055.397,72	(424.437,08)	6.630.960,64
Allocation of the economic result of previous year	(424.437,08)		
Economic result of the year		(1.643.010,90)	
Balance as at 31 December 2018	6.630.960,64	(1.643.010,90)	4.987.949,74

NOTES TO THE FINANCIAL STATEMENTS

These financial statements cover the period from 1 January 2018 until 31 December 2018.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Legal basis and Accounting rules

In accordance with the legal basis described above the following annual accounts together with the reports on implementation of the budget of the ERCEA have been drawn up.

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 (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 the ERCEA comprises general accounts and budget accounts. These accounts are kept in Euro 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 principle.¹⁴ 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 at 31 December.

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

1.2. Accounting principles

The objectives of the financial statements are 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 the European Research Council Executive Agency, 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 the executive agencies¹⁵ sets out the accounting principles to be applied in drawing up the financial statements: going concern basis, prudence, consistent accounting methods, comparability of information, materiality, no netting, reality over appearance, accrual-based accounting.

¹⁴ This differs from cash-based accounting because of elements such as carryovers.

¹⁵ Commission Regulation (EC) n°1653/2004 of 21/09/2004 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 amended by Commission Regulation (EC) n° 1821/2005 of 08 November 2005 and Commission Regulation (EC) n° 651/2008 of 09 July 2008.

Going-concern principle

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.

Principle of 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.

Principle of 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.

Principle of 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 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.

Principle of 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 makes for clarity in the financial statements.

Principle of No-netting

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

Principle of 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 principle

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 content 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 2 and are the same as those described in IPSAS, 1¹⁶ that is: fair presentation, accrual basis, going concern basis, consistency of presentation, aggregation, offsetting and comparative information.

1.3. Basis of preparation

1.3.1. Currency and basis for conversion

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 dates 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 the European Research Council Executive Agency 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 the European Research Council Executive Agency. 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.

¹⁶ International Public Sector Accounting Standards

1.4. Balance Sheet

Assets are resources controlled by the ERCEA as a result of past events and from which future economic benefits or service potential are expected to flow.

1.4.1. Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful life. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

Currently the ERCEA uses 25% amortisation rate for its intangible assets.

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life (EU Accounting Rule 6).

Internally developed intangible assets are capitalised when the relevant criteria of the EU Accounting rules are met. The costs capitalisable include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

1.4.2. Property, plant and equipment

All property, plant and equipment are identifiable non-monetary assets with physical substance. Tangible fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the ERCEA and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life (EU Accounting Rule 7).

The depreciation is calculated using the straight-line method with the following rates and *prorata temporis* from the month of purchase of the asset:

Type of asset	Straight line depreciation rate
Leasehold improvement (works, fitting out)	10%
Plant and equipment	12% - 25%
Computer hardware	25%
Furniture	10% - 25%
Telecommunication and audio-visual equipment	25%

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

1.4.3. Financial assets

The ERCEA has as financial assets its receivables and current bank accounts. Receivables arise when the ERCEA provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities more than 12 months of the balance sheet date. See notes 1.4.4. and 1.4.5 below for more information.

1.4.4. Receivables

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the ERCEA will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

See note 1.4.9 below concerning the treatment of accrued income at year-end.

1.4.5. Cash and cash equivalents

Cash and cash equivalents are financial instruments and classified as available for sale financial assets. They include cash at hand and deposits held at call with banks.

1.4.6. Provisions

Provisions are recognised when the ERCEA has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date.

1.4.7. Financial liabilities

The ERCEA has as financial liabilities its payables. They are classified as current liabilities, except for maturities more than 12 months after the balance sheet date. See note 1.4.8. below for more information.

1.4.8. Payables

A significant amount of the payables of the ERCEA are related to the purchase of goods or services. Those are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the ERCEA.

1.4.9. Accrued and deferred income and charges

According to the EU Accounting Rules, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation

of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Commission and by the ERCEA which aim at ensuring that the financial statements reflect a true and fair view.

Revenue is also accounted for in the period to which it relates. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the ERCEA or a contractual agreement exists (*i.e.* by reference to a treaty), an accrued income will be recognised in the financial statements.

In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue or charges will be deferred and recognised in the subsequent accounting period.

1.5. Statement of financial performance

1.5.1. Revenue

Non-exchange revenue makes up the vast majority of the ERCEA's revenue and includes mainly EU subsidy.

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

Interest income consists of received bank interest.

1.5.2. Expenses

According to the principle of accrual-based accounting, the financial statements take account of expenses relating to the reporting period, without taking into consideration the payment date; meaning when the goods or services are used or consumed.

Exchange expenses arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the ERCEA. They are valued at original invoice cost.

Non-exchange expenses account for the majority of the ERCEA's expenses. They relate to transfers to beneficiaries and can be mainly of two types: entitlements and transfers under agreement.

Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation (Financial Regulation, Staff Regulations, or other regulation) or a contract has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

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

1.6. Contingent Assets and Liabilities

1.6.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the ERCEA. It is not recognised because the amount of the obligation cannot be measured with sufficient reliability. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.6.2. Contingent liabilities

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

1.7. Consolidation

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

2. NOTES TO THE BALANCE SHEET

NON-CURRENT ASSETS

The ERCEA uses ABAC Assets as inventory application which is an integrated part of the ABAC platform. The non-current intangible and tangible (property, plant and equipment) assets are called also fixed assets.

2.1. Intangible fixed assets

To be entered in the financial inventory in the balance sheet they must be controlled by the ERCEA and generate future economic benefits for the Agency. Moreover the assets should have a purchase price above € 700.

The ERCEA's individual threshold for capitalisation of internally generated Intangible assets is € 100.000,00.

The intangible fixed assets at the ERCEA consist of computer software and the development cost of the intangible assets under construction.

EUR

	Internally generated Computer Software and other Computer Software	Intangible assets under construction	Total
Gross carrying amounts 01.01.2018	7.509.727,36		7.509.727,36
Additions	47.072,61		47.072,61
Disposals			
Transfer between headings			
Other changes			
Gross carrying amounts 31.12.2018	7.556.799,97		7.556.799,97
Accumulated amortization and impairment 01.01.2018	(6.623.736,64)		(6.623.736,64)
Amortization	(493.407,33)		(493.407,33)
Disposals			
Accumulated amortization and impairment 31.12.2018	(7.117.143,97)		(7.117.143,97)
Net carrying amounts 31.12.2018	439.656,00		439.656,00

EUR

Not capitalised cost	Research cost	Not capitalised development cost *
Cost of the year	-	503.907,36
* Including yearly amortization on the capitalised intangible assets internally generated		

The internally generated intangible assets represent an important part of the fixed assets and consist mainly in IT tools for the management of the Agency's operational programmes, namely for Grants and Evaluations and to a lesser extent for the administrative management of the Agency, as detailed in the table below:

Intangible assets	Acquisition value	Cumulative depreciation	Net value
Internally developed assets by RTD/DIGIT/Agencies	5.237.716,01	(5.237.716,01)	0,00
Internally developed assets by ERCEA	2.062.030,59	(1.680.731,59)	381.299,00
Other intangible assets	257.053,37	(198.696,37)	58.357,00
Total net amount 31.12.2018	7.556.799,97	(7.117.143,97)	439.656,00

The internally developed IT software for the management of the Agency's operational programmes carried out by and for various Directorates-General in the Commission and Executive Agencies is completely depreciated at year end 2018. These IT tools were developed until 2013 and mostly capitalized over three years.

Following the termination of the Service Level Agreement for the provision of FP7 information systems and services and the Common Evaluation Platform by 31 December 2013, the establishment of the Common Support Center (CSC) responsible for the implementation and support of IT systems for Horizon 2020 and all common FP7 applications, and the implementation of the new partnership agreement between the CSC, representing the Research family DGs, and the DG for Informatics (DIGIT), the development costs of these IT tools are shared among DGs without any financial participation of the ERCEA. No development costs are activated since 2014 in the ERCEA annual accounts regarding these tools.

The net value of the internally developed IT software carried out by the Agency is equal to € 381.299,00 (€ 739.831,00 in 2017).

There is one IT tool under development phase in 2018 that doesn't reach the individual threshold for capitalisation of internally generated Intangible assets (€ 100.000,00).

2.2. Property, plant and equipment

Tangible (fixed) assets at the ERCEA consist of leasehold improvements (fitting out), technical equipment, furniture, kitchen and cafeteria equipment, computer hardware, telecommunication and audio-visual equipment.

As a general rule, the Agency books as fixed tangible assets only items whose purchase price is above € 700. Items with lower value are treated as expenses of the year and are registered in the physical inventory when the value is between € 100 and € 700.

Details of the property, plant and equipment's depreciation can be found in the table below (in EUR):

Year N	Buildings	Plant and Equipment	Furniture and vehicles	Computer hardware	Other Fixtures and Fittings	Total
Gross carrying amounts 01.01.2018	6.155,41	23.674,92	353.652,93	1.305.419,38	7.259.758,69	8.948.661,33
Additions			2.272,94	131.006,11	1.197.331,73	1.330.610,78
Disposals			(1.070,07)	(806,00)	(99.012,53)	(100.888,60)
Others						
Gross carrying amounts 31.12.2018	6.155,41	23.674,92	354.855,80	1.435.619,49	8.358.077,89	10.178.383,51
Accumulated amortization and impairment 01.01.2018	(4.630,41)	(23.674,92)	(232.870,93)	(872.010,38)	(5.882.954,75)	(7.016.141,39)
Amortisation	(616,00)		(32.292,94)	(203.816,11)	(807.233,00)	(1.043.958,05)
Disposals			999,07	235,00	72.608,53	73.842,60
Others						
Accumulated amortization and impairment 31.12.2018	(5.246,41)	(23.674,92)	(264.164,80)	(1.075.591,49)	(6.617.579,22)	(7.986.256,84)
Net carrying amounts 31.12.2018	909,00	0,00	90.691,00	360.028,00	1.740.498,67	2.192.126,67

The heading "other fixtures and fittings" represents the largest amount of the tangible assets. It corresponds to:

Description	Note	Gross carrying amounts 31.12.2018	Accumulated amortization and impairment 31.12.2018	Net carrying amounts 31.12.2018
Initial fitting out of the building	1	5.543.448,65	(5.364.439,65)	179.009,00
Canteen	2	650.144,86	(390.086,86)	260.058,00
Audio visual equipment	3	1.520.778,03	(566.465,03)	954.313,00
Fitting out 7th floor COVE	3	165.467,32	(11.031,15)	154.436,17
Subsequent fitting out of the building	4	332.937,82	(233.330,82)	99.607,00
Open space 20th floor	5	128.873,77	(35.798,27)	93.075,50
Cafeteria First floor	6	16.427,44	(16.427,44)	0,00
Total		8.358.077,89	(6.617.579,22)	1.740.498,67

1. The works (€ 5.543.448,65) made for the initial fitting out of the building occupied by the Agency (COV) through a 15-year duration usufruct contract. The rent is paid annually and registered as expenditure. The works have been capitalized over a useful life of 10 years starting from January 2009.
2. The canteen created in 2012 for the benefit of the staff of the different organisations established in the building where the Agency has its premises representing the participation of the Agency to the canteen building costs (€ 650.144,86). The delivery of the canteen took place in January 2013 and it started to be used beginning February 2013. The works have been capitalized over a useful life of 10 years starting from February 2013.
3. The telecommunication and audio-visual equipment represents an amount to € 1.520.778,03 and are capitalized under this heading (out of which € 589.769,94 were already capitalised on 31/12/2017). It is depreciated over a useful life of 4 years. According to an agreement between the ERCEA and the REA on synergies and efficiencies in the use of evaluation facilities of the COVE evaluation building, the ERCEA took the 7th floor in COVE building as of 1/04/2018 and the REA took 5 meeting rooms located on the COV2 ground floor as of 1/09/2018. This leads in 2018 to:
 - the installation in 2018 of new telecommunication and audio-visual equipment in accordance with the SCIC specific convention and Cooperation agreement signed in 2017 for an amount equal to € 990.920,48. The delivery of the equipment took place on 3/09/2018.
 - the fitting out of the 7th floor COVE through the SLA with OIB for an amount equal to € 165.467,32. These costs have been capitalized in 2018 and correspond to the best estimate provided by OIB. Thus they may be modified in 2019 upon reception of the final invoice. The delivery of the works took place on 1/09/2018. The costs are depreciated over the remaining duration of the usufruct contract (September 2023).
 - the transfer from the ERCEA to the REA of the audio-visual equipment that was installed by the ERCEA in the COV2 ground floor meeting rooms: the net value of the equipment retired and transferred to the REA is equal to € 26.404.
4. The value of subsequent works for the fitting out (€ 332.937,82). The works have been capitalized between 2011 and 2013 over a useful life of 10 years.

5. The costs for an amount equal to € 128.873,77 of the works carried out to create an open space for offices, replacing the former cafeteria in the 20th floor of the building. The delivery of the open space took place in May 2017. The costs are depreciated over the remaining duration of the usufruct contract (September 2023).
6. The participation for an amount equal to € 16.427,44 of the creation of a new cafeteria on the 1st floor of the building for the benefit of the staff of the different organisations established in this building. The delivery of the cafeteria took place in May 2017. The costs have been fully depreciated end of 2018 considering the closing of the cafeteria end of October 2018.

With regard to the heading "computers and hardware", the main acquisition made in 2018 corresponds mainly to the purchase of new servers (€ 57.141,20) and of hardware equipment for the 7th floor (€ 36.480,90).

CURRENT ASSETS

2.3. Exchange receivables

	EUR	
	2018	2017
Deferred charges	2.480.790,61	3.581.566,10
Sundry receivables	17.584,22	72.226,90
Current receivables from consolidated entities		2.703,25
Current receivables		
Accrued income	21.402,26	
Total	2.519.777,09	3.656.496,25

The balance of the deferred charges (€2.480.790,61) corresponds to:

- deferred charges related to the rent of the building where the ERCEA has established its headquarters, each yearly instalment starting at the end of September (€2.298.805,87);
- deferred charges related to the costs already pre-paid to the SCIC (€ 60.780,00) to cover the purchase and installation of the audio-visual equipment in accordance with the SCIC specific conventions and Cooperation agreement signed in 2017 and 2018: the goods will be installed and delivered in 2019 in the future ERCEA evaluation facilities on the COVE 7th floor of the building;
- deferred charges related mainly to the reimbursement of IT maintenance, training and SNE costs (€ 121.204,74).

Sundry receivables amount to € 17.584,22. They consist in salary advances (€ 14.009,00 in comparison to € 20.404,67 in 2017) and monthly salary regularizations concerning staff members and other balances linked to payroll paid to staff on behalf of the Commission and other institutions and not yet claimed by the Agency (€ 3.575,22 in comparison to € 51.822,23 in 2017).

Given the interests rate applied since the 2017 second quarter, there is no bank interests earned on the Agency's bank account.

In 2017 there were € 349,5 of past due receivables but not impaired. On 31 December 2018 there is no due receivable. No write-offs and no provision were made during the year.

The maximum exposure to credit risk is equal to the carrying amount (see § 6. Financial instruments).

2.4. Non-exchange receivables

	EUR	
	2018	2017
Total non-exchange receivables		26.738,50

There were no non-exchange receivables in 2018.

The non-exchange receivables registered in 2017 correspond to recovery of undue payments made in 2016 to suppliers (SLA OIB) for services foreseen for 2016.

2.5. Cash and cash equivalents

	EUR	
	2018	2017
Bank accounts	3.376.407,47	2.714.892,57

The bank accounts are held with ING Belgium SA.

The specific contract number ERCEA/CAO/PN/2011/51/1 signed on 5th of March 2012 implementing the framework service contract number ERCEA/CAO/PN/2011/51 signed on 28th of February 2012 used by the ERCEA for execution of payments came to an end on the 28th of February 2017.

In 2014 the ERCEA had confirmed its interest to participate in the inter-institutional call for tenders arranged by DG Budget for selection of banks for execution of payments in EUR. As a result of the procedure BUDG 14/PO/03 and the award decision of the DG Budget Authorising Officer on 13/11/2014 and taking into account the specific requirements of the Agency, the ERCEA decided to request opening of a bank account at ING Belgium SA/NV under the framework service contract number 0686842. The bank account is operational as from 1st of March 2017 until December 2019, the date on which the contract concluded with the Commission and ING will expire.

CURRENT LIABILITIES

2.6. Current provisions/short-term provisions for risks and liabilities

The judgement rendered by the General Court on case T-348/16 against the ERCEA on 17 January 2019 requires the ERCEA to pay the legal costs of the beneficiary related to this case. The provision of € 45.864,67 covers those litigation costs.

2.7. Payables

The accounts payable at 31 December 2018 comprise outstanding unpaid invoices and claims from suppliers and other public bodies.

EUR

	2018	2017
Sundry payables	70.608,29	26.868,40
Accrued charges	2.939.434,31	2.170.121,24
Incl. Staff holiday accrual	693.931,74	669.743,42
Accounts payable to consolidated EU entities	484.110,22	388.687,70
Total	3.494.152,82	2.585.677,34

The sundry payables include:

- assets already capitalized but not yet paid (€ 18.139,68 against € 15.335,20 in 2017);
- the Crèches and Garderie expenses to be paid to OIB on behalf of the staff (34.672,39 against € 11.533,20 in 2017);
- and monthly salary regularizations concerning staff members not yet paid by the Agency to the Staff or the Commission (€ 17.796,22).

Accrued charges are expenses related to goods or services provided to the Agency that have been incurred but not yet paid. Following the cut-off exercise, eligible costs have been estimated and recorded as accrued charges.

Accruals were calculated based on the pending payment obligations of the Agency – called *Reste à Liquider* (RAL) - analysed in light of the services and goods delivered in 2018, the invoices/cost claims received at the beginning of 2019, and "Eligibility to be checked" accounts.

The information retrieved from this analysis leads to an estimated amount of € 2.939.434,31 to accrue as charges. It is mainly composed of:

- € 1.146.406,52 for goods or services delivered in 2018 by other Agencies and/or by the Commission's Directorates General in the frame of the Service level Agreements signed with the Agency (against 680.463,7 in 2017); the increase is mainly explained by:
 - o the costs (€ 191.190,65.) for the fitting out of the 7th floor delivered on 1 September 2018;
 - o the additional rent for the 7th floor of the COVE building as from 1/04/2018 for an amount equal to € 293.288,42;
 - o the decrease of the accrued charges (€-150.017,69) related to SLA HR due to the entry into force of the new SLA that requests a payment in 2018 representing 100% of the estimated costs except for medical services, IDOC and Secutity.
- € 939.524,00 for cost claims from experts, missions claims from staff members, invoices for goods or services delivered but not yet invoiced (IT consultancy, audit services on operational budget projects), accrued financial expenses, etc. (against € 760.084,08 in 2017);
- the calculated amount of holiday compensation staff (€ 693.931,74). According to the EU Staff Regulation, Annex V: Leave, Article 4, [Commission Decision on leave \(C\(2013\) 9051 final](#), if the person at the time of leaving the service has not used up their annual leave, they shall be paid compensation equal to one thirtieth of their monthly remuneration for each leave's day due to them (against € 669.743,42 in 2017);
- the staff entitlements for 2018 but paid in 2019 (€ 90.700,87 against € 52.014,22 in 2017);

- and the deferred income covering the period from 1/01/2019 to 23/09/2019 of the re-invoicing to REA of the part already paid by the ERCEA to the contractor for the renting of the COV2 ground floor rooms (€ 65.918,60).

2.7.1. Accounts payable to consolidated EU entities

EUR

	2018	2017
Repayable positive budgetary result	484.110,22	388.687,70

The amount of € 484.110,22 consists in the part of the 2018 subsidy to be reimbursed to the Commission as a result of 2018 budgetary management (See reports on the implementation of the budget).

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

3.1. Revenue

Revenues consist mainly of the Union contribution (subsidy) received from the European Commission.

3.1.1. Union contribution

EUR

	2018	2017
Union contribution	48.808.107,00	47.223.400,00
Subsidy to be reimbursed – budgetary outturn	(484.110,22)	(388.687,70)
Total	48.323.996,78	46.834.712,30

The EU subsidy amount is the part of the EC subsidy, incremented by the recovery of costs from previous years, justified by the expenditure supported during the exercise, the outstanding payment obligations of the Agency (called RAL or *Reste à Liquider*), and adjusted by the Budgetary result of the previous year - See reports on the implementation of the budget.

This method of revenue determination is cash-principle based as it is drawn from the budget outturn, while for the expenditure, accrual principles applied (hence the RAL taken into account). The amount of the subsidy so defined is € 48.323.996,78.

3.1.2. Other non-exchange revenue

	2018	2017
Liquidated damages	3.539,19	5.783,00
Reversal of provision for risks and liabilities		55.000,00
Total	3.539,19	60.783,00

The liquidated damages are the damages claimed to the supplier regarding the delay of the external audits carried out by the supplier and delivered.

In 2016, the provision of € 55.000,00 covered the risks for the ERCEA to incur litigation costs in relation to Court case (T-348/16). Given that the probability of losing this court case was assessed to be less than 50%, the provision was reversed at year end 2017 and considered as a contingent liability to be disclosed (see § 5.1. Contingent liabilities).

3.1.3. Exchange revenue

EUR

	2018	2017
Miscellaneous recoveries	98.237,91	171.946,16
Bank interest and exchange rate gains	941,35	2.984,99
Total	99.179,26	174.931,15

The miscellaneous recoveries correspond to:

EUR

	2018	2017
Reversal of year N-1 over-accrued charges, or year N-1 accrued charges not justified by the invoices received during the financial year	94.878,63	78.311,20
Reimbursement of charges under Service Level Agreement with Directorate Generals of the European Commission		92.393,50
Other undue expenses	3.359,28	1.241,46
Total	98.237,91	171.946,16

The bank interests and exchange rate gains are:

EUR

	2018	2017
Bank interest earned on the Agency's bank account (only first quarter in 2017, see § 2.3. Exchange receivables)		1.160,52
Interest income on late payment	26,71	
Exchange rate gains are produced when payments are done in foreign currency, namely to suppliers located in non-euro countries or to a minor extend, to staff whose salary is partly paid in their country of origins.	914,64	1.824,47
Total	941,35	2.984,99

3.2. Administrative Expenses

Staff expenses (€ 35.352.326,33 against € 33.366.556,58 in 2017) contain personnel related expenses such as salaries, allowances, social security contributions and other welfare expenses (including the contribution to the school transport and the reimbursement of the staff public transportation costs (for € 278.720,33), a provision for untaken holidays and accrued charges for the staff (see § 2.7).

All salary calculations are externalized to the Office for administration and payment of individual entitlements (also known as the Paymaster's Office - PMO¹⁷) which is a central office of the European Commission. These calculations add up as staff expenses and are included with the same title in the Statement of financial performance of the Agency.

The Agency is only responsible for the communication to the PMO of reliable information allowing the calculation of the staff costs. It is also responsible to check that this information has been correctly

¹⁷ The PMO's mission is to manage the financial rights of permanent, temporary and contractual staff working at the Commission, to calculate and to pay their salaries and other financial entitlements. The PMO provides these services to other EU institutions and agencies as well. The PMO is also responsible for managing the health insurance fund of the Institutions, together with processing and paying the claims of reimbursement from staff members. The PMO also manages the pension fund and pays the pensions of retired staff members. PMO is also audited by the European Court of Auditors.

handled in the monthly payroll report used for accounting payroll costs. It is not responsible for the calculation of the payroll costs performed by PMO.

Property, plant and equipment related expenses contain the charged depreciation and amortisation of respectively tangible and intangible non-current assets, the rental of buildings, the maintenance, security and insurance of the premises:

EUR

	2018	2017
Building expenses	5.228.446,51	4.685.350,73
<i>With third parties</i>	3.079.752,19	2.992.440,74
<i>With consolidated entities</i>	2.148.694,32	1.692.909,99
Fixed Assets Expenses	1.564.411,38	2.138.974,88
Property, plant and equipment related expenses	6.792.857,89	6.824.325,61

The building expenses with third parties correspond to the rental of the building occupied by the Agency (COV) through a 15-years duration usufruct contract starting in September 2008.

The building expenses with consolidated entities correspond to the services linked to the building and provided by DG HR (caretaking costs, technical and security controls of the building, badges to the staff, etc.) and by OIB (maintenance, cleaning, participation to the Covent Garden canteen costs, renting). The ERCEA is renting part of the 7th floor in the COV2 building and the 7th floor of the COVE building as from 1/04/2018 for a total amount for 2018 equal to € 497.502,61.

The other fixed assets related expenses relate to the depreciation and amortisation charges of the Agency's tangible and intangible assets respectively € 493.407,33 and € 1.043.958,05. In addition there is a loss on the disposal of tangible fixed assets of € 27.046,00.

The other administrative expenses (€7.924.172,59 against € 7.303.981,34 in 2017) contain:

- the other expenses with consolidated entities (€ 2.963.230,54) which regroup different types of expenses mainly for service level agreement (SLAs) with DGs such as BUDG, DIGIT, PMO, OIB and HR (against 2.593.720,96 in 2017);
- and the administrative expenses with non-consolidated entities (€ 4.960.942,04) which includes the following expenditure related to services and goods provided by external contractors (in EUR):

	2018	2017
IT expenses, services and supplies	1.424.848,52	1.330.546,54
Office Supplies and material	990.974,28	436.813,09
Missions	481.133,34	467.968,85
Training	244.947,38	203.118,93
Communications	163.280,30	93.426,71
Reimbursement of experts	358.295,53	374.292,66
Recruitment costs	44.917,91	34.001,86
Other expenditure	1.250.794,01	1.767.833,20

Exchange rate losses	1.750,78	2.258,54
Other expenses	4.960.942,04	4.710.260,38

4. NOTES TO THE CASH-FLOW STATEMENT

Cash flow information is used to provide a basis for assessing the ability of the ERCEA to generate cash and cash equivalents, and its needs to utilise those cash flows.

The cash flow statement is prepared using the indirect method. This means that the statement of financial performance of the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cash flows.

Cash flows arising from transactions in a foreign currency are recorded in the EU's reporting currency (euro), by applying to the foreign currency amount the exchange rate between the euro and the foreign currency at the date of the cash flow.

The cash flow statement presented reports cash flows during the period classified by operating and investing activities (the ERCEA does not have financing activities).

4.1. Operating activities

Operating activities are the activities of the EU that are not investing activities. These are the majority of the activities performed.

4.2. Investing activities

Investing activities are the acquisition and disposal of intangible assets and property, plant and equipment and of other investments which are not included in cash equivalents. The objective is to show the real investments made by the ERCEA.

5. CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

5.1. Contingent Liabilities

This heading relates to one pending Court cases against ERCEA for which the estimated financial implication amounts to € 67.000.

5.2. Other significant disclosures

5.2.1. Outstanding commitments not yet expensed (Carry-overs)

EUR

	2018	2017
Automatic carry-overs C1	2.865.450,44	2.396.271,90
Accrued expenses	(1.920.463,20)	(1.440.547,78)
Outstanding commitments not yet expensed	944.987,24	955.724,12

The amount disclosed above is the budgetary RAL (*Reste à Liquider*) less related amounts that have been included as expenses in the 2018 statement of financial performance. The budgetary RAL is an

amount representing the open commitments for which payments and/or de-commitments have not yet been made.

5.2.2. Significant legal commitments

In EUR	2018	2017
Future commitments on existing contracts	12.993.483,29	16.058.557,78

The future commitment on existing contract results from the usufruct contract for the building starting in September 2008 for a duration of 15 years, the Agency occupies part of the Ground Floor, 6 floors and parking space of Covent Garden Building – Bat B at place Rogier – 1210 Saint Josse.

The period covered runs until 23.09.2023.

The total future charges for the building amount to € 12.993.483,29, detailed as follow :

Description	Minimum lease payments			Total of minimum lease payments
	<1yr	1-5 yrs	>5 yrs	
building - usufruct contract	3.141.701,36	9.851.781,93		12.993.483,29

6. FINANCIAL INSTRUMENTS

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

The carrying amounts of financial instruments are as follows:

	EUR	
	2018	2017
Financial assets		
Deferred charges	2.480.790,61	3.581.566,10
Sundry receivables	17.584,22	72.226,90
Current receivables from consolidated entities		2.703,25
Accrued income	21.402,26	0,00
Non- exchange receivables		26.738,50
Cash and cash equivalents	3.376.407,47	2.714.892,57
Total financial assets A	5.896.184,56	6.398.127,32
Financial liabilities		
Provisions, non-current	45.864,67	0,00
Sundry payables	70.608,29	26.868,40
Accounts payable to consolidated EU entities	484.110,22	388.687,70
Total financial liabilities B	600.583,18	415.556,10

Total net financial instruments (A-B)	5.295.601,38	5.982.571,22
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Credit risk

Credit risk is the risk of loss due to a debtor's default to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

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

Treasury resources are kept with commercial bank. The EU contribution is requested and paid 3 times a year based on cash forecasts to limit the amount of cash on the bank account

Specific guidelines are applied for the selection of commercial banks in order to further minimise counterparty risk to which the ERCEA is exposed:

- The bank was selected by call for tenders. The minimum short term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1).
- The credit ratings of the bank where the ERCEA has accounts are reviewed on a regular basis.

The Agency has a current account at ING Belgium SA. Risks have been assessed as follows by the principal rating agencies:

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

The maximum exposure to credit risk is:

EUR

31 December 2018	All receivables with third parties including accruals & deferrals (excluding receivables with MS and receivables with consol. entities)	Receivables with consolidated entities	Bank accounts
Counterparties <u>with</u> external credit rating			3.376.407,47
Prime and high grade			3.376.407,47
Upper medium grade			
Counterparties <u>without</u> external credit rating	2.519.777,09		
Debtors who never defaulted	2.519.777,09		

EUR

Age of Financial assets not impaired at 31 December 2018	Neither past due nor impaired (1)	Past due but not impaired			Total (1+2+3+4)
		< 1 year (2)	1-5 years (3)	> 5 years (4)	
Receivables with third parties	2.519.777,09				2.519.777,09

Liquidity risk

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

The ERCEA manages liquidity risk by continually monitoring forecast and actual cash flows. Ageing balances for assets and liabilities are an important source of information for the management of liquidity risk.

At the end of 2018, the Agency has no long term liabilities; only short term payables for a total amount of € 554.718,51 out of which € 484.110,22 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.

Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the internal control framework, and audit principles.

Interest rate risk

Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa.

The ERCEA's treasury does not borrow any money; as a consequence it is not exposed to interest rate risk. It does, however, earn interest on balances it holds on its banks accounts. The ERCEA has therefore put in place measures to ensure that interest earned on its bank accounts regularly reflects market interest rates, as well as their possible fluctuation.

Overnight balances held on commercial bank accounts earn interest on a daily basis. This is based on variable market rates to which a contractual margin (positive or negative) is applied. The interest calculation is linked to the EURIBOR (Euro InterBank Offer Rate) and is adjusted to reflect any fluctuations of this rate.

Foreign currency risk

Currency risk is the risk that the EU's operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.

Most financial assets and liabilities are in EUR, so in these cases the ERCEA has no foreign currency risk.

When miscellaneous receipts are received in currencies other than EUR, they are converted into EUR and transferred to accounts held in EUR.

Fair value

The estimated fair values of all financial instruments of the ERCEA are equal to their book values as at 31 December 2018. All financial assets and liabilities are receivable or repayable on demand or within one year.

7. CHANGES IN ACCOUNTING POLICIES

There is no change in accounting policies in the 2018 annual accounts.

8. RELATED PARTY DISCLOSURE

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

Highest grade description	Grade	Number of persons of this grade
Director, Heads of Department, Heads of Unit	AD14	5
Heads of Unit	AD 13	9

The remuneration equivalent to the grades of the key management personnel in the table is in accordance with the Staff Regulations of the European Union.

9. EVENTS AFTER THE BALANCE SHEET DATE

At the date of issue of the accounts, no material issue came to the attention of the Accounting Officer of the ERCEA or were reported to her that would require separate disclosure under that section.

**REPORTS ON THE IMPLEMENTATION OF THE BUDGET
OF THE EUROPEAN RESEARCH COUNCIL
EXECUTIVE AGENCY**

Financial Year 2018

1. Introduction

The current reports on the implementation of the budget of the ERCEA relates to the operating budget of the agency.

1.1. ERCEA budget and its implementation

Budget	. 48.808.107 €
Commitments	. 99,6 % of implementation of commitments appropriations of the current year . 5,9 % of appropriations to be carried-forward to 2019
Payments	. 93,7 % of implementation of payments appropriations of the current year . 93,4 % of implementation on appropriations carried-forward from 2017

1.2. Budgetary structure and principles

1.2.1. Budgetary structure

The budgetary accounts are kept in accordance with the Financial Regulation applicable to the general budget of the EU and its Rules of Application and in accordance with the Standard Financial Regulation for the 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.

Every year, the ERCEA estimates its revenue and expenditure for the year and draws up a draft budget which it sends to the Commission. The Commission then incorporates the ERCEA's budget in the general budget and sends it to the budgetary authority. On the basis of this draft budget, the Council draws its position which is then the subject of negotiations between the two arms of the budgetary authority. The President of the Parliament declares that the joint draft has been finally adopted, thus making the budget enforceable.

The budget structure for the ERCEA consists of operating (i.e administrative) appropriations and has only non-differentiated 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 source of appropriations is:

- the budget for the current year, which corresponds to the adopted budget for the current year and amending and transfer budgets (fund source C1);
- and the non-differentiated payment appropriations which may be carried over automatically for one financial year only (fund source C8);

The 2018 budget is distributed in the following budget titles:

EUR			
Budget Title	2018 commitments appropriations (C1)	Payments appropriations carried- forward from 2017 (RAL C8)	Total 2018 budget
Title 1 - Staff expenditure	38.073.852,02	405.575,02	38.479.427,04
Title 2 - Infrastructure and operating expenditure	8.049.629,89	846.018,83	8.895.648,72
Title 3 - Programme support expenditure	2.684.625,09	1.144.678,05	3.829.303,14
Total	48.808.107,00	2.396.271,90	51.204.378,90

1.2.2. Budgetary principles

The budget of the ERCEA 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 unity and budgetary accuracy

The budget shall be the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the agency.

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 €. 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.

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.

2. Budget result

2.1. Calculation of the budget result

The budgetary outturn account was prepared in accordance with the requirements of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012 (OJ-L 193/30.07.2018, (art 244: Budget implementation reports), and in accordance with the requirements of the Standard Financial Regulation for the executive agencies, Article 56.

The revenue entered in the accounts is the amount actually received during the course of the year. For the purposes 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 means 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 net balance of cancellations of payment appropriations carried over from previous year and any payments,
- the balance of exchange-rate gains and losses recorded during the year.

Payment appropriations carried over include automatic carryovers only. The cancellation of unused payment appropriations carried over from the previous year shows the cancellations on appropriations carried over automatically.

2.2. Budget outturn table

	EUR	
	2018	2017
REVENUE		
Union contribution, cashed	48.808.107,00	47.223.400,00
Other revenue, cashed	126.600,91	72.153,30
TOTAL REVENUE (a)	48.934.707,91	47.295.553,30
EXPENDITURE		
Budget Title 1: Staff		
Payments current year	37.455.425,35	35.236.381,22
Appropriations carried over to next year	515.165,42	405.575,02
Budget Title 2: Administrative		
Payments current year	6.515.219,06	7.297.237,82
Appropriations carried over to next year	1.448.610,32	846.018,83
Budget Title 3: Operational		
Payments current year	1.771.115,13	2.214.755,71
Appropriations carried over to next year	901.674,70	1.144.678,05
TOTAL EXPENDITURE (b)	48.607.209,98	47.144.646,65
OUTTURN FOR THE FINANCIAL YEAR (a-b)	327.497,93	150.906,65
Cancellation of unused payment appropriations carried over from the previous year	157.448,43	238.215,12
Exchange rate differences	(836,14)	(434,07)
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR	484.110,22	388.687,70

The budget result for 2018 amounts to € 484.110,22 and is comprised of:

- € 200.897,02 – not used appropriations current year,
- € 157.448,43– not used payment appropriations carried forward from 2017,
- € 126.600,91– other income due to amounts to be reimbursed or to the rental of meeting rooms ,
- € (836,14) – exchange rate differences.

3. Reconciliation of the economic result with the budget result

EUR

	2018	2017
Statement of Financial Performance (economic result)	(1.643.010,90)	(424.437,08)
Adjustments for accrual items (items included in the Statement of Financial Performance but not in the Budgetary Outturn)		
Adjustments for accrual cut-off (reversal previous year)	(2.139.387,12)	(2.250.543,83)
Adjustments for accrual cut-off (cut-off current year)	2.771.014,41	2.139.387,12
Unpaid invoices at year end but booked in charges		
Depreciation of intangible and tangible assets	1.564.411,38	2.138.391,88
Provisions	60.099,00	(55.000,00)
Recovery Orders issued in the year on revenue accounts and not yet cashed		
Pre-financing received in previous year and cleared in the year		
Payments made from carryovers of payment appropriations	3.581.566,10	2.271.287,95
Adjustments for deferred charges (cut-off)	(2.502.192,87)	(3.581.566,10)
Adjustments for deferred charges previous year (reversal)	2.238.823,47	2.271.676,63
Adjustments for budgetary items (items included in the Budgetary Outturn but not in the Statement of Financial Performance)		
Asset acquisitions (less unpaid amounts)	(1.209.411,59)	(351.792,29)
New pre-financing received in the year and remaining open as at 31.12	484.110,22	388.687,70
Budgetary recovery orders issued before the year and cashed in the year	349,38	2.399,65
Payment appropriations carried over to next year	(2.865.450,44)	(2.396.271,90)
Cancellation of unused carried over payment appropriations from previous year	157.448,43	238.215,12
Adjustment for carryover from the previous year of appropriations available at 31.12 arising from assigned revenue		
Payments on open invoices from previous year booked in charges		
Other	(24,92)	(1.741,15)
Total	484.110,22	388.687,70
Budgetary result (+ for surplus)	484.110,22	388.687,70
Unexplained discrepancy	0.00	0.00

The financial statements of the year are prepared on the basis of accrual accounting principles by which transactions are recorded in the period to which they incurred. The result for the year using the accrual basis is indicated in the Statement of Financial Performance. The budget result is however based on modified cash accounting rules. In the latter, only payments made and revenue cashed in the period as well as carry-over of appropriations are recorded. The economic result and the budget result

both cover the same underlying transactions; therefore, it is a useful control to ensure that they are reconcilable.

The actual budgetary revenue for a financial year corresponds to the revenue collected from entitlements established in the course of the year and amounts collected from entitlements established in previous years. Therefore the entitlements established in the current year but not yet collected are to be deducted from the economic result for reconciliation purposes as they do not form part of budgetary revenue. On the contrary the entitlements established in previous years and collected in current year must be added to the economic result for reconciliation purposes.

The net accrued expenses mainly consist of accruals made for year-end cut-off purposes. While accrued expenses are not considered as budgetary expenditure, payments made in the current year relating to invoices registered in prior years are part of current year's budgetary expenditure.

Besides the payments made against the year's appropriations, the appropriations for that year that are carried to the next year also need to be taken into account in calculating the budget result for the year. The same applies for the budgetary payments made in the current year from carryovers and the cancellation of unused payment appropriations.

The movement in provisions relates to year-end estimates made in the accrual accounts that do not impact the budgetary accounts. Other reconciling amounts comprise different elements such as asset depreciation, asset acquisitions, capital lease payments and financial participations for which the budgetary and accrual accounting treatments differ.

4. Budget revenue

EUR						
Income budget line	Type of revenue	Draft budget	Amendment	Final Budget	Entitlements established	Revenue received
200	Commission subsidy	48.600.000,00	208.107,00	48.808.107,00	48.808.107,00	48.808.107,00
910	Recuperation of expenses				30.097,78	30.097,78
920	Miscellaneous revenue	pm	pm	pm	96.153,75	96.153,75
TOTAL		48.600.000,00	208.107,00	48.808.107,00	48.934.358,53	48.934.358,53

In accordance with Article 5 of the Standard Financial Regulation for the executive agencies, the revenue of the Agency shall comprise a grant awarded by the Communities and any other revenue, including assigned revenue within the meaning of Article 15 thereof.

The received other revenues consist in:

- the reimbursement of undue expenses for € 30.097,78 (mainly SLA OIB);
- the re invoicing to REA of the part already paid by the ERCEA to the contractor for the renting of the COV2 ground floor rooms (4 meeting rooms and 1 secretary room) and for the period from 1/09/2018 to 23/09/2019, considering that the 1/09/2018 is the effective date of the new allocation of the rooms to REA (€ 96.153,75).

5. Budget expenditure

5.1. Overview of commitment and payment appropriations of the current budget - Fund source C1

Budget Line / Title	Description	Draft Budget	Budget Amendments	Transfers	Final Budget
1111	Temporary agents	15.200.000	80.000	105.215	15.385.215
1112	Contract Agents	19.321.600	88.400	(151.015)	19.258.985
1121	Seconded National Experts	545.000	(105.000)	40.000	480.000
1122	Interimaires & stagiaires	903.400	2.300	(500)	905.200
1211	Recruitment, entering and leaving the service, transfer costs	41.000	0	5.000	46.000
1221	Restaurant, Canteens	135.400	14.035	(5.812)	143.623
1231	Medical service	109.200	0	(9.190)	100.010
1241	Training	434.800	57.308	52.428	544.536
1251	Mobility and Public transportation	150.300	0	(90.615)	59.685
1261	Social service and other interventions	569.100	300	96.913	666.313
1271	External services (PMO)	417.200	0	23.710	440.910
1281	Internal meetings, events and reception	41.700	4.107	(2.432)	43.375
1291	Missions (administrative)	0	0	0	0
Title 1	Staff expenditure	37.868.700	141.450	63.702	38.073.852
2111	Rental of building and associated costs	5.515.100	41.090	0	5.556.190
2121	Fitting out	0	0	0	0
2211	Hardware, software and linked expenses	643.200	(26.991)	129.491	745.700
2221	ICT services	1.288.900	140.035	(70.000)	1.358.935
2311	Furniture, Material and Technical installations	207.300	4.291	110.462	322.053
2321	Works of handling and removal of services	4.400	0	(838)	3.562
2331	Paper mill, office supplies	20.800	0	(668)	20.132
2341	Correspondence stamping and carriage costs	50.400	(1.200)	(6.142)	43.058
2351	Acquisition of information	0	0	0	0
2361	Other current expenses (financial, legal, assurance,...)	40.700	0	(40.700)	0
Title 2	Infrastructure and operating expenditure	7.770.800	157.225	121.605	8.049.630
3111	Experts, studies, representation and external meeting expenses	455.000	13.000	(52.319)	415.681
3121	Missions and related costs	501.000	(20.400)	5.000	485.600
3131	Audit expenses	29.000	(5.868)	28.960	52.092
3141	Expenses of Information, Publications and Communication	540.000	15.800	(10.259)	545.541
3151	Expenses of translation	54.500	6.900	(30.944)	30.456
3161	Conferences, seminars, trainings and other specific expenditure	0	0	0	0
3171	Operational related IT costs	1.381.000	(100.000)	(125.745)	1.155.255
Title 3	Programme support expenditure	2.960.500	(90.568)	(185.307)	2.684.625
TOTAL BUDGET		48.600.000	208.107	0	48.808.107

On basis of the draft budget presented to the Budgetary Authority, the ERCEA Steering Committee adopted on 19 December 2017 the ERCEA annual subsidy 2018 for € 48.600.000.

The budget was subsequently amended. The amendment was adopted on 5 October 2018 to support

the works of the new evaluation facilities of the building COVE 1 7th floor. This was accomplished via re-allocating funds from several budget lines to the appropriate destinations, as well as via the increase of the total budget by € 208.107.

In view of optimizing the operating (i.e. administrative) budget execution the Agency is proceeding to transfers between budget lines and transfers between budget lines and chapters. The transfers between chapters are the responsibility of the Steering Committee. This responsibility is delegated to the Director during the last quarter of the financial year. Transfers between budget lines within a chapter subject to the Director's decision are submitted for information to the Steering Committee.

Appropriations have been modified between chapters by one transfer approved by the Steering Committee on 24 May 2018 and four transfer decisions of the Director of the Agency on 23 August 2018, 20 November 2018, 10 December 2018 and 17 December 2018.

5.2. Implementation of commitment and payment appropriations of the current budget

The below budgetary tables depict the details of the Agency's budget implementation in 2018.

Final Annual Accounts of the European Research Council Executive Agency (ERCEA)
Financial year 2018

Fund Source: C1

Budget line	Official Budget Item Desc (Fr)	Appropriation (1)	Committed Amount (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Total unused appropriations current year (1-2)	Appropriations to carry forward to 2019 (2-3)
Title 1	Staff expenditure	38.073.852,02	37.970.590,77	99,73%	37.455.425,35	98,38%	618.426,25	515.165,42
Chapter 11 - Remunerations, Allowances and Charges		36.029.400,16	35.944.092,73	99,76%	35.837.522,22	99,47%	85.307,43	106.570,51
1 1 1 1	Temporary agents	15.385.215,00	15.375.190,58	99,93%	15.375.190,58	99,92%	10.024,42	0,00
1 1 1 2	Contract Agents	19.258.985,16	19.209.529,45	99,74%	19.209.529,45	99,98%	49.455,71	0,00
1 1 2 1	Seconded National Experts	480.000,00	475.502,42	99,06%	475.137,42	98,99%	4.497,58	365,00
1 1 2 2	Interimaires & stagiaires	905.200,00	883.870,28	97,64%	777.664,77	73,65%	21.329,72	106.205,51
Chapter 12 - Professional Development and Social expenditure		2.044.451,86	2.026.498,04	99,12%	1.617.903,13	79,14%	17.953,82	408.594,91
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	46.000,00	44.957,16	97,73%	43.876,32	93,71%	1.042,84	1.080,84
1 2 2 1	Restaurant Canteens	143.623,00	132.479,00	92,24%	101.819,00	90,82%	11.144,00	30.660,00
1 2 3 1	Medical service	100.010,00	100.009,69	100,00%	82.249,09	59,85%	0,31	17.760,60
1 2 4 1	Training	544.535,84	542.175,35	99,57%	379.830,74	62,51%	2.360,49	162.344,61
1 2 5 1	Mobility and Public transportation	59.685,00	59.685,00	100,00%	57.013,45	80,90%	0,00	2.671,55
1 2 6 1	Social service and other interventions	666.313,02	666.313,02	100,00%	533.671,81	99,98%	0,00	132.641,21
1 2 7 1	External services (PMO)	440.910,00	440.814,00	99,98%	381.978,97	94,51%	96,00	58.835,03
1 2 8 1	Internal meetings events and reception	43.375,00	40.064,82	92,37%	37.463,75	78,92%	3.310,18	2.601,07
Title 2	Infrastructure	8.049.629,89	7.963.829,38	98,93%	6.515.219,06	80,94%	85.800,51	1.448.610,32
Chapter 21 - Building expenditure		5.556.190,00	5.477.482,64	98,58%	4.526.502,02	81,47%	78.707,36	950.980,62
2 1 1 1	Rental of building and associated costs	5.556.190,00	5.477.482,64	98,58%	4.526.502,02	88,67%	78.707,36	950.980,62
Chapter 22 - ICT		2.104.635,00	2.098.911,61	99,73%	1.669.716,99	79,34%	5.723,39	429.194,62
2 2 1 1	Hardware software and linked expenses	745.700,00	742.772,76	99,61%	389.532,44	74,42%	2.927,24	353.240,32
2 2 2 1	ICT services	1.358.935,00	1.356.138,85	99,79%	1.280.184,55	99,04%	2.796,15	75.954,30
Chapter 23 - Movable property and Current Operating expenditure		388.804,89	387.435,13	99,65%	319.000,05	82,05%	1.369,76	68.435,08
2 3 1 1	Furniture Material and Technical installations	322.052,89	320.759,79	99,60%	268.174,68	87,25%	1.293,10	52.585,11
2 3 2 1	Works of handling and removal of services	3.562,00	3.562,00	100,00%	3.062,00	86,60%	0,00	500,00
2 3 3 1	Paper mill office supplies	20.132,00	20.055,48	99,62%	16.055,48	90,00%	76,52	4.000,00
2 3 4 1	Correspondence stamping and carriage costs	43.058,00	43.057,86	100,00%	31.707,89	87,30%	0,14	11.349,97
Title 3	Programme Support expenditure	2.684.625,09	2.672.789,83	99,56%	1.771.115,13	65,97%	11.835,26	901.674,70
Chapter 31 - Programme Management expenditure		2.684.625,09	2.672.789,83	99,56%	1.771.115,13	65,97%	11.835,26	901.674,70
3 1 1 1	Experts, studies, representation and external meeting expenses	415.680,64	413.538,69	99,48%	342.824,91	74,63%	2.141,95	70.713,78
3 1 2 1	Missions and related costs	485.600,00	481.376,43	99,13%	436.082,26	91,37%	4.223,57	45.294,17
3 1 3 1	Audit expenses	52.092,00	52.092,00	100,00%	5.783,00	19,37%	0,00	46.309,00
3 1 4 1	Expenses of Information, Publications and Communication	545.541,37	542.252,13	99,40%	270.792,06	39,44%	3.289,24	271.460,07
3 1 5 1	Expenses of translation	30.456,00	28.275,50	92,84%	26.736,50	96,90%	2.180,50	1.539,00
3 1 7 1	Operational related IT costs	1.155.255,08	1.155.255,08	100,00%	688.896,40	67,83%	0,00	466.358,68
TOTAL		48.808.107,00	48.607.209,98	99,59%	45.741.759,54	93,72%	200.897,02	2.865.450,44

The implementation of the final budget appropriations, fund source C1, is at a level of 99,6% for commitments (2017: 99,8 %) and 93,7 % for payments (2017: 94,8 %).

The cancellation of commitment and payment appropriations totalled € 200.897,02 which represents only 0,4 % of the budget (0,2 % in 2017). Unused appropriations correspond mainly of unspent amount of salaries, interim staff and SLA OIB.

As regards Title 1 - Staff expenditure, end 2018, 120 temporary agents, 349 contracts agents, 11 Seconded National Experts and 14 agents financed from participation of candidate countries and/or third countries were recruited explaining the execution on chapters 11 and 12¹⁸.

The breakdown by type of expenditure shows that the total staff expenditure accounts for about 78,1 % of total commitments.

As regards Title 2 - Infrastructure and operating expenditure, the main post is the rental and charges of the building (chapter 21) which is 68,8 % of the amount committed under this title. Building charges come from the services provided by DG HR (caretaking costs, technical and security controls of the building, badges to the staff, etc.) and by OIB (maintenance, cleaning, participation to the Covent Garden canteen costs, renting). The rest consists mainly in the purchases of IT equipment and IT services (26,4%).

The Title 3 - Programme support expenditure, that represents 5,5 % of the total commitments, of which 43% are allocated to IT consultants costs, consists mainly in the external experts meetings, the missions, the audit expenses that cover the audits performed by external contractors, and the communication budget.

¹⁸ Chapter 11 concerns salaries and allowances and 12 removal expenditures, installation costs, change of personnel and recruitment costs incurred by the Agency from the launch of a selection procedure to the effective recruitment of the selected candidates, pre-recruitment medical visits and annual medical visits and training costs.

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Fund Source: C8

Budget line	Official Budget Item Desc (Fr)	C8 Appropriations (1)	Paid (2)	% Paid (2/1)	Total unused (de-committed) appropriations (1-2)	Appropriations to carry forward to 2019 (2-3)
Title 1	Staff expenditure	405.575,02	361.638,13	89,17%	43.936,89	0,00
Chapter 11 - Remunerations, Allowances and Charges		72.401,50	66.410,11	91,72%	5.991,39	0,00
1 1 2 1	Seconded National Experts	401,50	0,00	0,00%	401,50	0,00
1 1 2 2	Interimaires & stagiaires	72.000,00	66.410,11	92,24%	5.589,89	0,00
Chapter 12 - Professional Development and Social expenditure		333.173,52	295.228,02	88,61%	37.945,50	0,00
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	4.099,14	4.099,14	100,00%	0,00	0,00
1 2 2 1	Restaurant Canteens	45.197,17	30.758,98	68,06%	14.438,19	0,00
1 2 3 1	Medical service	40.296,14	40.296,14	100,00%	0,00	0,00
1 2 4 1	Training	153.370,11	132.826,73	86,61%	20.543,38	0,00
1 2 5 1	Mobility and Public transportation	4.576,34	3.491,68	76,30%	1.084,66	0,00
1 2 6 1	Social service and other interventions	67.092,90	66.266,31	98,77%	826,59	0,00
1 2 7 1	External services (PMO)	13.377,43	13.377,43	100,00%	0,00	0,00
1 2 8 1	Internal meetings events and reception	5.164,29	4.111,61	79,62%	1.052,68	0,00
Title 2	Infrastructure	846.018,83	785.873,22	92,89%	60.145,61	0,00
Chapter 21 - Building expenditure		408.925,77	366.916,25	89,73%	42.009,52	0,00
2 1 1 1	Rental of building and associated costs	408.925,77	366.916,25	89,73%	42.009,52	0,00
Chapter 22 - ICT		378.186,05	368.791,35	97,52%	9.394,70	0,00
2 2 1 1	Hardware software and linked expenses	350.094,05	349.685,55	99,88%	408,50	0,00
2 2 2 1	ICT services	28.092,00	19.105,80	68,01%	8.986,20	0,00
Chapter 23 - Movable property and Current Operating expenditure		58.907,01	50.165,62	85,16%	8.741,39	0,00
2 3 1 1	Furniture Material and Technical installations	10.539,06	10.539,06	100,00%	0,00	0,00
2 3 2 1	Works of handling and removal of services	488,36	239,52	49,05%	248,84	0,00
2 3 3 1	Paper mill office supplies	3.520,15	3.520,15	100,00%	0,00	0,00
2 3 4 1	Correspondence stamping and carriage costs	12.109,44	6.866,89	56,71%	5.242,55	0,00
2 3 6 1	Other current expenses (financial legal assurance)	32.250,00	29.000,00	89,92%	3.250,00	0,00
Title 3	Programme Support expenditure	1.144.678,05	1.091.312,12	95,34%	53.365,93	0,00
Chapter 31 - Programme Management expenditure		1.144.678,05	1.091.312,12	95,34%	53.365,93	0,00
3 1 1 1	Experts, studies, representation and external meeting expenses	15.261,83	12.149,34	79,61%	3.112,49	0,00
3 1 2 1	Missions and related costs	25.983,87	23.824,09	91,69%	2.159,78	0,00
3 1 3 1	Audit expenses	486.438,00	453.938,81	93,32%	32.499,19	0,00
3 1 4 1	Expenses of Information, Publications and Communication	157.638,18	143.853,00	91,26%	13.785,18	0,00
3 1 5 1	Expenses of translation	3.296,00	3.296,00	100,00%	0,00	0,00
3 1 7 1	Operational related IT costs	456.060,17	454.250,88	99,60%	1.809,29	0,00
TOTAL		2.396.271,90	2.238.823,47	93,43%	157.448,43	0,00

The 2017 appropriations that were carried forward to 2018 as C8 appropriations amounted to € 2.396.271,90 (5,1 % of the budget). Out of this amount, € 2.238.823,47 € have been paid (93,4%, to be compared to 90,5% in 2017 The 2017 appropriations (budget of € 47.223.400) have been committed at 99,8 % and paid at 99,5 % (€ 44.748.374,75 on C1 appropriations and € 2.238.823,47 on C8 appropriations).

6. Evolution of commitments outstanding

For outstanding commitments from 2017 (C8 2018):

Title	Payments appropriations carried-forward from 2017 (RAL C8)	Amounts paid	Total unused payment appropriations carried forward from 2017	% of implementation on appropriations carried-forward from 2017	Final amount from 2017
Title 1 - Staff expenditure	405.575,02	361.638,13	43.936,89	89,2%	0,00
Title 2 - Infrastrucutre and operating expenditure	846.018,83	785.873,22	60.145,61	92,9%	0,00
Title 3 - Programme support expenditure	1.144.678,05	1.091.312,12	53.365,93	95,3%	0,00
Total	2.396.271,90	2.238.823,47	157.448,43	93,4%	0,00

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Budget Positio n	Com I.2 User Reference	Open amount (C8 in 2018)	Amount paid in 2018 (C8)
1121	ASSURANCE PERSONNEL NON STATUTAIRE 2017	401,50	0,00
1122	2017 - RANDSTAD INTERIMAIRES	72.000,00	-66.410,11
1211	D2 PERSONNEL SELECTION EXPENSES 2017	4.082,58	-4.082,58
1211	PRESTO 2017 - RECRUITMENT	16,56	-16,56
1221	SLA OIB 2017	29.163,92	-15.902,26
1221	SLA OIB 2017	79,45	0,00
1221	SLA OIB 2017	15.953,80	-14.856,72
1231	INTEGRATED HR SLA ERCEA 2017	40.296,14	-40.296,14
1241	2017 - EUROBUSSING - EXTRA COSTS FOR TRANSPORT	210,39	0,00
1241	2017 INDIVIDUAL EXTERNAL TRAININGS	5.124,86	-4.974,75
1241	2017 TRAINING - SLA EAS	12.000,00	-8.285,00
1241	ABILWAYS - HR/R3/PO/2015/005 - TBD C1 - FACILITATORS	8.862,50	-8.862,50
1241	ABILWAYS - HR/R3/PR/2015/003 - LOT N° 4 - EPSO CAST TRAINING COURSE	1.320,00	0,00
1241	ACCENTURE - HR/R3/PR/2015/003 LOT N°6 - ORDER FORM N°1 - COUNFIDENTIAL COUNCELLORS INTER-AGENCY NETWORK	4.580,00	-4.580,00
1241	CLL - HR/R3/PR/2014/083 LOT N°2 - ORDER FORM N°1 - INDIVIDUAL LANGUAGE COURSE	883,60	-883,60
1241	D2 - CIE OVERIJSE - ERCEA/D2/PN/2017/50 - TBD D2 - 15/12/2017	2.066,00	-1.718,00
1241	D2 - EUROBUSSING - OIBDR2/PO/2013/032/576 LOT N°2 - OF N° 21 - TRAINING D.2 - 15/12/2017	495,00	-398,86
1241	D2 - EUROBUSSING - OIBDR2/PO/2013/032/576 LOT N°2 - OF N° 20 - TBD C1 - 1/12/2017	557,50	-549,63
1241	ICG - EPSO/EUSA/PO/2014/069 - LOT 1 - ORDER FORM N°3 - HEADS OF SECTOR FOLLOW-UP WORKSHOPS	6.420,00	-3.440,00
1241	IMPACTA SPRL - ERCEA/D2/PN/2017/44 - TBD D.3 - VENUE - 10/10/2017	1.785,00	-1.785,00
1241	INTEGRATED HR SLA ERCEA 2017	75.219,87	-69.274,00
1241	JULHIET & KIENBAUM - EPSO/EUSA/PO/2014/069 LOT 2 - ORDER FORM N°10 - COACHING FOR MANAGERS	3.080,00	-3.080,00
1241	JULHIET & KIENBAUM - EPSO/EUSA/PO/2014/069 LOT2 - ORDER FORM 12 - TEAM COACHING	4.165,00	-3.945,00
1241	JULHIET EPSO/EUSA/PO/2014/069 OF14 COACHING FOR MANAGERS - B3	6.150,00	-5.490,00
1241	JULHIET STERWEN OF13 PO170443 B1 TEAM COACHING 03/2017 TO 12/2018	4.890,00	0,00
1241	MOORE STEPHENS LLP - HR/R3/PR/2015/003 LOT N°5 - ORDER FORM N°1 - PREPARATION CRMA	15.532,50	-15.532,50
1241	PRESTO 2017 - TRAINING	27,89	-27,89
1251	D0 - CONTRIBUTION TO STAFF TRANSPORT EXPENSES 2017	1.175,14	-433,12
1251	SLA OIB 2017	3.401,20	-3.058,56
1261	D2 - TRIPLE A - 30-CE-084889100 - PROMOTIONAL MATERIAL FOR STAFF	13.110,00	-13.110,00
1261	D2 SOCIAL SERVICES CPE 2017	52.331,00	-52.331,00
1261	SLA OIB 2017	1.651,90	-825,31
1271	D2 SLA PMO 2017	13.377,43	-13.377,43
1281	2017 - INTERNAL COMMUNICATION - SMALL EXPENSES	240,00	-129,32
1281	D2 - CAP SCIENCES - ERCEA/D2/PN/2017/49 - KIDS PARTY - 6/12/2017	3.400,00	-3.400,00
1281	ERCEA SCIENTIFIC SEMINARS 2017 - B3	942,00	0,00
1281	PRESTO 2017 - INTERNAL MEETINGS AND REPRESENTATION	582,29	-582,29
2111	2017 CUSHMAN & WAKEFIELD - CHARGES PARKING	261,89	0,00
2111	INTEGRATED HR SLA ERCEA 2017	114.005,36	-108.727,78
2111	SLA OIB 2017	38.579,81	-38.579,81
2111	SLA OIB 2017	30.161,57	-30.161,57
2111	SLA OIB 2017	170.246,47	-146.388,38
2111	SLA OIB 2017	52.438,04	-43.058,71
2111	SLA OIB 2017	3.232,63	0,00
2211	BECHTLE FC7630 OF12 ERC-PROC-534 LAPTOPS PURCHASE	42.799,14	-42.799,14
2211	BELGACOM ERCEA/D1/PN/2014/49 OF3 AUDIOVISUAL EQUIPMENT MAINTENANCE 01/01-31/12/2017	17.312,87	-17.312,87
2211	COMPAREX FC7360 OF114 VMWARE SOFTWARE MAINTENANCE	8.820,04	-8.820,04
2211	D1 - CANCOM FC7610 OF81 ERC-PROC-0528 PURCHASE OF SERVERS - COV BUILDING	45.281,60	-45.281,60
2211	D1 - CANON BELGIUM FC7560 OF2 ERC-PROC-0524 PRINTERS PURCHASE	41.389,80	-41.389,80
2211	D1 - BECHTLE FC7190 OF4674 ERC-PROC-0533 PURCHASE OF IPHONES 8 AND ACCESSORIES	18.148,68	-18.148,68
2211	D1 - CANCOM ERC-PROC-0520 FC7610 OF38 PURCHASE OF SERVERS CDMA BUILDING	19.759,04	-19.759,04
2211	D1 - COMLIN FC7370 OF8830 ERC-PROC-0520 PURCHASE OF SAN SWITCHES FOR THE CDMA BUILDING	19.584,20	-19.584,20
2211	D1 - COMPAREX FC7360 OF116 ERC-PROC-0527 PURCHASE OF SOFTWARE :NAVICAT, ADOBE, CARROT SEARCH	6.711,43	-6.711,43
2211	D1 - COMPAREX FC7360 OF119 ERC-PROC-0528 SOFTWARE PURCHASE VMWARE	20.419,20	-20.419,20
2211	D1 - DIMENSION DATA FC7500 OF10771 ERC-PROC-0513 PURCHASE OF HARDWARE FOR COV A 7TH FLOOR	80.299,23	-80.299,23
2211	D1 - GETSYS FC6940 OF3331 ERC-PROC-0526 PURCHASE OF TONER CARTRIDGES AND VARIOUS SUPPLIES	10.217,58	-10.217,58
2211	D1-BECHTLE FC7190 OF4552 ERC-PROC-0521 IPADS AND ACCESSORIES PURCHASE	11.897,22	-11.897,22
2211	DIMENSION DATA FC7500 OF10613 MAINTENANCE SERVICES FOR VIDEOCONF. FACILITIES	504,66	-504,66
2211	GETSYS FC6940 OF3280 COPY MACHINES MAINTENANCE FOR DECEMBER 2017	527,60	-272,89
2211	IT SMALL EXPENSES 2017	232,79	-79,00

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2211	SYSTEMAT - ERC-PROC-0516 - OF 1672 UNDER FC DI/7350 - PURCHASE OF PC ACCESSORIES	6.188,97	-6.188,97
2221	EUROPEAN SERVICE NETWORK ERCEA/D1/PN/2016/49 ERC WEBSITE HOSTING 01/01-31/12/2017	4.305,00	-4.305,00
2221	ISIS FC7270 ERC-PROC-496 SC 175 SPECIFIC IT SUPPORT FOR EVAL 1/07/2017-31/01/2018	23.787,00	-14.800,80
2311	2017 D2 SMALL SUPPLIES	74,52	-74,52
2311	DROMEAS - OIBDR2/PO/2014/055/622/C0/L1A - OF N°3 - MOBILIER POUR STAFF	4.847,16	-4.847,16
2311	SLA OIB 2017	5.617,38	-5.617,38
2321	IMC - OIBDR2/PO/2013/007/566/L1/C1 - ERCEA-CS.2017.01 - HANDLING AND REMOVAL SERVICES	488,36	-239,52
2331	SLA OIB 2017	3.520,15	-3.520,15
2341	SLA OIB 2017	9.698,00	-6.833,61
2341	SLA OIB 2017	711,44	-33,28
2341	SLA OIB 2017	1.700,00	0,00
2361	DFA STUDIO LEGALE DAL FERRO ERCEA/D3/PN/2017/38 - LEGAL SERVICES FOR STAFF ISSUES	6.250,00	-3.000,00
2361	KOUTALIDIS - ERCEA/D3/PN/2017/05 LEGAL ASSISTANCE TO ERCEA IN CASE T-348/16	26.000,00	-26.000,00
3111	EXTERNAL MEETINGS 2017 - A1	1.500,00	0,00
3111	EXTERNAL MEETINGS 2017 - A2	1.611,64	-722,27
3111	EXTERNAL MEETINGS 2017 - D3	1.485,08	-761,96
3111	SCIENCE PITCH EVENT IN HELSINKI ON 1 DECEMBER 2017.	1.860,00	-1.860,00
3111	PRESTO - EXTERNAL MEETINGS 2017	8.805,11	-8.805,11
3121	ENGAGEMENT PROVISIONNEL MISSIONS 2017	25.983,87	-23.824,09
3131	LUBBOCK FINE CHARTERED ACCOUNTANTS - ERCEA AUDITS BATCH ASSIGNMENT N°307 - 2017	57.830,00	-54.290,81
3131	LUBBOCK FINE CHARTERED ACCOUNTANTS - ERCEA AUDITS BATCH ASSIGNMENT N°316 - 2017	139.008,00	-133.216,00
3131	LUBBOCK FINE, SPECIFIC CONTRACT AUDIT BATCH 334 - 2017	289.600,00	-266.432,00
3141	A2-TRIPLE A & C TRADING - 30-CE-0848891/00-78- PURCHASE ORDER 2017/01- PURCHASE VIP GIFTS FOR PANEL MEMEBERS	5.512,50	-5.512,50
3141	AKIO SAS - ERCEA/A2/PO/2016/12/1 - MEDIA MONITORING SERVICES 23/02/2017 TO 22/02/2018	81.904,97	-78.304,97
3141	DESIIS III SC8606, ERC-PROC-0465, KOK CHARLOTTE WEB OPERATION MANAGER FWC 07338 - 2017	26.010,70	-17.664,90
3141	EUROPEAN SERVICE NETWORK (ESN) - ERCEA/A2/PN/2017/34 - MAINTENANCE ERC WEBSITE	14.265,00	-14.015,00
3141	OPOCE 2017	1.005,43	-977,96
3141	SC 012300, ERC-PROC-0517, SENGAL ALICE -WEB OPERATION MANAGER - FWC 07338 66 DAYS	27.935,16	-26.453,75
3141	SLA OIB 2017	761,71	-710,71
3141	SMALL COMMUNICATIONS EXPENSES A2 2017	242,71	-213,21
3151	CDT- TRANSLATIONS 2017	959,00	-959,00
3151	CDT- TRANSLATIONS 2017	2.337,00	-2.337,00
3171	ARHS SC9934, ERC-PROC-0490, HABRAN FRÉDÉRIC - DATABASE DEVELOPER, FWC 07330 170 DAYS	31.662,40	-31.662,40
3171	D1 - DESIS III SC 012793, ERC-PROC-0525, JOSHI SHWETA - DATABASE DEVELOPER, FWC 07330 - 60 DAYS	22.429,20	-22.429,20
3171	D1 - DESIS III SC12824, ERC-PROC-0491, CIELEN DAVY - BUSINESS INTELLIGENCE ANALYST FWC 07330 60 DAYS	31.016,40	-29.207,11
3171	DESIIS III ERC-PROC-0422, HANCU VALENTIN - DATABASE DEVELOPER - FWC 07330 220 DAYS - 2017	27.365,36	-27.365,36
3171	DESIIS III SC 8901, ERC-PROC-0338, RISACK OLIVIER BUSINESS INTELLIGENCE ANALYST, FWC 7331 205 DAYS	31.243,50	-31.243,50
3171	DESIIS III SC 8994, ERC-PROC-0405, AIRINEI ADRIAN DATABASE DEVELOPER, FWC 7334 215 DAYS	39.298,50	-39.298,50
3171	DESIIS III SC8898, ERC-PROC-0457, VRIESACKER KOEN - APPLICATION ARCHITECT/DESIGNER FWC 07331 - 2017	48.194,53	-48.194,53
3171	DESIIS III SC8899, ERC-PROC-0336, VAN DER SCHUEREN ARNE APPLICATION ARCHITECT/DESIGNER, FWC 07331 210 DAYS	50.790,40	-50.790,40
3171	DESIIS III SC8900, ERC-PROC-0337, MEYSMAN ARNO DATABASE DEVELOPER, FWC 7331 205 DAYS	50.738,85	-50.738,85
3171	DESIIS III SC9156, ERC-PROC-0416, CIUCA EMANUEL - APPLICATION DEVELOPER, FWC 7330 195 DAYS	22.175,86	-22.175,86
3171	DESIIS III SC9952, ERC-PROC-0491, CIELEN DAVY BUSINESS INTELLIGENCE ANALYST, FWC 07330 70 DAYS	13.181,97	-13.181,97
3171	PANOPLYS CONSORTIUM SC11644, ERC-PROC-0333, GUERIN ERIC - APPLICATION ARCHITECT/DESIGNER FWC 07331	50.790,40	-50.790,40
3171	SC 12478, ERC-PROC-0422, HANCU VALENTIN - DATABASE DEVELOPER, FWC 07330 - 40 DAYS	18.092,80	-18.092,80
3171	SC12479, ERC-PROC-0338, RISACK OLIVIER - BUSINESS INTELLIGENCE ANALYST, FWC7331	19.080,00	-19.080,00
TOTAL		2.396.271,90	-2.238.823,47
UNUSED PAYMENT APPROPRIATIONS TO BE REIMBURSED TO THE COMMISSION			157.448,43

For current outstanding commitments (C1 2018):

	2018 commitments appropriations (C1)	Commitments 2018	Total unused appropriations current year	Payments 2018	Appropriations to be carried-forward to 2019	% of the commitments
Title 1 - Staff expenditure	38.073.852,02	37.970.590,77	103.261,25	37.455.425,35	515.165,42	1,4%
Title 2 - Infrastructure and operating expenditure	8.049.629,89	7.963.829,38	85.800,51	6.515.219,06	1.448.610,32	18,2%
Title 3 - Programme support expenditure	2.684.625,09	2.672.789,83	11.835,26	1.771.115,13	901.674,70	33,7%
Total	48.808.107,00	48.607.209,98	200.897,02	45.741.759,54	2.865.450,44	5,9%

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Budget line	Commitment user reference	Open amount RAL (C8 in 2018)
1121	ASSURANCE PERSONNEL NON STATUTAIRE 2018	365,00
1122	RANDSTAD 2018	106.205,51
1211	D2 PERSONNEL SELECTION EXPENSES 2018	1.080,84
1221	SLA OIB 2018	29.752,19
1221	SLA OIB 2018	907,81
1231	INTEGRATED HR SLA ERCEA 2018	17.760,60
1241	D2 - 2018 INDIVIDUAL EXTERNAL TRAININGS	4.092,16
1241	PRESTO 2018 - TRAINING	131,36
1241	SLA OIB 2018	3.000,00
1241	2018 TRAINING - SLA EAS	12.620,00
1241	D2 - EMOSCIENCE - ERCEA/D2/PN/2018/13 - CONFERENCE ON MINDFULNESS WITH PROFESSOR KOTSOU - 5/3/2018	1.250,00
1241	D2 - DELOITTE - EPSO/EUSA/PO/2013/063 - PILOT COMPETENCY FRAMEWORK 4 JOB PROFILES	45.500,00
1241	D2 - SHIRE PROFESSIONAL LTD - ERCEA/D2/PN/2017/52	13.950,00
1241	D2 - OIB CIE OVERIJSE - ERCEA/D2/PN/2018/20 - MANAGEMENT AWAY DAY - 19/09/2018	3.030,20
1241	D2 - OIB CIE OVERIJSE - ERCEA/D2/PN/2018/38 - TRAINING EVENT ON NLP (FINAL SESSION) - 11/10/2018	2.365,49
1241	D2 - JULHIET FC EPSO/EUSA/PO/2014/069 OF16 INDIVIDUAL COACHING FOR MANAGER	3.245,00
1241	D2 - JULHIET FC EPSO/EUSA/PO/2014/069 OF15 COACHING PACKAGE FOR B2 CALL COORDINATION	8.675,00
1241	D2 CIE OVERIJSE - ERCEA/D2/PN/2018/46 - VENUE & CATERING FOR UNIT B5 TEAM BUILDING, 24/10/2018	2.609,40
1241	PURCHASE ORDER - ERCEA VITAMIN WEEK 19-22/11/2018 - BIOCENO (KEVIN GERITZEN)	1.316,00
1241	FWC HR/R3/PR/2015/003 LOT 4 OF 11 - TRAINING ON COMMUNICATION RELATED TO MEDIA RELATIONS	30.300,00
1241	D2 TRAINING HR/R3/PR/2015/003 LOT 4 OF 12 DEVELOPING YOUR RESILIENCE 11-13 DECEMBER 2018	6.260,00
1241	DELOITTE CONSULTING - ORDER N° 3 UNDER FWC EPSO/EUSA/PO/2013/063 - DEVELOPMENT OF A SELF-DEVELOPMENT TOOL	24.000,00
1251	D0 - CONTRIBUTION TO STAFF TRANSPORT EXPENSES 2018	1.299,55
1251	SLA OIB 2018	572,00
1251	SLA OIB 2018	800,00
1261	D2 SOCIAL SERVICES CPE 2018	103.071,04
1261	D2 EUROPEAN SCHOOL TRANSPORT 2018	18.835,91
1261	SLA OIB 2018	1.315,66
1261	D2 - TRIPLE A - 30-CE-0848891/00-78 - ORDER 2018/01-PROMOTIONAL MATERIAL FOR STAFF	9.418,60
1271	D2 SLA PMO 2018	19.835,03
1271	INTEGRATED HR SLA ERCEA 2018	39.000,00
1281	ERCEA SCIENTIFIC SEMINARS 2018 - B3	874,14
1281	PRESTO 2018 - INTERNAL MEETINGS AND REPRESENTATION	1.726,93
2111	2018 CUSHMAN & WAKEFIELD - CHARGES PARKING	306,30
2111	2018 - BUILDING INSURANCE	47.200,00
2111	SLA OIB 2018	65.174,73
2111	SLA OIB 2018	339.181,81
2111	SLA OIB 2018	25.723,33
2111	SLA OIB 2018	354.588,74
2111	SLA OIB 2018	73.084,23
2111	SLA OIB 2018	3.707,30
2111	INTEGRATED HR SLA ERCEA 2018	32.752,77
2111	D0 - FIRE INSURANCE FROM 17/08/2018 TO 16/08/2019	9.261,41
2211	D1 - FC6940 OF3281 ERC-PROC-0514 XEROX COPY MACHINES MAINTENANCE FOR 2018	2.825,41
2211	D1 - IT SMALL EXPENSES 2018	84,09
2211	D1 - BELGACOM FC ERCEA/D1/PN/2014/49 ERC-PROC-0536 OF4 AUDIO-VISUAL MAINTENANCE PURCHASE FOR 2018	17.316,41
2211	CANON FC7560 OF4 ERC-PROC-524 - COPY MACHINES MAINTENANCE FOR 2018 - PAY PER CLICK	6.374,25
2211	D1 - COMPAREX ERC-PROC-0527 FC7360 OF 124 - ADOBE CREATIVE CLOUD SOFTWARE 25/05-17/10/2018	442,95
2211	D1 - COMLIN FC7370 SC9474 IT CONSULTANCY SERVICES STORAGE ARCHITECT NWH	5.000,00
2211	D1 - TELEVIC FC SCIC-2016-S5-3471731 OPERATIONAL SERVICES FOR AUDIO-VISUAL EQUIPMENT SDR 24TH FLOOR SC2	10.475,70

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Budget line	Commitment user reference	Open amount RAL (C8 in 2019)
2211	D1 - INSIGHT TECHNOLOGIES SOLUTIONS FC7722 OF57 ERC-PROC-0575 VYOND PREMIUM SOFTWARE YEARLY SUBSCRIPTION	603,13
2211	D1 - CANCOM FC7610 OF 0383 PURCHASE OF SERVERS FOR COV2	45.188,64
2211	D1 - CANCOM FC7610 OF 0384 PURCHASE OF SERVER FOR CDMA	11.571,12
2211	D1 - INSIGHT TECHNOLOGY SOLUTIONS FC7722 OF 180 SURVEYMONKEY SOFTWARE MAINTENANCE 14/12/2018-13/12/2019	1.235,28
2211	D1 - INSIGHT TECHNOLOGY SOLUTIONS FC7722 OF182 NAVYCAT SOFTWARE MAINTENANCE 12/2018-12/2019	506,00
2211	D1 - TELMACO FC SCIC-2016-S5-AV&C2-1 OF 2018-266 ERC-PROC-0576 PURCHASE OF AV EQUIPMENT	6.691,43
2211	D1 ERC-PROC-0581 OF 102075 UNDER FWC DI-7720 PURCHASE OF A NEW SOFTWARE VMWARE VSPHERE	22.155,24
2211	D1 - ERC-PROC-0578, COMMITMENT REQUEST FOR THE PURCHASE OF 40 SCREENS - OF 0056 UNDER FRAMEWORK CONTRACT DI/07651	3.776,79
2211	D1 ERC PROC-0585 OF 184 UNDER FWC DI/7560 PURCHASE OF PULL PRINTING SERVICE FOR 30 CANON PRINTERS	8.970,00
2211	D1 ERC-PROC-0513 FWC SCIC-2016-S5-AV&C2-1 OF 292 TELMACO PURCHASE OF AV MATERIAL AS A SPARE PART FOR THE COVE 7TH FLOOR EVALUATION MEETING ROOMS	20.778,72
2211	D1 ERC-PROC-0591 FWC DI/07630 BECHTLE OF0643PURCHASE OF HYBRID DEVICES	19.459,35
2211	D1 ERC-PROC-0591 FWC DI/07650 BECHTLE OF 0644 PURCHASE OF ACCESSORIES FOR HYBRID DEVICES	4.936,40
2211	D1 ERC-PROC-0560 FWC DI/07651 OF 63 CANCOM PURCHASE OF APPLE ACCESSORIES	186,12
2211	D1 ERC-PROC-0566 FWC DI/07500 OF 11410 DIMENSION DATA PURCHASE OF VC EQUIPMENT FOR ROOM 21/SDR1	9.952,96
2211	D1 - COMLIN - ERC-PROC-0592, FWC DI/07370 - PURCHASE OF A DATA STORAGE SYSTEM FOR COV2 SERVER ROOM	33.231,46
2211	D1 - COMLIN - ERC-PROC-0592, FWC DI/07370 - PURCHASE OF A DATA STORAGE SYSTEM FOR CDMA BUILDING	33.231,46
2211	D1 ERC-PROC-0597 FWC DI/07720 OF 1002628 BECHTLE PURCHASE OF VMWARE CPU LICENSES	10.209,60
2211	D1 ERC-PROC-0560 FWC DI/07650 OF 667 BECHTLE PURCHASE OF IPHONES AND ACCESSORIES	2.905,56
2211	D1 ERC-PROC-0591 FWC DI/07630 OF 885 BECHTLE PURCHASE OF LAPTOPS AND ACCESSORIES	64.066,50
2211	D1 - BECHTLE BRUSSELS NV - ERC-PROC-0591 / FWC DI/07650 - PURCHASE OF LAPTOP AND ACCESSORIES	11.065,75
2221	ISIS FC7270 SC210 ERC-PROC-0544 IT SUPPORT FOR EVALUATIONS 02/2018 - 31/12/2018	51.780,30
2221	AUSY BELGIUM ERCEA/D1/PN/2017/53 ERC WEBSITE HOSTING SERVICES	2.600,00
2221	D1 - ISIS IT LOGISTICS SERVICES ERC-PROC-0545 FC7270 SC211 01/03-31/12/2018	10.000,00
2221	D1 - ISIS FC7270 SC221 ICT LOGISTICS SUPPORT 2018	11.574,00
2311	SLA OIB 2018	13.884,87
2311	SLA OIB 2018	1.500,00
2311	D2 - 2018 SMALL SUPPLIES	996,00
2311	D2 - AQUA VITAL SA - OIB.DR2/PO/2016/071/725/C0 - LOCATION DE FONTAINES D'EAU	296,90
2311	D2 - AQUA VITAL FC OIB.DR2/PO/2016/071/725/C0 PO2 LOCATION DE FONTAINES A EAU 01/09/2018-31/08/2019	2.362,15
2311	D2 - AQUA VITAL FC OIB.02/PO/2016/071/725 PO3 WATER BOTTLES PURCHASE	270,00
2311	D2 - AHREND - OIB.DR2/PO/2013/038/579/C0/L0.A - OF N°4 - FURNITURE 7TH FLOOR (COFFEE CORNER)	16.026,24
2311	AHREND NV - BON DE COMMANDE N° 5 - FWC OIB.DR2/PR/2013/038/579/C0/L0 - ACHAT DE PLANTES	2.500,65
2311	D2 - DROMEAS FC OIB.DR2/PO/2014/055/622/C0/L1A PO N°3 ACHAT DE MOBILIERS POUR LES DIFFÉRENT BUREAUX DE L'AGENCE	6.549,06
2311	D2 OF 6 UNDER FWC OIB.DR2/PR/2013/038/579/C0/L0-A.05, BON DE COMMANDE N° 6 AHREND, ARTICLES DE DECORATION POT DE FLEUR FLORA FACTO	8.199,24
2321	D2 - 2018 REMOVALS CS.2018.01 - OIB.02/PO/2017/005/748/C0/L1	500,00
2331	SLA OIB 2018	4.000,00
2341	SLA OIB 2018	7.926,97
2341	SLA OIB 2018	1.000,00
2341	SLA OIB 2018	2.423,00
3111	A1-EXTERNAL MEETINGS 2018	13.154,58
3111	PRESTO - EXTERNAL MEETINGS 2018	12.399,69
3111	D3 - 2018 EXTERNAL MEETINGS	87,12
3111	A2-EXTERNAL MEETINGS 2018	12.316,77
3111	B0- EXTERNAL MEETINGS 2018	2.625,00
3111	B4 - EXTERNAL MEETINGS - "AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE MEETING (AAAS) 14-17 FEBRUARY 2019 - WASHINGTON	19.150,00
3111	FINAL PANEL CHAIR MEETING 2017-2018 - ERCEA/B/PN/2018/47 - 22/02/2019	10.980,62

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Budget line	Commitment user reference	Open amount RAL (C8 in 2019)
3121	D0 - MISSIONS 2018	45.280,34
3121	D0 - MISSION INSURANCE - 01/07/2018 TO 30/06/2019	13,83
3131	C4 - LUBBOCK FINE - ADDITIONAL COMMITMENT FOR SPECIFIC CONTRACT - 2016 B287	5.783,00
3131	C4 - LUBBOCK FINE - ADDITIONAL COMMITMENT FOR SPECIFIC CONTRACT 2016 B300	11.566,00
3131	LUBBOCK FINE CHARTERED ACCOUNTANTS - ERCEA AUDITS BATCH ASSIGNMENT2017/B316	5.792,00
3131	LUBBOCK FINE CHARTERED ACCOUNTANTS - ERCEA AUDITS BATCH SPECIFIC CONTRACT 2017-B334	23.168,00
3141	OPOCE 2018	14.017,06
3141	SLA OIB 2018	800,00
3141	A2- SMALL COMMUNICATION EXPENSES	732,81
3141	A2-AKIO SAS - ERCEA/A2/PO/2016/12/2 - MEDIA MONITORING SERVICES 23/02/2018 TO 22/02/2019	81.904,97
3141	A2-NOVACOMM CONSORTIUM-FWC PO/2016-20/A5- SPECIFIC CONTRACT ERCEA 2018/01- TECHNICAL MAINTENANCE OF THE ERC WEBSITE.	33.405,29
3141	A2-CAFKER PRODUCTIONS - ERCEA/A2/PN/2018/33- PRODUCTION OF VIDEO MATERIAL TO PROMOTE ERC SYNERGY GRANTS SHCME IN SOCIAL SCIENCES AND HUMANITIES AND RESULTS	5.790,00
3141	ERCEA/A2/PN/2018/51 DELIVERY OF CUSTOM NATUREJOB PODCASTS FOR ERCEA	12.000,00
3141	REQUEST FOR BUDGETARY COMMITMENT TO COVER THE PURCHASE COSTS OF PROMOTIONAL MATERIAL FOR A2 (TRIPLE A).	9.715,00
3141	A2-MELTWATER-ERCEA/A2/PN/2018/53-MEDIA MONITORING AND SOCIAL MEDIA ENGAGEMENT PLATFORM	14.900,00
3141	NOVACOMM CONSORTIUM (AUSY BELGIUM) - ERCEA 2018/02 IMPLEMENTING FWC PO/2016-05/A5 - TECHNICAL MAINTENANCE AND DEVELOPMENTS OF ERC WEBSITE	26.085,00
3141	DESIS III SC13299, ERC-PROC-0517, SENGAL ALICE - WEB OPERATION MANAGER, FWC 07338 220 DAYS	49.392,50
3141	DESIS III SC13143, ERC-PROC-0539, BAZZANI ELISA -WEB OPERATION MANAGER, FWC 07338 220 DAYS	22.717,44
3151	CDT- TRANSLATIONS 2018	1.539,00
3171	D1 - ARHS - ERC-PROC-0558 - SERVICE CONTRACT SC02-096 UNDER FC BUDG16/PO/01 LOT 2 - N°0825053	35.394,00
3171	D1 - DESIS III SC 14678, ERC-PROC-0525, JOSHI SHWETA DATABASE DEVELOPER, FWC 07330? 180 DAYS	31.483,56
3171	DESIS III SC 13293, ERC-PROC-0532, AHMADPOUR KAMEL - DATABASE DEVELOPER, FWC 7330 220 DAYS	7.802,66
3171	DESIS III SC13259, ERC-PROC-0336, VAN DER SCHUEREN ARNE - APPLICATION ARCHITECT/DESIGNER, FWC7331 220 DAYS	60.236,44
3171	D1 - DESISIII SC15506, ERC-PROC-0337, MEYSMAN ARNO DATABASE DEVELOPER, FWC 07331 20 DAYS	8.106,70
3171	DESIS III SC13502, ERC-PROC-0457, VRIESACKER KOEN - APPLICATION ARCHITECT/DESIGNER, FWC 7331 210 DAYS	49.197,12
3171	DESIS III SC13517, ERC-PROC-0338, RISACK OLIVIER - BUSINESS INTELLIGENCE ANALYST, FWC 7331 190 DAYS	40.417,34
3171	DESIS III SC 000211, ERC-PROC-0567, RADU FABIAN - APPLICATION ARCHITECT, FWC 07701 110 DAYS	59.957,70
3171	DESIS III SC 13461, ERC-PROC-0333, GUERIN ERIC - APPLICATION ARCHITECT/DESIGNER, FWC 07331 210 DAYS	46.385,28
3171	DESIS III SC 13503, ERC-PROC-0422, HANCU VALENTIN DATABASE DEVELOPER, FWC 7330 200 DAYS	38.095,34
3171	DESIS III SC13155, ERC-PROC-0490, HABRAN FRÉDÉRIC - DATABASE DEVELOPER FWC 7330 - 220 DAYS	33.718,40
3171	DESIS III SC12699, ERC-PROC-0525, AIRINEI ADRIAN DATABASE DEVELOPER, FWC 7334 - 220 DAYS	55.564,14
PAYMENTS APPROPRIATIONS CARRIED FORWARD TO 2018		2.865.450,44

ANNEX: Glossary on terms, abbreviations and acronyms used

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 budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.
Accounting	The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.
Adjustment	Amending budget or transfer of funds from one budget item to another
Adopted budget	Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority. Cf Budget
Agencies	EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.
Amending budget	Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.
Annuality	The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.
Appropriations	Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.
Assigned revenue	External/Internal Used to finance specific items of expenditure. The complete list of items constituting assigned revenue is given in the Financial Regulation (FR) Art. 21.
Authorising Officer (AO)	The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.
Budget	Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.
Budget result	The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Standard Financial Regulation for the Executive 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

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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.
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.
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 193/30.07.2018, p.1)
Funds Source	Type of appropriations (e.g.: C1, C2, etc.)
C1	Current Appropriations = Initial Budget + Amending Budget + Transfers
C8	Appropriations automatically carried forward from previous year to current year
IC1	Universal revenue voted in the budget
Grants	Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.
Implementation	Cf. Budget implementation
Income	Cf. Revenue
Lapsing appropriations	Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.
Legal base (basic act)	The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.
Legal commitment	A legal commitment establishes a legal obligation towards third parties.
Non-differentiated appropriations	Non-differentiated appropriations are for operations of an annual nature. (Art. 12 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments
Operating (i.e. administrative) appropriations	Operating (i.e. administrative) appropriations cover the running costs of the entity (staff, buildings, office equipment.....).

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Operational appropriations	Operational appropriations finance the different policies, mainly in the form of grants or procurement.
Outstanding commitment	Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.
Outturn	Cf. Budget result
Payment	A payment is a cash disbursement to honour legal obligations.
Payment appropriations	Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.
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.
Recovery	The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.
Result	Cf. Outturn
Revenue	Term used to describe income from all sources financing the budget.
Rules of application	Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.
Surplus	Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.
Transfer	Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation (FR). The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.



European Research Council
Executive Agency

Established by the European Commission

REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT OF THE EUROPEAN RESEARCH COUNCIL EXECUTIVE AGENCY

Financial Year 2018

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This report on budgetary and financial management of the European Research Council Executive Agency (ERCEA) for the financial year 2018 has been prepared in accordance with Articles 51 to 57 of the Standard Financial Regulation for the executive agencies.

1. OVERVIEW OF THE BUDGET

1.1. Initial budget, amending budget and final budget

The ERCEA estimated its initial operating (i.e. administrative) budget needs for 2018 for a total amount of € 48.600.000. The ERCEA Steering Committee adopted it on 19 December 2017.

The budget was subsequently amended. The amendment was adopted on 5 October 2018 to support the works of the new evaluation facilities of the building COVE 1 7th floor. This was accomplished via re-allocating funds from several budget lines to the appropriate destinations, as well as via the increase of the total budget by € 208.107.

In view of optimizing the operating (i.e. administrative) budget execution the Agency is proceeding to transfers between budget lines and chapters. The transfers between chapters are the responsibility of the Steering Committee. This responsibility is delegated to the Director during the last quarter of the financial year. Transfers between budget lines within a chapter subject to the Director's decision are submitted for information to the Steering Committee.

Appropriations have been modified between chapters by one transfer approved by the Steering Committee on 24 May 2018 and four decisions of the Director of the Agency on 23 August 2018, 20 November 2018, 10 December 2018 and 17 December 2018.

The below summary table explains how the budget was defined from the adopted to the final budget:

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EUR					
Budget Line / Title	Description	Draft Budget	Budget Amendments	Transfers	Final Budget
1111	Temporary agents	15.200.000	80.000	105.215	15.385.215
1112	Contract Agents	19.321.600	88.400	(151.015)	19.258.985
1121	Seconded National Experts	545.000	(105.000)	40.000	480.000
1122	Interimaires & stagiaires	903.400	2.300	(500)	905.200
1211	Recruitment, entering and leaving the service, transfer costs	41.000	0	5.000	46.000
1221	Restaurant, Canteens	135.400	14.035	(5.812)	143.623
1231	Medical service	109.200	0	(9.190)	100.010
1241	Training	434.800	57.308	52.428	544.536
1251	Mobility and Public transportation	150.300	0	(90.615)	59.685
1261	Social service and other interventions	569.100	300	96.913	666.313
1271	External services (PMO)	417.200	0	23.710	440.910
1281	Internal meetings, events and reception	41.700	4.107	(2.432)	43.375
1291	Missions (administrative)	0	0	0	0
Title 1	Staff expenditure	37.868.700	141.450	63.702	38.073.852
2111	Rental of building and associated costs	5.515.100	41.090	0	5.556.190
2121	Fitting out	0	0	0	0
2211	Hardware, software and linked expenses	643.200	(26.991)	129.491	745.700
2221	ICT services	1.288.900	140.035	(70.000)	1.358.935
2311	Furniture, Material and Technical installations	207.300	4.291	110.462	322.053
2321	Works of handling and removal of services	4.400	0	(838)	3.562
2331	Paper mill, office supplies	20.800	0	(668)	20.132
2341	Correspondence stamping and carriage costs	50.400	(1.200)	(6.142)	43.058
2351	Acquisition of information	0	0	0	0
2361	Other current expenses (financial, legal, assurance,...)	40.700	0	(40.700)	0
Title 2	Infrastructure and operating expenditure	7.770.800	157.225	121.605	8.049.630
3111	Experts, studies, representation and external meeting expenses	455.000	13.000	(52.319)	415.681
3121	Missions and related costs	501.000	(20.400)	5.000	485.600
3131	Audit expenses	29.000	(5.868)	28.960	52.092
3141	Expenses of Information, Publications and Communication	540.000	15.800	(10.259)	545.541
3151	Expenses of translation	54.500	6.900	(30.944)	30.456
3161	Conferences, seminars, trainings and other specific expenditure	0	0	0	0
3171	Operational related IT costs	1.381.000	(100.000)	(125.745)	1.155.255
Title 3	Programme support expenditure	2.960.500	(90.568)	(185.307)	2.684.625
TOTAL BUDGET		48.600.000	208.107	0	48.808.107

Transfer approved by the Steering Committee:

	Date	Main subject - description	Impact on commitment and payment appropriations in €
1	24/05/2018	Additional needs of interim staff	Chapter 11 remunerations: 40.000
		Needs of furniture for the 7 th floor meeting rooms	Chapter 23 Movable property expenditure: 82.509
		Report in August of the helpdesk and maintenance services of the audio visual equipment of the 7 th floor meeting rooms	Chapter 22 ICT: (122.509)

Amendment adopted by the ERCEA Steering Committee

	Date	Main subject - description	Impact on commitment and payment appropriations in €
1	5/10/2018	Revision of staff salaries and costs related to the furniture for cafeteria of the first floor	Title 1: 141.450
		Costs needed for the purchase of IT hardware and software including maintenance, the helpdesk, contribution to the services of DIGIT and the contribution to the SLA with DG BUDG and DG HR	Title 2: 157.225
		Reassessment of needs for missions and IT operational related costs	Title 3: (90.568)

List of transfers adopted by the Director:

	Date	Main subject - description	Impact on commitment and payment appropriations in €
1	23/08/2018	Transfers needed within the same chapter in order to optimize the budget consumption	Chapter 12 Budget line 1251 mobility and public transportation: (70.000) Budget line 1261 social service and other intervention: 47.000 Budget line 1231 medical service: (34.190) Budget line 1241 training: 61.277 Budget line 1271 External services (PMO): (4.980) Budget line 1281 Internal meetings: 893
2	20/11/2018	Revision of the salary adjustment of +1.7 % instead of an estimate of +2,1 %	Chapter 11 remunerations: (25.000)
		Increase of SLA DG HR medical services and OIB CPE (Centre de la Petite Enfance) costs	Chapter 12 professional development: 47.500
		Purchase of additional hardware and software and servers for COVE2 and CDMA (for business continuity purpose)	Chapter 22 ICT: 72.000
		Increase of furniture for the 7 th floor	Chapter 23 Movable property expenditure: 918 Chapter 31 Programme Management expenditure (95.418)

	Date	Main subject - description	Impact on commitment and payment appropriations in €
3	10/12/2018	Revision of the salary due to the adjustment of +1.5 % instead of an estimate of +2,1 %, the recruitment rate equal to 99% instead of 100% and the recruitment in December of SNE that required advanced payments	Chapter 11 remunerations: (21.300)
		Increase of OIB CPE (Centre de la Petite Enfance) costs	Chapter 12 professional development: 22.502
		Increase of data storage capacity and purchase of desktops PCs in order to cope with the increased demand of staff mobility	Chapter 22 ICT: 110.000
		Reduction due to several small savings	Chapter 23 Movable property expenditure: (21.313)
		Reassessment of needs for translation, experts and contract early termination for IT consultants	Chapter 31 programme management expenditure: (89.889)
4	17/12/2018	Transfers within the same chapters in order to optimize the budget consumption and allow some last minute re-adjustments	Chapter 12 Budget line 1251 mobility and public transportation: 2.500 Budget line 1261 social service and other intervention: (2.500) Chapter 23 Budget line 2311 furniture, material and technical installations: 8.771 Budget line 2321 works of handling and removal of services: (838) Budget line 2331 paper mill, office supplies: (668) Budget line 2341 correspondence stamping and carriage costs: (6.565) Budget line 2361 other current expenses (financial, legal, assurance,...): (700) Chapter 31 Budget line 3131 audit expenses: 28.960 Budget line 3111 experts, studies, representation and external meeting expenses: (22.808) Budget line 3151 expenses of translation: (6.152)

1.2. Budget implementation

1.2.1. 2018 appropriations (C1)

The execution of commitments appropriations amounts to € 48.607.209,98 and the execution of payments appropriations amounts to € 45.751.759,54.

EUR

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
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Title	2018 commitments appropriations (C1)	Commitments 2018	% of implementation on commitments 2018	Payments 2018	% of implementation on payments 2018	Total unused appropriations current year	Appropriations to be carried- forward to 2019
Title 1 - Staff expenditure	38.073.852,02	37.970.590,77	99,7%	37.455.425,35	98,4%	103.261,25	515.165,42
Title 2 - Infrastructure and operating expenditure	8.049.629,89	7.963.829,38	98,9%	6.515.219,06	80,9%	85.800,51	1.448.610,32
Title 3 - Programme support expenditure	2.684.625,09	2.672.789,83	99,6%	1.771.115,13	66,0%	11.835,26	901.674,70
Total	48.808.107,00	48.607.209,98	99,6%	45.741.759,54	93,7%	200.897,02	2.865.450,44

The implementation of the final budget appropriations, fund source C1, is at a level of 99,6 % for commitments (2017: 99,8 %) and 93,7 % for payments (2017: 94,8 %).

In 2018, the difference between commitments and payments amounts to € 2.865.450,44 (last column of the above table). The Agency carried forward this amount to 2019 as it corresponds to legal commitments contracted in 2018 but not yet paid on 31 December 2018.

The unused appropriations (€ 200.897,02) are mainly on the following budget lines:

- € 59.480,13 on salaries;
- € 21.329,72 on interim staff
- € 78.707,36 on SLA OIB.

Details are presented in the table below:

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
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Fund Source: C1

Budget line	Official Budget Item Desc (Fr)	Appropriation (1)	Committed Amount (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Total unused appropriations current year (1-2)	Appropriations to carry forward to 2019 (2-3)
Title 1	Staff expenditure	38.073.852,02	37.970.590,77	99,73%	37.453.25,25	98,36%	103.261,25	515.165,42
Chapter 11 - Remunerations, Allowances and Charges		36.029.400,16	35.944.092,73	99,76%	35.837.522,22	99,47%	85.307,43	106.570,51
1 1 1 1	Temporary agents	15.385.215,00	15.375.190,58	99,93%	15.375.190,58	99,92%	10.024,42	0,00
1 1 1 2	Contract Agents	19.258.985,16	19.209.529,45	99,74%	19.209.529,45	99,98%	49.455,71	0,00
1 1 2 1	Seconded National Experts	480.000,00	475.502,42	99,06%	475.137,42	98,99%	4.497,58	365,00
1 1 2 2	Interimaires & stagiaires	905.200,00	883.870,28	97,64%	777.664,77	73,65%	21.329,72	106.205,51
Chapter 12 - Professional Development and Social expenditure		2.044.451,86	2.026.498,04	99,12%	1.617.903,13	79,14%	17.953,82	408.594,91
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	46.000,00	44.957,16	97,73%	43.876,32	93,71%	1.042,84	1.080,84
1 2 2 1	Restaurant Canteens	143.623,00	132.479,00	92,24%	101.819,00	90,82%	11.144,00	30.660,00
1 2 3 1	Medical service	100.010,00	100.009,69	100,00%	82.249,09	59,85%	0,31	17.760,60
1 2 4 1	Training	544.535,84	542.175,35	99,57%	379.830,74	62,51%	2.360,49	162.344,61
1 2 5 1	Mobility and Public transportation	59.685,00	59.685,00	100,00%	57.013,45	80,90%	0,00	2.671,55
1 2 6 1	Social service and other interventions	666.313,02	666.313,02	100,00%	533.671,81	99,98%	0,00	132.641,21
1 2 7 1	External services (PMO)	440.910,00	440.814,00	99,98%	381.978,97	94,51%	96,00	58.835,03
1 2 8 1	Internal meetings events and reception	43.375,00	40.064,82	92,37%	37.463,75	78,92%	3.310,18	2.601,07
Title 2	Infrastructure	8.049.629,89	7.963.829,38	98,93%	6.515.219,06	80,94%	85.800,51	1.448.610,32
Chapter 21 - Building expenditure		5.556.190,00	5.477.482,64	98,58%	4.526.502,02	81,47%	78.707,36	950.980,62
2 1 1 1	Rental of building and associated costs	5.556.190,00	5.477.482,64	98,58%	4.526.502,02	88,67%	78.707,36	950.980,62
Chapter 22 - ICT		2.104.635,00	2.098.911,61	99,73%	1.669.716,99	79,34%	5.723,39	429.194,62
2 2 1 1	Hardware software and linked expenses	745.700,00	742.772,76	99,61%	389.532,44	74,42%	2.927,24	353.240,32
2 2 2 1	ICT services	1.358.935,00	1.356.138,85	99,79%	1.280.184,55	99,04%	2.796,15	75.954,30
Chapter 23 - Movable property and Current Operating expenditure		388.804,89	387.435,13	99,65%	319.000,05	82,05%	1.369,76	68.435,08
2 3 1 1	Furniture Material and Technical Installations	322.052,89	320.759,79	99,60%	268.174,68	87,25%	1.293,10	52.585,11
2 3 2 1	Works of handling and removal of services	3.562,00	3.562,00	100,00%	3.062,00	86,60%	0,00	500,00
2 3 3 1	Paper mill office supplies	20.132,00	20.055,48	99,62%	16.055,48	90,00%	76,52	4.000,00
2 3 4 1	Correspondence stamping and carriage costs	43.058,00	43.057,86	100,00%	31.707,89	87,30%	0,14	11.349,97
Title 3	Programme Support expenditure	2.684.625,09	2.672.789,83	99,56%	1.771.115,13	65,97%	11.835,26	901.674,70
Chapter 31 - Programme Management expenditure		2.684.625,09	2.672.789,83	99,56%	1.771.115,13	65,97%	11.835,26	901.674,70
3 1 1 1	Experts, studies, representation and external meeting expenses	415.680,64	413.538,69	99,48%	342.824,91	74,63%	2.141,95	70.713,78
3 1 2 1	Missions and related costs	485.600,00	481.376,43	99,13%	436.082,26	91,37%	4.223,57	45.294,17
3 1 3 1	Audit expenses	52.092,00	52.092,00	100,00%	5.783,00	19,37%	0,00	46.309,00
3 1 4 1	Expenses of Information, Publications and Communication	545.541,37	542.252,13	99,40%	270.792,06	39,44%	3.289,24	271.460,07
3 1 5 1	Expenses of translation	30.456,00	28.275,50	92,84%	26.736,50	96,90%	2.180,50	1.539,00
3 1 7 1	Operational related IT costs	1.155.255,08	1.155.255,08	100,00%	688.896,40	67,83%	0,00	466.358,68
TOTAL		48.808.107,00	48.607.209,98	99,59%	45.741.759,54	93,72%	200.897,02	2.865.450,44

As regards Title 1 - Staff expenditure, end 2018, 120 temporary agents, 349 contracts agents, 11 Seconded National Experts and 14 agents financed from participation of candidate countries and/or third countries were recruited explaining the execution on chapters 11 and 12¹⁹.

The breakdown by type of expenditure shows that the total staff expenditure accounts for about 78,1 % of total commitments.

The trainings under item 1241 ordered in 2018 covered the following activities:

- Commission trainings (financial courses such as ABAC accounting systems, languages, etc.) managed under the SLA signed by Commission DGs and the ERCEA.
- Teambuilding actions
- Training for management (coaching,...)
- External trainings.

School transport costs under item 1251 arise from the right for Agency staff to have their children go to European Schools. In addition and, in line with the Commission, the ERCEA based on its decision taken in 2010, reimburses staff's public transportation costs.

Crèche and Garderie costs under item 1261 are related to art 6.1 of the SLA signed with OIB and substantiated by the confirmation given by the ERCEA to OIB to support this type of expenses.

Item 1271 includes the fees paid for the services provided to the Agency by PMO: calculation of the staff salary and entitlements, including SNEs, determination of the rights at entry in service and along the career, liquidation of mission expenses, and calculation of reimbursement of travel costs to the convoked candidates at recruitment interview, etc.

As regards Title 2 Infrastructure and operating expenditure, the main post is the renting and charges of the building (chapter 21) which is 68,8 % of the amount committed under this title. Building charges come from the services provided by DG HR (caretaking costs, technical and security controls of the building, badges to the staff, etc.) and by OIB (maintenance, cleaning, participation to the Covent Garden canteen costs, renting).

In the frame of an usufruct contract starting in September 2008 for a duration of 15 years, the Agency occupies part of the Ground Floor, 6 floors and parking space of Covent Garden Building – Bat B at place Rogier – 1210 Saint Josse. A part of a supplementary floor is rented to OIB through the Service Level Agreement as well as the 7th floor of the evaluation facilities of the COVE building as of 1/04/2018.

IT expenditure (chapter 22) represents 26,4% of title 2 and concerns mainly:

- the maintenance/renewal of software, licences and servers;
- the purchase of IT equipment (computer, laptop, etc.);

¹⁹ Chapter 11 concerns salaries and allowances and 12 removal expenditures, installation costs, change of personnel and recruitment costs incurred by the Agency from the launch of a selection procedure to the effective recruitment of the selected candidates as well as pre-recruitment medical visits, annual medical visits and training costs.

- the audio visual equipment of the meeting rooms;
- the helpdesk, the costs of computerised central financial and accounting system named ABAC (Service Level Agreement with DG BUDG);
- the costs paid for the services provided to the Agency by Directorate General DIGIT of the Commission in the frame of a Memorandum of Understanding for network service, mailboxes and other Commission applications such as "Ares", "Syslog" and "Sysper".

The chapter 23 (movable property and current operating expenditure) represents less than 4,9% of the Title 2.

As regards Title 3 - Programme support expenditure, the main expenditures are related to:

- the external experts meetings, the Board Meetings, the meetings with National Representatives, etc;
- the missions;
- the audit expenses that cover the audits performed by external contractors, on the costs and expenses reported by beneficiaries of a community financial contribution (grant) under the Seventh Framework Programme ("Ideas" Specific Programme). The management of grants is covered by the operational budget of the ERCEA;
- the communication budget, that covers among others the items of expenditures necessary to build the corporate identity of the ERC, through organisation of events (publication, productions of videos, development and enhancement of the website and media monitoring activities);
- the development of IT applications requiring specialized profiles and specific competencies from IT consultants (43% of the Title 3).

The main appropriations to be carried forward to 2018 (€ 2.865.450,44, 5,9% of the budget) are on the main following budget lines:

- SLA OIB, € 929.342,64: balance payment;
- Operational related IT costs, € 466.358,68: amount mainly concerns for the payment of the IT consultants for the 4th quarter 2018 and from January 2019;
- IT hardware, software and linked expenses, € 429.194,62: hardware purchased at the end of 2018 (maintenances, new servers and storage, laptops, licences and IT support services...);
- Communication, € 271.460,07: mainly for the payment of the media monitoring service and ERC website maintenance contracts and of the 4th quarter for two external consultants;
- Training, € 159.344,61: mainly for the balance payment of external contracts;
- Social service and other interventions, € 132.641,21: mainly for the payment of the interim staff.

1.2.2. 2017 appropriations carried-forward to 2018 (C8)

The 2017 appropriations that were carried forward to 2018 as C8 appropriations amounted to € 2.396.271,90 (5,1 % of the budget). Out of this amount, € 2.238.823,47 have been paid (93,4 % to be compared to 90,5 % in 2017). The 2017 appropriations (budget of € 47.223.400) have been committed at 99,8 % and paid at 99,5 % (€ 44.748.374,75 on C1 appropriations and € 2.238.823,47 on C8 appropriations).

Title	Payments appropriations carried-forward from 2017 (RAL C8)	Amounts paid	Total unused payment appropriations carried forward from 2017	% of implementation on appropriations carried-forward from 2017	Final amount from 2017
Title 1 - Staff expenditure	405.575,02	361.638,13	43.936,89	89,2%	0,00
Title 2 - Infrastructure and operating expenditure	846.018,83	785.873,22	60.145,61	92,9%	0,00
Title 3 - Programme support expenditure	1.144.678,05	1.091.312,12	53.365,93	95,3%	0,00
Total	2.396.271,90	2.238.823,47	157.448,43	93,4%	0,00

The main amounts that were unduly carried forward (€ 157.448,43) and therefore had to be de-committed are mainly the following:

- € 57.371,02 related to SLA OIB 2017
- € 32.499,19 related to audit contracts
- € 20.543,38 related to training contracts
- € 11.636,50 related to IT consultants contracts
- € 35.398,34 related to different budget lines and contracts

Details are presented in the table below:

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Fund Source: C8

Budget line	Official Budget Item Desc (Fr)	C8 Appropriations (1)	Paid (2)	% Paid (2/1)	Total unused (de-committed) appropriations (1-2)	Appropriations to carry forward to 2019 (2-3)
Title 1	Staff expenditure	405.575,02	361.638,13	89,17%	43.936,89	0,00
Chapter 11 - Remunerations, Allowances and Charges		72.401,50	66.410,11	91,72%	5.991,39	0,00
1 1 2 1	Seconded National Experts	401,50	0,00	0,00%	401,50	0,00
1 1 2 2	Interimaires & stagiaires	72.000,00	66.410,11	92,24%	5.589,89	0,00
Chapter 12 - Professional Development and Social expenditure		333.173,52	295.228,02	88,61%	37.945,50	0,00
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	4.099,14	4.099,14	100,00%	0,00	0,00
1 2 2 1	Restaurant Canteens	45.197,17	30.758,98	68,06%	14.438,19	0,00
1 2 3 1	Medical service	40.296,14	40.296,14	100,00%	0,00	0,00
1 2 4 1	Training	153.370,11	132.826,73	86,61%	20.543,38	0,00
1 2 5 1	Mobility and Public transportation	4.576,34	3.491,68	76,30%	1.084,66	0,00
1 2 6 1	Social service and other interventions	67.092,90	66.266,31	98,77%	826,59	0,00
1 2 7 1	External services (PMO)	13.377,43	13.377,43	100,00%	0,00	0,00
1 2 8 1	Internal meetings events and reception	5.164,29	4.111,61	79,62%	1.052,68	0,00
Title 2	Infrastructure	846.018,83	785.873,22	92,89%	60.145,61	0,00
Chapter 21 - Building expenditure		408.925,77	366.916,25	89,73%	42.009,52	0,00
2 1 1 1	Rental of building and associated costs	408.925,77	366.916,25	89,73%	42.009,52	0,00
Chapter 22 - ICT		378.186,05	368.791,35	97,52%	9.394,70	0,00
2 2 1 1	Hardware software and linked expenses	350.094,05	349.685,55	99,88%	408,50	0,00
2 2 2 1	ICT services	28.092,00	19.105,80	68,01%	8.986,20	0,00
Chapter 23 - Movable property and Current Operating expenditure		58.907,01	50.165,62	85,16%	8.741,39	0,00
2 3 1 1	Furniture Material and Technical installations	10.539,06	10.539,06	100,00%	0,00	0,00
2 3 2 1	Works of handling and removal of services	488,36	239,52	49,05%	248,84	0,00
2 3 3 1	Paper mill office supplies	3.520,15	3.520,15	100,00%	0,00	0,00
2 3 4 1	Correspondence stamping and carriage costs	12.109,44	6.866,89	56,71%	5.242,55	0,00
2 3 6 1	Other current expenses (financial legal assuran	32.250,00	29.000,00	89,92%	3.250,00	0,00
Title 3	Programme Support expenditure	1.144.678,05	1.091.312,12	95,34%	53.365,93	0,00
Chapter 31 - Programme Management expenditure		1.144.678,05	1.091.312,12	95,34%	53.365,93	0,00
3 1 1 1	Experts, studies, representation and external meeting expenses	15.261,83	12.149,34	79,61%	3.112,49	0,00
3 1 2 1	Missions and related costs	25.983,87	23.824,09	91,69%	2.159,78	0,00
3 1 3 1	Audit expenses	486.438,00	453.938,81	93,32%	32.499,19	0,00
3 1 4 1	Expenses of Information, Publications and Communication	157.638,18	143.853,00	91,26%	13.785,18	0,00
3 1 5 1	Expenses of translation	3.296,00	3.296,00	100,00%	0,00	0,00
3 1 7 1	Operational related IT costs	456.060,17	454.250,88	99,60%	1.809,29	0,00
TOTAL		2.396.271,90	2.238.823,47	93,43%	157.448,43	0,00

2. REVENUE

In accordance with Article 5 of the Standard Financial Regulation for the Executive Agencies²⁰, the revenue of the Agency shall comprise a grant awarded by the Communities and any other revenue, including assigned revenue within the meaning of Article 15 thereof.

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Income budget line	Type of revenue	Draft budget	Admendment	Final Budget	Entitlements established	Revenue received
200	Commission subsidy	48.600.000,00	208.107,00	48.808.107,00	48.808.107,00	48.808.107,00
910	Recuparation of expenses				30.097,78	30.097,78
920	Miscellaneous revenue	pm	pm	pm	96.153,75	96.153,75
TOTAL		48.600.000,00	208.107,00	48.808.107,00	48.934.358,53	48.934.358,53

To cover its administrative costs for 2018, the ERCEA receives a subsidy from the EU budget. This subsidy of € 48.808.107 was paid in three instalments by the parent DG of the Agency.

The received other revenues (income budget lines 910 and 920) consist mainly in:

- the reimbursement of undue expenses for € 30.097,78 (mainly SLA OIB);
- the re-invoicing to REA of the part already paid by the ERCEA to the contractor for the renting of the COV2 ground floor rooms (4 meeting rooms and 1 secretary room) and for the period from 1/09/2018 to 23/09/2019, considering that the 1/09/2018 is the effective date of the new allocation of the rooms to REA (96.153,75€).

The other revenues are included in the revenues for the calculation of the budget outturn and are therefore returned back to the European Commission.

²⁰ Commission Regulation (EC) n°1653/2004 of 21/09/2004 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 amended by Commission Regulation (EC) n° 1821/2005 of 08 November 2005 and Commission Regulation (EC) n° 651/2008 of 09 July 2008.

3. GLOSSARY ON TERMS, ABBREVIATIONS AND ACRONYMS USED IN THE REPORT

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 budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.
Accounting	The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.
Adjustment	Amending budget or transfer of funds from one budget item to another
Adopted budget	Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority. Cf Budget
Agencies	EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority .
Amending budget	Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.
Annuality	The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.
Appropriations	Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.
Assigned revenue	External/Internal Used to finance specific items of expenditure. The complete list of items constituting assigned revenue is given in the Financial Regulation (FR) Art. 21.
Authorising Officer (AO)	The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.
Budget	Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks .
Budget result	The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Standard Financial Regulation for the Executive Agencies .
Budget implementation	Consumption of the budget through expenditure and revenue operations.

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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.
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.
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 193/30.07.2018, p.1)
Funds Source	Type of appropriations (e.g.: C1, C2, etc.)
C1	Current Appropriations = Initial Budget + Amending Budget + Transfers
C8	Appropriations automatically carried forward from previous year to current year
IC1	Universal revenue voted in the budget
Grants	Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.
Implementation	Cf. Budget implementation
Income	Cf. Revenue
Lapsing appropriations	Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.

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Legal base (basic act)	The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.
Legal commitment	A legal commitment establishes a legal obligation towards third parties.
Non-differentiated appropriations	Non-differentiated appropriations are for operations of an annual nature. (Art. 12 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments
Operating (i.e. administrative) appropriations	Operating (i.e. administrative) appropriations cover the running costs of the entity (staff, buildings, office equipment.....).
Operational appropriations	Operational appropriations finance the different policies, mainly in the form of grants or procurement.
Outstanding commitment	Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.
Outturn	Cf. Budget result
Payment	A payment is a cash disbursement to honour legal obligations.
Payment appropriations	Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.
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.
Recovery	The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.
Result	Cf. Outturn
Revenue	Term used to describe income from all sources financing the budget.
Rules of application	Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.
Surplus	Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.
Transfer	Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation (FR). The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.