



European Institute of
Innovation & Technology

Annual accounts of the
European Institute of
Innovation and Technology

Financial year 2018

CONTENTS

CERTIFICATION OF THE ACCOUNTS	3
BACKGROUND INFORMATION ON EIT	4
FINANCIAL STATEMENTS AND EXPLANATORY NOTES	6
BALANCE SHEET	8
STATEMENT OF FINANCIAL PERFORMANCE	9
CASHFLOW STATEMENT	10
STATEMENT OF CHANGES IN NET ASSETS	11
NOTES TO THE FINANCIAL STATEMENTS	12
REPORTS ON THE IMPLEMENTATION OF THE BUDGET	29

CERTIFICATION OF THE ACCOUNTS

The annual accounts of EIT, the European Institute of Innovation and Technology, for the year 2018 have been prepared in accordance with Title IX of the Financial Regulation of EIT and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union Bodies.

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

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show EIT'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 EIT.

[signed]

Rosa ALDEA BUSQUETS

Accounting Officer

13 June 2019

BACKGROUND INFORMATION ON EIT

The European Institute of Innovation and Technology (EIT) with seat in Budapest (Hungary) has been established by Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 (the founding Regulation) as amended by Regulation No 1292/2013 of 11 December 2013.

The overall EIT's mission is to contribute to sustainable European economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the Union in order to address major challenges faced by European society.

It shall do this by promoting synergies and cooperation among, and integrating, higher education, research and innovation of the highest standards, including by fostering entrepreneurship. Furthermore, the EIT's support helps innovators and entrepreneurs across Europe to turn their ideas into products and services for the market.

The EIT implements its mission defined by Regulation (EC) 294/2008 as amended by Regulation (EC) No 1292/2013 through:

- Knowledge and Innovation Communities (KIC's) which are partnerships that bring together businesses, research centres and universities;
- Integrating the education dimension into the innovation;
- Innovation: With its Innovation Communities, the EIT develops and tests new models of how innovation is approached, managed, financed and delivered in Europe;
- Entrepreneurship: Creating more business and more jobs through fast-growing, innovative firms;
- Outreach: Actively shares learning, novel practices and results that emerge from the activities of its Innovation Communities with innovation stakeholders across the European Union, including policy makers and practitioners;
- The EIT Awards that recognise the most promising entrepreneurs and innovators in Europe

The EIT is an integral part of Horizon 2020, the EU's Framework Programme for Research and Innovation. Horizon 2020 is a key pillar of the Innovation Union – a Europe 2020 flagship initiative that aims to enhance Europe's global competitiveness.

The Governing Board is the principal governing body of the EIT entrusted with the role of strategic leadership and the overall direction of the operational activities implemented by the EIT Headquarters. It is composed of high-level members experienced in higher education, research, innovation and business. It shall be responsible for steering the activities of the EIT, for the selection, designation and evaluation of the KICs, and for all other strategic decisions.

Following Article 92 of the EIT Financial Regulation 2013, adopted by EIT's Administrative Board of 27 December 2013 (decision 28/GB/2013), EIT is required to prepare and adopt its own annual accounts in accordance with the accounting rules adopted by the Commission's Accounting Officer (EU Accounting Rules, EAR) that are based on the International Public Sector Accounting Standards (IPSAS). The preparation of the annual accounts is entrusted to the EIT's Accounting Officer who is appointed by the Governing Board of the EIT. Following the decision No 29/2018 of the EIT's Governing Board of 20 September 2018, the Accounting Officer of the Commission acts, as of 1 October 2018, as the Accounting Officer of the EIT.

Highlights of the year

With an increasing number of results and success stories from its activities, which were confirmed by multiple external evaluations and studies the achievements of the EIT and its Innovation Communities became more widely recognized.

Seeing the emerging successes from KICs, the decision of the EIT Governing Board for the financial allocation for the year 2018 had even more importance than ever, also considering that the Governing Board allocated EIT grants to six Innovation Communities with a record allocation of EUR 400 million.

EIT Climate-KIC, EIT Digital and EIT InnoEnergy were designated in 2010 and are fully operational and deliver outputs and results as measured by the EIT's core KPIs.

EIT Health and EIT Raw Materials were designated in December 2014 and completed their third full year of operations in 2018 with tangible results emerging.

EIT Food was selected and designated by the EIT Governing Board in November 2016 and completed its first full year of operation in 2018.

Substantial highlights of the year, such as, INNOVEIT 2018 and the EIT Awards 2018, finalisation of the call for new Innovation Communities in the thematic field of added-value-manufacturing and urban mobility, increasing effectiveness of the EIT House in Brussels all marked great moments of the EIT in 2018 and resulted in a highly successful year in the history of the EIT.

The budget of EIT amounted to kEUR 429 083 in 2018. The budget implementation in terms of budget used by commitments was 92.0 %, the payments reached the 97.8 % and 10.3 % payment appropriations were carried over to 2019.

In the financial statements, the impact of the above mentioned activities are most visible when looking at:

- the increase of the subsidy and other funds from the Commission in the revenue part (+ kEUR 35 656 more than in 2017);
- the increase of the operating costs of the agency (+ kEUR 78 071 more than in 2017) owing to the increase in grant.

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

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

CONTENTS

BALANCE SHEET	8
STATEMENT OF FINANCIAL PERFORMANCE	9
CASHFLOW STATEMENT	10
STATEMENT OF CHANGES IN NET ASSETS	11
NOTES TO THE FINANCIAL STATEMENTS	12
1. SIGNIFICANT ACCOUNTING POLICIES	13
2. NOTES TO THE BALANCE SHEET	19
3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE	23
4. OTHER SIGNIFICANT DISCLOSURES	26
5. FINANCIAL RISK MANAGEMENT	27

BALANCE SHEET

EUR '000

	Note	31.12.2018	31.12.2017
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	102	230
<i>Property, plant and equipment</i>	2.2	132	230
<i>Exchange receivables and non-exchange recoverables</i>		1	1
		236	461
CURRENT ASSETS			
<i>Exchange receivables and non-exchange recoverables</i>	2.3	8 578	195
<i>Cash and cash equivalents</i>	2.4	-	3 701
		8 578	3 897
TOTAL ASSETS		8 814	4 357
CURRENT LIABILITIES			
<i>Provisions</i>		-	(250)
<i>Payables and other liabilities</i>	2.5	(10 500)	(4 309)
<i>Accrued charges</i>	2.6	(80 813)	(56 307)
		(91 312)	(60 867)
TOTAL LIABILITIES		(91 312)	(60 867)
NET ASSETS		(82 499)	(56 509)
<i>Accumulated surplus</i>		(56 509)	(74 134)
<i>Economic result of the year</i>		(25 989)	17 625
NET ASSETS		(82 499)	(56 509)

STATEMENT OF FINANCIAL PERFORMANCE

		EUR '000	
	Note	2018	2017
REVENUE			
Revenue from non-exchange transactions	3.1		
<i>Recovery of expenses</i>		63	93
<i>Reversal of provisions</i>		181	-
<i>Funds from the Commission</i>		340 808	305 152
		341 052	305 244
Revenue from exchange transactions			
<i>Other exchange revenue</i>	3.2	32	46
		32	46
Total revenue		341 084	305 290
EXPENSES			
<i>Operating costs</i>	3.3	(360 223)	(282 152)
<i>Staff costs</i>	3.4	(4 853)	(3 932)
<i>Finance costs</i>	3.5	(68)	(24)
<i>Other expenses</i>	3.6	(1 930)	(1 557)
Total expenses		(367 074)	(287 665)
ECONOMIC RESULT OF THE YEAR		(25 989)	17 625

CASHFLOW STATEMENT¹

	<i>EUR '000</i>	
	2018	2017
<i>Economic result of the year</i>	(25 989)	17 625
Operating activities		
<i>Depreciation and amortization</i>	231	208
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(8 383)	537
<i>Increase/(decrease) in provisions</i>	(250)	200
<i>Increase/(decrease) in payables and other liabilities</i>	6 190	(2 789)
<i>Increase/(decrease) in accrued charges</i>	24 506	(19 049)
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(5)	(102)
NET CASHFLOW	(3 701)	(3 371)
<i>Net increase/(decrease) in cash and cash equivalents</i>	(3 701)	(3 371)
<i>Cash and cash equivalents at the beginning of the year</i>	3 701	7 072
<i>Cash and cash equivalents at year-end</i>	-	3 701

¹ Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of EIT, the treasury of EIT was integrated into the Commission's treasury system. Because of this, EIT does not have any bank accounts of its own except for an imprest account. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

	<i>EUR '000</i>		
	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2016	(89 207)	15 073	(74 134)
<i>Allocation of the 2016 economic result</i>	<i>15 073</i>	<i>(15 073)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>17 625</i>	<i>17 625</i>
BALANCE AS AT 31.12.2017	(74 134)	17 625	(56 509)
<i>Allocation of the 2017 economic result</i>	<i>17 625</i>	<i>(17 625)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>(25 989)</i>	<i>(25 989)</i>
BALANCE AS AT 31.12.2018	(56 509)	(25 989)	(82 499)

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

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

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

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

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

1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional and reporting currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Euro exchange rates

Currency	31.12.2018	31.12.2017	Currency	31.12.2018	31.12.2017
BGN	1.9558	1.9558	PLN	4.3014	4.177
CZK	25.7240	25.5350	RON	4.6635	4.6585
DKK	7.4673	7.4449	SEK	10.2548	9.8438
GBP	0.8945	0.8872	CHF	1.1269	1.1702
HRK	7.4125	7.4400	JPY	125.8500	135.01
HUF	320.9800	310.3300	USD	1.145	1.1993

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to; amounts for employee benefit liabilities, accrued and deferred revenue and charges, provisions, financial risk on accounts receivables, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

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

accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

1.3. BALANCE SHEET

1.3.1. Intangible assets

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

1.3.2. Property, plant and equipment

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

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

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

Leases

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

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

1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be

recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.4. Financial assets

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available for sale financial assets

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

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised in the fair value reserve. Interest on available for sale financial assets calculated using the effective interest method is recognised in the statement of financial performance.

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

1.3.5. Pre-financing amounts

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

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

1.3.6. Receivables and recoverables

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

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

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

1.3.7. Cash and cash equivalents

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

1.3.8. Provisions

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

be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

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

1.3.9. Payables

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

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

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

1.3.10. Accrued and deferred revenue and charges

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

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

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

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

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

(i) Revenue from non-exchange transactions

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

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as

revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability (pre-financing received).

(ii) Revenue from exchange transactions

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

1.4.2. Expenses

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

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

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

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

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

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

1.5.2. Contingent liabilities

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

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

	'000 EUR
<i>Gross carrying amount at 31.12.2017</i>	475
<i>Additions</i>	-
<i>Disposals</i>	-
Gross carrying amount at 31.12.2018	475
<i>Accumulated amortisation at 31.12.2017</i>	(245)
<i>Amortisation charge for the year</i>	(128)
Accumulated amortisation at 31.12.2018	(373)
NET CARRYING AMOUNT AT 31.12.2018	102
<i>NET CARRYING AMOUNT AT 31.12.2017</i>	230

The above amounts relate primarily to computer software.

2.2. PROPERTY, PLANT AND EQUIPMENT

	Plant and	Furniture	Computer	Other	'000 EUR TOTAL
<i>Gross carrying amount at 31.12.2017</i>	1	102	541	92	736
<i>Additions</i>	-	-	5	-	5
<i>Disposals</i>	-	-	-	-	-
Gross carrying amount at 31.12.2018	1	102	546	92	742
<i>Accumulated depreciation at 31.12.2017</i>	(1)	(71)	(370)	(65)	(507)
<i>Depreciation charge for the year</i>	-	(11)	(83)	(9)	(103)
Accumulated depreciation at	(1)	(82)	(453)	(74)	(610)
NET CARRYING AMOUNT AT	-	20	93	18	132
<i>NET CARRYING AMOUNT AT 31.12.2017</i>	-	31	171	28	230

2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

	Note	31.12.2018	EUR '000 31.12.2017
Non-current			
<i>Receivables from exchange transactions</i>	2.3.1	1	1
		1	1
Current			
<i>Recoverables from exchange transactions</i>	2.3.1	8 401	38
<i>Receivables from non- exchange transactions</i>	2.3.2	177	157
		8 578	195
Total		8 579	196

2.3.1. Receivables from exchange transactions

	31.12.2018	EUR '000 31.12.2017
<i>Central treasury liaison accounts</i>	8 346	-
<i>Customers</i>	34	66
<i>Others</i>	21	(27)
Total	8 401	38

The main element concerns the treasury liaison/intercompany accounts with the Commission that represent a virtual bank account of EIT. Following the appointment of the Accounting Officer of the Commission as the Accounting Officer EIT, the treasury of EIT was integrated into the Commission's treasury system. Because of this, EIT does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under this heading.

The result of the incoming and outgoing payments represents the cash balance of kEUR 8 346.

Receivables to customers of kEUR 66 in 2017 and KEUR 34 in 2018 referred to recoveries of grants which were settled during 2018 and 2019.

2.3.2. Receivables from non-exchange transactions

Recoverables from Member States contain VAT amounts to be recovered from the Republic of Hungary. The Agency benefits from a direct exemption for VAT from the Republic of Hungary for purchases above the threshold amount of EUR 240. For purchases where the direct exemption is impracticable to obtain, the VAT is refunded by the Republic of Hungary on a yearly basis.

	EUR '000	
	31.12.2018	31.12.2017
<i>Member States</i>	177	157

2.4. CASH AND CASH EQUIVALENTS

	EUR '000	
	31.12.2018	31.12.2017
Current accounts	-	3 701
Total	-	3 701

Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of EIT, the treasury of EIT was integrated into the Commission's treasury system. The majority of payments and receipts are processed via the Commission's treasury system and registered on liaison accounts, which are shown under receivables from exchange transactions (see note **2.3.1**).

LIABILITIES

2.5. PAYABLES AND OTHER LIABILITIES

EUR '000

	31.12.2018	31.12.2017
<i>Balancing subsidy surplus</i>	8 581	4 307
<i>Public bodies</i>	1 106	0
<i>Current payables</i>	813	2
Total	10 500	4 309

The balancing subsidy surplus represents the unused amount of the 2018 Commission balancing subsidy that is kept by EIT and used in the following year. This positive budgetary result will not be returned to the Commission, but used as specified.

The sub-heading current and sundry payables concerns amounts owed to suppliers (kEUR 813) and to public bodies (kEUR 1 106) related to grant agreements concluded with KIC's which were not paid at the year end.

2.6. ACCRUED CHARGES

EUR '000

	31.12.2018	31.12.2017
<i>Accrued charges</i>	80 813	56 307

Accrued charges are the amounts estimated by the authorising officer of costs incurred for services and goods delivered in 2018 but not yet invoiced or processed by the end of the year. They are composed of estimated operating expenses of kEUR 78 516 connected to grants agreements where no invoice or cost claim has been validated by 31 December 2018.

EIT pays pre-financing for grants during the financial year and final payments in the following year. EIT makes accruals on the grant amount based on KIC's final report and payment requests. After the final payment by EIT, an ex-post audit on sample transactions takes place which may result in recovery of grants unduly paid. The portion of the estimated accrued charges which relates to pre-financing amounts paid has been recorded as a reduction of the pre-financing amounts.

Included under this heading are also accrued expenses with training, interim missions and other staff costs (kEUR 104), IT services (kEUR 102), office supply and maintenance costs (kEUR 58), other services related to operational activities (kEUR 1 913) and administrative expenses (kEUR 9).

The heading also includes accrued charges for untaken leave of kEUR 111.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

3.1. NON-EXCHANGE REVENUE

EUR '000

	2018	2017
<i>Funds from the Commission</i>	340 808	305 152
<i>Adjustments/provisions</i>	181	-
<i>Recovery of expenses</i>	63	93
Total	341 052	305 244

Funds from the Commission represent the annual balancing subsidy received from the Commission, which is received during the financial year. The amounts included under this heading correspond to the amounts of the Commission subsidy used during 2018.

In 2017 a provision of kEUR 250 was created intending to cover the legal expenses related to a Court case with one of the unsuccessful applicants in the 2014 Call for KICs in the Health living and active ageing (EIT Health). After the court case was closed in 2018 the kEUR 69 were paid following the judgment and the provision was reversed.

EIT makes pre financing for grants during the financial year and final payments in the following year. EIT makes accrual on the grant amount based on KICs' final report and payment requests. After the final payment by EIT, an ex-post audit on sample transactions takes place which may result in a recovery of grants unduly paid. This led to kEUR 63 as recovery of expenses in 2018.

3.2. OTHER EXCHANGE REVENUE

EUR '000

	2018	2017
<i>Foreign exchange gains</i>	12	34
<i>Other</i>	21	12
Total	32	46

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

EXPENSES

3.3. OPERATING COSTS

EUR '000

	2018	2017
<i>Operating costs</i>	360 223	282 152
Total	360 223	282 152

Included under this heading are operating expenses incurred in relation to the KIC grants, studies, expert fees, operational meetings and other operational activities. The 2018 amount includes the estimated accruals which relates to the pre-financing for KIC grants already paid and recorded as a reduction of the pre-financing amounts (see note 2.6.)

The increase by kEUR 78 071 is due primarily to the increase in value of the grants given to the KIC's (kEUR 57 725) and the rest is due to increase in communications activities and stakeholders related activities.

3.4. STAFF COSTS

EUR '000

	2018	2017
<i>Staff costs</i>	4 853	3 932
Total	4 853	3 932

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

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

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

Future benefits payable to EIT staff under the Pension Scheme of European Officials are accounted for in the Commission accounts.

3.5. FINANCE COSTS

Included under this heading are expenses related to interest on late payments and other financial expenses connected with banks charges.

	EUR '000	
	2018	2017
<i>Finance costs</i>	68	24
Total	68	24

3.6. OTHER EXPENSES

	EUR '000	
	2018	2017
<i>External IT services</i>	397	116
<i>Property, plant and equipment related expenses</i>	316	269
<i>Missions</i>	298	234
<i>Expenses with other Consolidated entities</i>	237	150
<i>External non IT services</i>	236	270
<i>Experts expenses</i>	184	138
<i>Training costs</i>	60	37
<i>Operating leasing expenses</i>	41	12
<i>Communications & publications</i>	36	31
<i>Foreign exchange losses</i>	28	45
<i>Other</i>	97	254
Total	1 930	1 557

The significant increase of kEUR 281 expenses related to external IT services is due to: more acquisitions compared with previous years, application for new tools and increase of costs under the new framework contract.

The expenses with other Consolidated entities increased by 87K, due mainly provisional administrative costs, new tools used (as SYSPER) and also start up fees of accounting services.

The other expenses decreased by kEUR 157 compared to 2017, mainly due to reduction in legal expenses.

The operating lease expenses relate to the rent of offices in Budapest and Brussels. An overview of the amounts to be committed and paid during the remaining term of this lease contract, including rent and related charges, is as follow:

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	64	236	277	577
<i>IT materials and other equipment</i>	1	3	-	3
Total	65	238	277	580

'000 EUR

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR '000

	31.12.2018	31.12.2017
<i>Outstanding commitments not yet expensed</i>	28 632	11 624

The outstanding commitments not yet expensed consists of the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2018 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of multi-annual programmes.

4.2. SERVICES IN KIND

According to the Article 3(3) of the Host Agreement between the Hungarian Government and EIT, entered in force on 17 October 2014 the headquarters building in Budapest and the related services (utilities, maintenance, security services, etc.) are provided to EIT free of charge. The contract is valid for 20 years.

4.3. RELATED PARTIES

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

4.4. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of the EIT is the Interim Director, who executes the role of the Authorising Officer.

	31.12.2018	31.12.2017
<i>Interim Director</i>	AD 11	AD 11

The Interim Director is remunerated in accordance with the Staff Regulations of the European Union that are published on the Europa website, which is the official document describing the rights and the obligations of all officials of the EU.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

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

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

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

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

5.2. CURRENCY RISKS

Exposure to currency risk at year-end

At 31 December 2018 the financial assets are composed of exchange receivables and non-exchange recoverables. The financial liabilities comprise current payables and accrued charges. The ending balances of both financial liabilities and financial assets are mainly quoted in EUR. The impact of other currencies is individually immaterial. At year-end EIT thus does not have any significant exposure to currency risks.

5.3. CREDIT RISK

Financial assets that are neither past due nor impaired

The financial assets are entirely composed of receivables and recoverables that are neither past due nor impaired.

Financial assets by risk category

At 31 December 2018 the financial assets are composed of receivables and recoverables from entities with a prime external credit rating amounting kEUR 8 367 and from entities with lower medium grade amounting kEUR 212.

At 31 December 2018 financial assets are neither past due nor impaired and comprise current exchange receivables and non-exchange recoverables.

5.4. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are composed of accounts payable with contractual maturity of less than 1 year and accrued charges that are also classified under current liabilities.

REPORTS ON THE IMPLEMENTATION OF THE BUDGET

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

CONTENTS

1. BUDGETARY PRINCIPLES, STRUCTURE AND IMPLEMENTATION	31
2. RESULT OF THE IMPLEMENTATION OF THE BUDGET	34
3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT.....	35
4. IMPLEMENTATION OF BUDGET REVENUE.....	36
5. IMPLEMENTATION OF BUDGET EXPENDITURE	38
6. COMMITMENTS OUTSTANDING	62
7. GLOSSARY	67

1. BUDGETARY PRINCIPLES, STRUCTURE AND IMPLEMENTATION

1.1. BUDGETARY PRINCIPLES

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

Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of EIT. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure which is considered necessary.

Principle of annuality

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December. As specified in its Financial Regulation, EIT is subject to an exception to the annuality principle (the "N+3" rule), whereby any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years. These appropriations must be used first.

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

The budget shall be drawn up and implemented in euros and the accounts shall be presented in euros.

Principle of universality

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

Principle of specification

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

Principle of sound financial management

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. A summary of the budget of the EIT and any amending budget of the EIT, as definitively adopted, shall be published in the Official Journal of the European Union within three months of their adoption. The budget and any amending budgets shall be published on EIT's internet site within four weeks of adoption and shall be transmitted for information to the European Parliament and the Council, to the Commission and the Court of Auditors.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

EIT makes use of non-differentiated appropriations for its administrative expenditure and of differentiated appropriations for its operational expenditure.

Following the provisions of the EIT Financial Regulation, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed in the following titles:

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

Title 2 budget lines relate to all infrastructure, equipment, meetings, studies, and miscellaneous administrative expenditure.

Title 3 budget lines provide for the implementation of the activities and tasks assigned to EIT in accordance with its establishing Regulation (EC) No 294/2008 as amended by Regulation (EU) No 1292/2013.

Title 4: These are cancelled appropriations that are not used in the financial year and can be re-entered in the following three financial years. Therefore the execution rate of Title 4 will be always zero percentage.

1.3. HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

The EIT expenditure consist of Title 1 – Staff expenditure, Title 2 – Admin expenditure, Title 3 – Operational expenditure, and Title 4 – Cancelled appropriations.

Total appropriations of the year consist of:

- Initial budget: appropriations voted by the Budget Authority (BA) and adopted by the EIT Governing Board (GB);
- Amending budgets (AB): an increase or a decrease in the EIT's initial adopted budget;
- EIT transfers: transfers decided by the EIT Director on his own authority in accordance with Article 27(1) of the EIT Financial Regulation;
- GB transfers: transfers decided by the EIT Governing Board in accordance with Article 27(2) of EIT Financial Regulation;
- Carry-over from 2017: budgetary appropriations carried over automatically or by a decision of the EIT Governing Board in accordance with Article 14 of the EIT Financial Regulation;
- Re-entry from 2016 and 2017: budgetary appropriations re-entered by a decision of the EIT Governing Board in accordance with Article 14 of the EIT Financial Regulation;
- Assigned revenue: appropriations comes from the result related to ex-post audit of grants to Knowledge and Innovation Communities (KIC).

EIT has a special derogation allowing to re-enter cancelled commitment and payment appropriations up to the following three financial year. It means that EIT can re-enter the budget result for year N up to the following three financial year, namely until "N+3" as well as the unused commitment appropriations.

Since October 2018, the accounting function has been outsourced to the European Commission.

The EIT budget is financed by an EU subsidy and other revenue.

In 2018, the EU subsidy to the EIT including the EFTA and third party (Horizon 2020) contribution amounted to EUR 345.2 million (99.97 %), and EUR 0.1 million (0.03 %) corresponded to other revenue.

In 2018, other revenue comprised repayments of KIC grants following ex-post audits, surplus for 2017 and other revenue from administrative operations.

Surplus of EUR 2.6 million out of EUR 4.2 million was re-entered in 2018, which was fully consumed.

For commitments, the EIT reached an implementation rate of 92 %, which was slightly above the execution rate of 2017 (2017: 91 %, 2016: 95 %, 2015: 91 %). This is mainly owing to the increase on Title 3. On Title 1, the execution rate is 96 % (2017: 96 %). On Title 2, the appropriations were implemented at almost the same rate like in 2017, namely at 84 % (2017: 85 %). The low implementation rate of commitment appropriations on Title 2 is mainly owing to the nature of the expense where it is difficult to estimate the cost, like transport, fitting out, meeting expense and costs of publication in the Official Journal. The implementation rate of commitment appropriations on Title 3 (92 %) is slightly higher than in 2017 (91 %) mainly owing to KIC grants.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

EUR '000

	Title	2018	2017
Revenue		345 294	303 951
of which:			
European Union subsidy	2	312 887	288 072
Third countries contributions (including EFTA and candidate countries)	3	32 290	15 239
Revenue accruing from the administrative operation of the institution	5	21	13
Contribution and refunds in connection with the operational activities of the institution	7	95	627
Expenditure		(337 587)	(302 905)
of which:			
Staff expenditure	1	(5 284)	(4 369)
Admin expenditure	2	(861)	(459)
Operational expenditure	3	(331 443)	(298 078)
Payment appropriat. carried over to the following year		(734)	(420)
of which:			
Staff expenditure	1	(439)	(168)
Admin expenditure	2	(295)	(252)
Cancellation of unused appropri. carried over from year n-1		1 733	96
Evolution of assigned revenue		(97)	432
Exchange rate differences		(16)	(28)
Budget result		8 593	1 125

Note: Out of the EUR 1.733 million cancelled, EUR 1.618 million can be re-activated in subsequent years.

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2018	2017
ECONOMIC RESULT OF THE YEAR	(25 989)	17 625
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	26 815	(17 613)
<i>Adjustments for accrual cut-off (net)</i>	26 425	(19 049)
<i>Unpaid invoices at year end but booked in expenses</i>	-	-
<i>Depreciation of intangible and tangible assets</i>	231	208
<i>Provision adjustments</i>	(181)	200
<i>Recovery orders issued in the year and not yet cashed</i>	34	(66)
<i>Correction of recovery orders issued last year</i>	-	601
<i>Pre-financing given in previous year and cleared in the year</i>	-	-
<i>Payments made from carry-over of payment appropriations</i>	305	493
<i>Other individually immaterial</i>	2	-
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	7 767	1 113
<i>Asset acquisitions (less unpaid amounts)</i>	5	(102)
<i>New pre-financing received in the year and remaining open as at 31 December</i>	6 875	1 125
<i>Entitlements established in previous year and cashed in the year</i>	-	-
<i>Entitlements established on balance sheet accounts and cashed in the year</i>	-	-
<i>Payment appropriations carried over to next year</i>	(734)	(420)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	1 733	96
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>	(97)	432
<i>Other individually immaterial</i>	(16)	(17)
BUDGET RESULT OF THE YEAR	8 593	1 125

4. IMPLEMENTATION OF BUDGET REVENUE

4.1.1. Implementation of budget revenue – Title 2

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
2 0 0 EU Subsidy	-	-	312 887	-	312 887	312 887	-	312 887	-	-
Total Chapter 2 0	-	-	312 887	-	312 887	312 887	-	312 887	-	-
Total Title 2	-	-	312 887	-	312 887	312 887	-	312 887	-	-

4.1.2. Implementation of budget revenue – Title 3

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
3 0 0 EFTA Contribution	-	-	7 290	-	7 290	7 290	-	7 290	-	-
Total Chapter 3 0	-	-	7 290	-	7 290	7 290	-	7 290	-	-
3 1 0 Third countries	-	-	25 000	-	25 000	25 000	-	25 000	-	-
Total Chapter 3 1	-	-	25 000	-	25 000	25 000	-	25 000	-	-
Total Title 3	-	-	32 290	-	32 290	32 290	-	32 290	-	-

4.1.3. Implementation of budget revenue – Title 5

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
5 7 0 Amounts wrongly paid	-	-	1	-	1	1	-	1	-	-
Total Chapter 5 7	-	-	1	-	1	1	-	1	-	-
5 9 0 Other admin revenue	-	-	21	-	21	21	-	21	-	-
Total Chapter 5 9	-	-	21	-	21	21	-	21	-	-
Total Title 5	-	-	21	-	21	21	-	21	-	-

4.1.4. Implementation of budget revenue – Title 7

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
7 0 1 Ex post audit revenue	-	-	96	-	96	95	-	95	-	0
Total Chapter 7 0	-	-	96	-	96	95	-	95	-	0
Total Title 7	-	-	96	-	96	95	-	95	-	0
GRAND TOTAL	-	-	345 294	-	345 294	345 294	-	345 294	-	0

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item	Initial adopted budget	Budget appropriations			Final budget adopted 4=1+2+3	Additional appropriations			Total apppr. available 8=4+7
		Amending budgets	Transfers	Carry-overs		Assigned revenue	Total		
	1	2	3		5	6	7=5+6		
1 1 0 0 Basic salaries	1 960	-	415	2 375	-	-	-	2 375	
1 1 0 1 Allowances	795	-	-	795	-	-	-	795	
1 1 0 2 Employers charges	95	-	30	125	-	-	-	125	
1 1 1 0 Contract agents	1 006	-	(100)	906	-	-	-	906	
1 1 2 1 Entering / leaving	57	-	90	147	-	-	-	147	
1 1 3 0 Schooling	300	-	-	300	-	-	-	300	
Total Chapter 1 1	4 213	-	435	4 648	-	-	-	4 648	
1 2 0 0 Recruitment expenses	36	-	-	36	-	-	-	36	
Total Chapter 1 2	36	-	-	36	-	-	-	36	
1 3 0 0 Mission expenses	220	35	40	295	-	-	-	295	
Total Chapter 1 3	220	35	40	295	-	-	-	295	
1 4 0 0 Restaurants and canteens	1	(0)	-	1	-	-	-	1	
1 4 0 1 Medical expenses	40	(20)	-	20	-	-	-	20	
1 4 0 2 Childhood centre	80	-	-	80	-	-	-	80	
1 4 0 3 Social contacts	8	-	-	8	-	-	-	8	
1 4 0 4 Other social expenses	4	-	-	4	-	-	-	4	
Total Chapter 1 4	134	(20)	-	113	-	-	-	113	
1 5 0 0 Training	55	5	30	90	-	-	-	90	
Total Chapter 1 5	55	5	30	90	-	-	-	90	
1 6 0 0 Agency staff	108	162	50	320	-	-	-	320	
1 6 0 1 Seconded national experts (SNE)	88	(7)	-	81	-	-	-	81	

EUR '000

Item	Initial adopted budget	Budget appropriations			Final budget adopted	Additional appropriations			Total approp. available
		Amending budgets	Transfers			Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
1 6 0 2 Trainees	60	(7)	-	53	-	-	-	53	
1 6 0 3 IT support	45	51	45	141	-	-	-	141	
1 6 0 4 Administrative assistance	89	8	67	164	-	-	-	164	
1 6 1 1 Translation	56	(11)	-	45	-	-	-	45	
Total Chapter 1 6	446	196	162	804	-	-	-	804	
1 7 0 0 Representation	4	-	-	4	-	-	-	4	
Total Chapter 1 7	4	-	-	4	-	-	-	4	
Total Title 1	5 108	216	667	5 991	-	-	-	5 991	

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total appror. available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
2 0 0 0 Renting	39	-	25	64	-	-	-	64
2 0 0 2 Building insurance	4	(3)	-	2	-	-	-	2
2 0 0 3 Water, gas, electricity, heating	28	(26)	13	15	-	-	-	15
2 0 0 4 Cleaning maintenance	17	4	27	48	-	-	-	48
2 0 0 5 Security and surveillance	8	13	7	27	-	-	-	27
2 0 0 6 Fitting out of premises	29	-	50	79	-	-	-	79
2 0 0 9 Other building expenditure	1	-	5	5	-	-	-	5
Total Chapter 2 0	125	(12)	126	239	-	-	-	239
2 1 0 0 ICT equipment acquisition	217	(74)	71	214	-	1	1	215
2 1 0 1 ICT maintenance	170	43	-	213	-	-	-	213
Total Chapter 2 1	387	(31)	71	427	-	1	1	428
2 2 0 0 Acquisition technical equipment	1	(0)	-	0	-	-	-	0
2 2 1 2 Transport cost	17	(7)	-	10	-	-	-	10
2 2 2 0 Acquisition of furniture	22	-	-	22	-	1	1	23
2 2 2 1 Repair of furniture	0	(0)	-	-	-	-	-	-
Total Chapter 2 2	40	(7)	-	32	-	1	1	33
2 3 0 0 Stationery	12	-	-	12	-	-	-	12
2 3 0 1 Postage and delivery	4	2	-	5	-	-	-	5
2 3 0 2 Telecommunication	44	(8)	-	36	-	-	-	36
2 3 0 3 Legal expenses and damages	50	69	-	119	-	-	-	119
2 3 0 4 Handling and moving	2	(1)	1	2	-	-	-	2
2 3 0 5 Bank charges	50	-	-	50	-	-	-	50
2 3 0 6 Honoraria for Governing Board (GB)	197	-	-	197	-	-	-	197
2 3 0 9 Other administrative expenditure	1	-	-	1	-	-	-	1
Total Chapter 2 3	359	61	1	421	-	-	-	421
2 4 0 0 Official Journal	2	-	-	2	-	-	-	2

EUR '000

Item	Initial adopted budget	Budget appropriations			Final budget adopted	Additional appropriations			Total approp. available
		Amending budgets	Transfers			Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
2 4 0 1 EIT publications	2	(2)	-	-	-	-	-	-	
Total Chapter 2 4	4	(2)	-	2	-	-	-	2	
2 5 0 0 Governing Board (GB) meetings and travels	341	(91)	-	250	-	-	-	250	
2 5 2 0 Internal meetings	10	(7)	-	3	-	-	-	3	
Total Chapter 2 5	351	(98)	-	253	-	-	-	253	
Total Title 2	1 267	(90)	198	1 374	-	2	2	1 376	

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

Item	Initial adopted budget	Budget appropriations			Final budget adopted	Additional appropriations			Total apppr. available
		Amending budgets	Transfers			Carry-overs	Assigned revenue	Total	
		1	2	3		4=1+2+3	5	6	
3 0 0 0 Knowledge Innovation Community (KIC) grants	417 817	342	(955)	417 205	-	95	95	417 300	
Total Chapter 3 0	417 817	342	(955)	417 205	-	95	95	417 300	
3 1 1 1 Planning, reporting and audits	2 294	143	-	2 437	-	-	-	2 437	
3 1 1 2 Knowledge triangle integration	312	105	-	417	-	-	-	417	
3 1 1 3 Fostering growth and creating impact	25	(25)	-	-	-	-	-	-	
3 1 1 4 New Knowledge Innovation Communities	34	116	90	240	-	-	-	240	
Total Chapter 3 1	2 665	339	90	3 094	-	-	-	3 094	
3 2 0 1 Strategic innovation agenda	25	(13)	-	12	-	-	-	12	
3 2 0 2 Communications and dissemination	1 170	(806)	-	364	-	-	-	364	
3 2 0 3 Alumni	218	(50)	-	168	-	-	-	168	
3 2 0 4 Stakeholder relations	615	49	-	664	-	-	-	664	
3 2 0 5 Awards	300	(160)	-	140	-	-	-	140	
Total Chapter 3 2	2 328	(980)	-	1 348	-	-	-	1 348	
3 3 0 1 EIT-KIC relations	120	(80)	-	40	-	-	-	40	
3 3 0 2 Simplification	30	(30)	-	-	-	-	-	-	
3 3 0 3 Monitoring and evaluation	259	(227)	-	32	-	-	-	32	
Total Chapter 3 3	409	(337)	-	72	-	-	-	72	
Total Title 3	423 219	(636)	(865)	421 719	-	95	95	421 814	

5.1.4. Breakdown & changes in commitment appropriations – Title 4

EUR '000

Item	Initial adopted budget	Budget appropriations			Additional appropriations			Total approp. available
		Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
4 0 0 1 Cancelled appropriations of year n-1	-	-	-	-	27 514	-	27 514	27 514
4 0 0 2 Cancelled appropriations of year n-2	-	-	-	-	1 459	-	1 459	1 459
Total Chapter 4 0	-	-	-	-	28 973	-	28 973	28 973
Total Title 4	-	-	-	-	28 973	-	28 973	28 973
GRAND TOTAL	429 593	(510)	-	429 083	28 973	97	29 071	458 154

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item	Initial budget adopted	Budget appropriations			Final adopted budget	Additional appropriations			Total approp. available
		Amending budgets	Transfers			Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
1 1 0 0 Basic salaries	1 960	-	415	2 375	-	-	-	2 375	
1 1 0 1 Allowances	795	-	-	795	-	-	-	795	
1 1 0 2 Employers charges	95	-	30	125	-	-	-	125	
1 1 1 0 Contract agents	1 006	-	(100)	906	-	-	-	906	
1 1 2 1 Entering / leaving	57	-	90	147	-	-	-	147	
1 1 3 0 Schooling	300	-	-	300	-	-	-	300	
Total Chapter 1 1	4 213	-	435	4 648	-	-	-	4 648	
1 2 0 0 Recruitment expenses	36	-	-	36	5	-	5	41	
Total Chapter 1 2	36	-	-	36	5	-	5	41	
1 3 0 0 Mission expenses	220	35	40	295	31	-	31	326	
Total Chapter 1 3	220	35	40	295	31	-	31	326	
1 4 0 0 Restaurants and canteens	1	(0)	-	1	-	-	-	1	
1 4 0 1 Medical expenses	40	(20)	-	20	0	-	0	20	
1 4 0 2 Childhood centre	80	-	-	80	-	-	-	80	
1 4 0 3 Social contacts	8	-	-	8	0	-	0	8	
1 4 0 4 Other social expenses	4	-	-	4	-	-	-	4	
Total Chapter 1 4	134	(20)	-	113	1	-	1	114	
1 5 0 0 Training	55	5	30	90	17	-	17	107	
Total Chapter 1 5	55	5	30	90	17	-	17	107	
1 6 0 0 Agency staff	108	162	50	320	45	-	45	365	
1 6 0 1 Seconded national experts (SNE)	88	(7)	-	81	-	-	-	81	
1 6 0 2 Trainees	60	(7)	-	53	14	-	14	67	
1 6 0 3 IT support	45	51	45	141	35	-	35	177	

EUR '000

Item	Initial budget adopted	Budget appropriations			Final adopted budget	Additional appropriations			Total approp. available
		Amending budgets	Transfers			Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
1 6 0 4 Administrative assistance	89	8	67	164	11	-	11	175	
1 6 1 1 Translation	56	(11)	-	45	9	-	9	54	
Total Chapter 1 6	446	196	162	804	115	-	115	919	
1 7 0 0 Representation	4	-	-	4	-	-	-	4	
Total Chapter 1 7	4	-	-	4	-	-	-	4	
Total Title 1	5 108	216	667	5 991	168	-	168	6 159	

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

Item	Initial budget adopted	Budget appropriations			Final adopted budget	Additional appropriations			Total apppr. available
		Amending budgets	Transfers			Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
2 0 0 0 Renting	39	-	25	64	0	-	0	64	
2 0 0 2 Building insurance	4	(3)	-	2	-	-	-	2	
2 0 0 3 Water, gas, electricity, heating	28	(26)	13	15	20	-	20	35	
2 0 0 4 Cleaning maintenance	17	4	27	48	6	-	6	53	
2 0 0 5 Security and surveillance	8	13	7	27	6	-	6	33	
2 0 0 6 Fitting out of premises	29	-	50	79	-	-	-	79	
2 0 0 9 Other building expenditure	1	-	5	5	-	-	-	5	
Total Chapter 2 0	125	(12)	126	239	32	-	32	271	
2 1 0 0 ICT equipment acquisition	217	(74)	71	214	37	1	38	252	
2 1 0 1 ICT maintenance	170	43	-	213	8	-	8	221	
Total Chapter 2 1	387	(31)	71	427	45	1	47	473	
2 2 0 0 Acquisition technical equipment	1	(0)	-	0	5	-	5	5	
2 2 1 2 Transport cost	17	(7)	-	10	-	-	-	10	
2 2 2 0 Acquisition of furniture	22	-	-	22	14	1	15	37	
2 2 2 1 Repair of furniture	0	(0)	-	-	-	-	-	-	
Total Chapter 2 2	40	(7)	-	32	19	1	19	52	
2 3 0 0 Stationery	12	-	-	12	1	-	1	13	
2 3 0 1 Postage and delivery	4	2	-	5	1	-	1	6	
2 3 0 2 Telecommunication	44	(8)	-	36	11	-	11	47	
2 3 0 3 Legal expenses and damages	50	69	-	119	5	-	5	124	
2 3 0 4 Handling and moving	2	(1)	1	2	-	-	-	2	
2 3 0 5 Bank charges	50	-	-	50	27	-	27	77	
2 3 0 6 Honoraria for Governing Board (GB)	197	-	-	197	-	-	-	197	
2 3 0 9 Other administrative expenditure	1	-	-	1	-	-	-	1	
Total Chapter 2 3	359	61	1	421	45	-	45	467	
2 4 0 0 Official Journal	2	-	-	2	1	-	1	3	

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
2 4 0 1 EIT publications	2	(2)	-	-	-	-	-	-
Total Chapter 2 4	4	(2)	-	2	1	-	1	3
2 5 0 0 Governing Board (GB) meetings and travels	341	(91)	-	250	110	-	110	360
2 5 2 0 Internal meetings	10	(7)	-	3	-	-	-	3
Total Chapter 2 5	351	(98)	-	253	110	-	110	363
Total Title 2	1 267	(90)	198	1 374	252	2	254	1 628

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

Item	Initial budget adopted	Budget appropriations			Final adopted budget	Additional appropriations			Total apppr. available
		Amending budgets	Transfers	Carry-overs		Assigned revenue	Total		
		1	2			3		4=1+2+3	
3 0 0 0 Knowledge Innovation Community (KIC) grants	387 210	(53 623)	(865)	332 722	2 594	95	2 689	335 411	
Total Chapter 3 0	387 210	(53 623)	(865)	332 722	2 594	95	2 689	335 411	
3 1 1 1 Planning, reporting and audits	2 208	(39)	–	2 169	–	–	–	2 169	
3 1 1 2 Knowledge triangle integration	390	(90)	–	300	–	–	–	300	
3 1 1 3 Fostering growth and creating impact	25	(25)	–	–	–	–	–	–	
3 1 1 4 New Knowledge Innovation Communities	192	124	–	316	–	–	–	316	
Total Chapter 3 1	2 815	(30)	–	2 785	–	–	–	2 785	
3 2 0 1 Strategic innovation agenda	68	(56)	–	12	–	–	–	12	
3 2 0 2 Communications and dissemination	1 125	–	–	1 125	–	–	–	1 125	
3 2 0 3 Alumni	328	(128)	–	200	–	–	–	200	
3 2 0 4 Stakeholder relations	409	250	–	659	–	–	–	659	
3 2 0 5 Awards	482	(226)	–	256	–	–	–	256	
Total Chapter 3 2	2 412	(160)	–	2 252	–	–	–	2 252	
3 3 0 1 EIT-KIC relations	163	(93)	–	70	–	–	–	70	
3 3 0 2 Simplification	30	(30)	–	–	–	–	–	–	
3 3 0 3 Monitoring and evaluation	269	(169)	–	100	–	–	–	100	
Total Chapter 3 3	461	(291)	–	170	–	–	–	170	
Total Title 3	392 898	(54 104)	(865)	337 929	2 594	95	2 689	340 618	

5.2.4. Breakdown & changes in payment appropriations – Title 4

EUR '000

Item	Initial budget adopted	Budget appropriations			Final adopted budget	Additional appropriations			Total approp. available
		Amending budgets	Transfers			Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
4 0 0 2 Canceled appropriations of year n-2	-	-	-	-	1 618	-	1 618	1 618	
Total Chapter 4 0	-	-	-	-	1 618	-	1 618	1 618	
Total Title 4	-	-	-	-	1 618	-	1 618	1 618	
GRAND TOTAL	399 272	(53 978)	-	345 294	4 632	97	4 729	350 023	

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations - Title 1

EUR
'000

Item	Total approp. available	Commitments made					Appropriations carried over to 2019			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1 1 0 0 Basic salaries	2 375	2 304	-	-	2 304	97 %	-	-	-	71	-	-	71
1 1 0 1 Allowances	795	784	-	-	784	99 %	-	-	-	11	-	-	11
1 1 0 2 Employers charges	125	125	-	-	125	100 %	-	-	-	-	-	-	-
1 1 1 0 Contract agents	906	854	-	-	854	94 %	-	-	-	52	-	-	52
1 1 2 1 Entering / leaving	147	147	-	-	147	100 %	-	-	-	-	-	-	-
1 1 3 0 Schooling	300	300	-	-	300	100 %	-	-	-	-	-	-	-
Total Chapter 1 1	4 648	4 514	-	-	4 514	97 %	-	-	-	134	-	-	134
1 2 0 0 Recruitment expenses	36	35	-	-	35	99 %	-	-	-	1	-	-	1
Total Chapter 1 2	36	35	-	-	35	99 %	-	-	-	1	-	-	1
1 3 0 0 Mission expenses	295	295	-	-	295	100 %	-	-	-	-	-	-	-
Total Chapter 1 3	295	295	-	-	295	100 %	-	-	-	-	-	-	-
1 4 0 0 Restaurants and canteens	1	1	-	-	1	97 %	-	-	-	0	-	-	0
1 4 0 1 Medical expenses	20	15	-	-	15	77 %	-	-	-	5	-	-	5
1 4 0 2 Childhood centre	80	53	-	-	53	67 %	-	-	-	27	-	-	27
1 4 0 3 Social contacts	8	6	-	-	6	74 %	-	-	-	2	-	-	2
1 4 0 4 Other social expenses	4	2	-	-	2	54 %	-	-	-	2	-	-	2
Total Chapter 1 4	113	78	-	-	78	69 %	-	-	-	35	-	-	35
1 5 0 0 Training	90	84	-	-	84	94 %	-	-	-	6	-	-	6
Total Chapter 1 5	90	84	-	-	84	94 %	-	-	-	6	-	-	6
1 6 0 0 Agency staff	320	311	-	-	311	97 %	-	-	-	9	-	-	9
1 6 0 1 Seconded national experts (SNE)	81	78	-	-	78	96 %	-	-	-	3	-	-	3
1 6 0 2 Trainees	53	32	-	-	32	60 %	-	-	-	21	-	-	21

Item	Total approp. available	from final adopt. budget	Commitments made				Appropriations carried over to 2019			Appropriations lapsing			
			from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1 6 0 3 IT support	141	141	-	-	141	100 %	-	-	-	1	-	-	1
1 6 0 4 Administrative assistance	164	111	-	-	111	67 %	-	-	-	53	-	-	53
1 6 1 1 Translation	45	41	-	-	41	91 %	-	-	-	4	-	-	4
Total Chapter 1 6	804	713	-	-	713	89 %	-	-	-	91	-	-	91
1 7 0 0 Representation	4	2	-	-	2	56 %	-	-	-	2	-	-	2
Total Chapter 1 7	4	2	-	-	2	56 %	-	-	-	2	-	-	2
Total Title 1	5 991	5 722	-	-	5 722	96 %	-	-	-	268	-	-	268

5.3.2. Implementation of commitment appropriations - Title 2

EUR
'000

Item	Total approp. available	Commitments made					Appropriations carried over to 2019			Appropriations lapsing				
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total	
														1
2 0 0 0	Renting	64	64	-	-	64	100 %	-	-	-	0	-	-	0
2 0 0 2	Building insurance	2	-	-	-	-	0 %	-	-	-	2	-	-	2
2 0 0 3	Water, gas, electricity, heating	15	15	-	-	15	100 %	-	-	-	-	-	-	
2 0 0 4	Cleaning maintenance	48	45	-	-	45	95 %	-	-	-	3	-	-	3
2 0 0 5	Security and surveillance	27	22	-	-	22	82 %	-	-	-	5	-	-	5
2 0 0 6	Fitting out of premises	79	62	-	-	62	78 %	-	-	-	17	-	-	17
2 0 0 9	Other building expenditure	5	0	-	-	0	2 %	-	-	-	5	-	-	5
Total Chapter 2 0		239	208	-	-	208	87 %	-	-	-	31	-	-	31
2 1 0 0	ICT equipment acquisition	215	203	-	-	203	94 %	1	-	1	11	-	-	11
2 1 0 1	ICT maintenance	213	213	-	-	213	100 %	-	-	-	-	-	-	-
Total Chapter 2 1		428	415	-	-	415	97 %	1	-	1	11	-	-	11
2 2 0 0	Acquisition technical equipment	0	0	-	-	0	81 %	-	-	-	0	-	-	0
2 2 1 2	Transport cost	10	9	-	-	9	87 %	-	-	-	1	-	-	1
2 2 2 0	Acquisition of furniture	23	11	-	-	11	48 %	1	-	1	11	-	-	11
Total Chapter 2 2		33	20	-	-	20	60 %	1	-	1	12	-	-	12
2 3 0 0	Stationery	12	11	-	-	11	91 %	-	-	-	1	-	-	1
2 3 0 1	Postage and delivery	5	5	-	-	5	100 %	-	-	-	-	-	-	-
2 3 0 2	Telecommunication	36	33	-	-	33	90 %	-	-	-	3	-	-	3
2 3 0 3	Legal expenses and damages	119	119	-	-	119	100 %	-	-	-	-	-	-	-
2 3 0 4	Handling and moving	2	2	-	-	2	80 %	-	-	-	0	-	-	0
2 3 0 5	Bank charges	50	41	-	-	41	82 %	-	-	-	9	-	-	9
2 3 0 6	Honoraria for Governing Board (GB)	197	184	-	-	184	93 %	-	-	-	13	-	-	13
2 3 0 9	Other administrative expenditure	1	0	-	-	0	17 %	-	-	-	0	-	-	0

Item	Total approp. available	from final adopt. budget	Commitments made				Appropriations carried over to 2019			Appropriations lapsing			
			from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Total Chapter 2 3	421	394	-	-	394	94 %	-	-	-	27	-	-	27
2 4 0 0 Official Journal	2	1	-	-	1	57 %	-	-	-	1	-	-	1
Total Chapter 2 4	2	1	-	-	1	57 %	-	-	-	1	-	-	1
2 5 0 0 Governing Board (GB) meetings and travels	250	115	-	-	115	46 %	-	-	-	135	-	-	135
2 5 2 0 Internal meetings	3	2	-	-	2	77 %	-	-	-	1	-	-	1
Total Chapter 2 5	253	117	-	-	117	46 %	-	-	-	136	-	-	136
Total Title 2	1 376	1 156	-	-	1 156	84 %	2	-	2	219	-	-	219

5.3.3. Implementation of commitment appropriations - Title 3

		EUR '000													
Item	Total approp. available	Commitments made					Appropriations carried over to 2019			Appropriations lapsing					
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total		
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12		
3 0 0 0	Knowledge Innovation Community (KIC) grants	417 300	384 074	-	-	384 074	92 %	95	-	95	33 130	-	-	33 130	
Total Chapter 3 0		417 300	384 074	-	-	384 074	92 %	95	-	95	33 130	-	-	33 130	
3 1 1 1	Planning, reporting and audits	2 437	2 141	-	-	2 141	88 %	-	-	-	296	-	-	296	
3 1 1 2	Knowledge triangle integration	417	325	-	-	325	78 %	-	-	-	92	-	-	92	
3 1 1 4	New Knowledge Innovation Communities	240	167	-	-	167	69 %	-	-	-	73	-	-	73	
Total Chapter 3 1		3 094	2 634	-	-	2 634	85 %	-	-	-	461	-	-	461	
3 2 0 1	Strategic innovation agenda	12	12	-	-	12	99 %	-	-	-	0	-	-	0	
3 2 0 2	Communications and dissemination	364	232	-	-	232	64 %	-	-	-	132	-	-	132	
3 2 0 3	Alumni	168	153	-	-	153	91 %	-	-	-	15	-	-	15	
3 2 0 4	Stakeholder relations	664	638	-	-	638	96 %	-	-	-	26	-	-	26	
3 2 0 5	Awards	140	140	-	-	140	100 %	-	-	-	-	-	-	-	
Total Chapter 3 2		1 348	1 175	-	-	1 175	87 %	-	-	-	172	-	-	172	
3 3 0 1	EIT-KIC relations	40	40	-	-	40	100 %	-	-	-	-	-	-	-	
3 3 0 3	Monitoring and evaluation	32	17	-	-	17	54 %	-	-	-	15	-	-	15	
Total Chapter 3 3		72	57	-	-	57	80 %	-	-	-	15	-	-	15	
Total Title 3		421 814	387 940	-	-	387 940	92 %	95	-	95	33 778	-	-	33 778	

5.3.4. Implementation of commitment appropriations - Title 4

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2019			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
4 0 0 1 Cancelled appropriations of year n-1	27 514	-	-	-	-	0 %	-	-	-	-	27 514	-	27 514
4 0 0 2 Cancelled appropriations of year n-2	1 459	-	-	-	-	0 %	-	-	-	-	1 459	-	1 459
Total Chapter 4 0	28 973	-	-	-	-	0 %	-	-	-	-	28 973	-	28 973
Total Title 4	28 973	-	-	-	-	0 %	-	-	-	-	28 973	-	28 973
GRAND TOTAL Titles 1 - 3	429 181	394 818	-	-	394 818	92 %	97	-	97	34 265	28 973	-	63 238
GRAND TOTAL	458 154	394 818	-	-	394 818	86 %	97	-	97	34 265	28 973	-	63 238

Title 4: These are cancelled appropriations that are not used in the financial year and can be re-entered in the following three financial years. Therefore the execution rate of Title 4 will be always zero percentage.

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations - Title 1

EUR '000

Item	Total approp. availab.	Payments made				Appropriations carried over to 2019				Appropriations lapsing				
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1 1 0 0 Basic salaries	2 375	2 304	-	-	2 304	97 %	-	-	-	-	71	-	-	71
1 1 0 1 Allowances	795	784	-	-	784	99 %	-	-	-	-	11	-	-	11
1 1 0 2 Employers charges	125	125	-	-	125	100 %	-	-	-	-	-	-	-	-
1 1 1 0 Contract agents	906	854	-	-	854	94 %	-	-	-	-	52	-	-	52
1 1 2 1 Entering / leaving	147	147	-	-	147	100 %	-	-	-	-	-	-	-	-
1 1 3 0 Schooling	300	287	-	-	287	96 %	13	-	-	13	-	-	-	-
Total chapter 1 1	4 648	4 501	-	-	4 501	97 %	13	-	-	13	134	-	-	134
1 2 0 0 Recruitment expenses	41	30	5	-	35	85 %	6	-	-	6	1	-	-	1
Total chapter 1 2	41	30	5	-	35	85 %	6	-	-	6	1	-	-	1
1 3 0 0 Mission expenses	326	275	28	-	304	93 %	20	-	-	20	-	3	-	3
Total chapter 1 3	326	275	28	-	304	93 %	20	-	-	20	-	3	-	3
1 4 0 0 Restaurants and canteens	1	1	-	-	1	97 %	-	-	-	-	0	-	-	0
1 4 0 1 Medical expenses	20	14	0	-	15	72 %	1	-	-	1	5	-	-	5
1 4 0 2 Childhood centre	80	46	-	-	46	57 %	8	-	-	8	27	-	-	27
1 4 0 3 Social contacts	8	6	-	-	6	73 %	-	-	-	-	2	0	-	2
1 4 0 4 Other social expenses	4	2	-	-	2	54 %	-	-	-	-	2	-	-	2
Total chapter 1 4	114	69	0	-	70	61 %	9	-	-	9	35	0	-	36
1 5 0 0 Training	107	51	12	-	63	59 %	34	-	-	34	6	4	-	10
Total chapter 1 5	107	51	12	-	63	59 %	34	-	-	34	6	4	-	10
1 6 0 0 Agency staff	365	116	42	-	159	43 %	194	-	-	194	9	3	-	13
1 6 0 1 Seconded national experts (SNE)	81	78	-	-	78	96 %	-	-	-	-	3	-	-	3

Item	Total approp. availab.	Payments made					Appropriations carried over to 2019				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1 6 0 2 Trainees	67	21	14	-	35	52 %	11	-	-	11	21	-	-	21
1 6 0 3 IT support	177	5	35	-	41	23 %	135	-	-	135	1	0	-	1
1 6 0 4 Administrative assistance	175	93	10	-	102	59 %	18	-	-	18	53	1	-	55
1 6 1 1 Translation	54	41	7	-	48	89 %	-	-	-	-	4	2	-	6
Total chapter 1 6	919	355	108	-	463	50 %	358	-	-	358	91	7	-	98
1 7 0 0 Representation	4	2	-	-	2	56 %	-	-	-	-	2	-	-	2
Total chapter 1 7	4	2	-	-	2	56 %	-	-	-	-	2	-	-	2
Total Title 1	6 159	5 284	154	-	5 438	88 %	439	-	-	439	268	14	-	282

5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2019					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total	
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
2 0 0 0 Renting	64	36	0	-	36	56 %	28	-	-	28	0	-	-	0	
2 0 0 2 Building insurance	2	-	-	-	-	0 %	-	-	-	-	2	-	-	2	
2 0 0 3 Water, gas, electricity, heating	35	6	11	-	17	50 %	9	-	-	9	-	9	-	9	
2 0 0 4 Cleaning maintenance	53	18	3	-	21	40 %	27	-	-	27	3	2	-	5	
2 0 0 5 Security and surveillance	33	3	6	-	9	27 %	19	-	-	19	5	0	-	5	
2 0 0 6 Fitting out of premises	79	2	-	-	2	2 %	60	-	-	60	17	-	-	17	
2 0 0 9 Other building expenditure	5	0	-	-	0	2 %	-	-	-	-	5	-	-	5	
Total chapter 2 0	271	65	20	-	86	32 %	143	-	-	143	31	12	-	42	
2 1 0 0 ICT equipment acquisition	252	155	37	-	192	76 %	48	-	1	49	11	-	-	11	
2 1 0 1 ICT maintenance	221	162	8	-	171	77 %	50	-	-	50	-	-	-	-	
Total chapter 2 1	473	317	45	-	363	77 %	98	-	1	99	11	-	-	11	
2 2 0 0 Acquisition technical equipment	5	0	5	-	5	99 %	-	-	-	-	0	-	-	0	
2 2 1 2 Transport cost	10	7	-	-	7	69 %	2	-	-	2	1	-	-	1	
2 2 2 0 Acquisition of furniture	37	11	14	-	25	67 %	-	-	1	1	11	0	-	11	
Total chapter 2 2	52	18	18	-	37	71 %	2	-	1	3	12	0	-	13	
2 3 0 0 Stationery	13	11	0	-	11	85 %	0	-	-	0	1	1	-	2	
2 3 0 1 Postage and delivery	6	4	1	-	5	82 %	1	-	-	1	-	0	-	0	
2 3 0 2 Telecommunication	47	23	9	-	32	67 %	10	-	-	10	3	3	-	6	
2 3 0 3 Legal expenses and damages	124	89	5	-	94	76 %	30	-	-	30	-	-	-	-	
2 3 0 4 Handling and moving	2	2	-	-	2	80 %	-	-	-	-	0	-	-	0	
2 3 0 5 Bank charges	77	41	1	-	42	55 %	-	-	-	-	9	26	-	35	
2 3 0 6 Honoraria for Governing Board (GB)	197	184	-	-	184	93 %	-	-	-	-	13	-	-	13	
2 3 0 9 Other administrative expenditure	1	0	-	-	0	17 %	-	-	-	-	0	-	-	0	
Total chapter 2 3	467	354	16	-	370	79 %	40	-	-	40	27	30	-	57	

Item	Total approp. availab.	Payments made					Appropriations carried over to 2019				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
2 4 0 0 Official Journal	3	-	1	-	1	20 %	1	-	-	1	1	0	-	1
Total chapter 2 4	3	-	1	-	1	20 %	1	-	-	1	1	0	-	1
2 5 0 0 Governing Board (GB) meetings and travels	360	104	50	-	154	43 %	11	-	-	11	135	60	-	195
2 5 2 0 Internal meetings	3	2	-	-	2	77 %	-	-	-	-	1	-	-	1
Total chapter 2 5	363	106	50	-	156	43 %	11	-	-	11	136	60	-	196
Total Title 2	1 628	861	151	-	1 011	62 %	295	-	2	297	219	101	-	320

5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2019					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
3 0 0 0 Knowledge Innovation Community (KIC) grants	335 411	328 649	2 594	-	331 242	99 %	0	-	95	95	4 073	-	-	4 073	
Total chapter 3 0	335 411	328 649	2 594	-	331 242	99 %	0	-	95	95	4 073	-	-	4 073	
3 1 1 1 Planning, reporting and audits	2 169	1 517	-	-	1 517	70 %	0	-	-	-	653	-	-	653	
3 1 1 2 Knowledge triangle integration	300	109	-	-	109	36 %	0	-	-	-	191	-	-	191	
3 1 1 4 New Knowledge Innovation Communities	316	135	-	-	135	43 %	0	-	-	-	181	-	-	181	
Total chapter 3 1	2 785	1 761	-	-	1 761	63 %	0	-	-	-	1 025	-	-	1 025	
3 2 0 1 Strategic innovation agenda	12	1	-	-	1	6 %	0	-	-	-	11	-	-	11	
3 2 0 2 Communications and dissemination	1 125	193	-	-	193	17 %	0	-	-	-	932	-	-	932	
3 2 0 3 Alumni	200	109	-	-	109	54 %	0	-	-	-	92	-	-	92	
3 2 0 4 Stakeholder relations	659	388	-	-	388	59 %	0	-	-	-	271	-	-	271	
3 2 0 5 Awards	256	246	-	-	246	96 %	0	-	-	-	10	-	-	10	
Total chapter 3 2	2 252	936	-	-	936	42 %	0	-	-	-	1 316	-	-	1 316	
3 3 0 1 EIT-KIC relations	70	22	-	-	22	31 %	0	-	-	-	48	-	-	48	
3 3 0 3 Monitoring and evaluation	100	77	-	-	77	77 %	0	-	-	-	23	-	-	23	
Total chapter 3 3	170	98	-	-	98	58 %	0	-	-	-	72	-	-	72	
Total Title 3	340 618	331 443	2 594	-	334 037	98 %	0	-	95	95	6 486	-	-	6 486	

5.4.4. Implementation of payment appropriations - Title 4

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2019					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
4 0 0 2 Cancelled appropriations of year n-2	1 618	-	-	-	-	0 %	0	-	-	-	-	1 618	-	1 618	
Total chapter 4 0	1 618	-	-	-	-	0 %	0	-	-	-	-	1 618	-	1 618	
Total Title 4	1 618	-	-	-	-	0 %	0	-	-	-	-	1 618	-	1 618	
GRAND TOTAL Titles 1 - 3	348 405	337 587	2 898	-	340 486	98 %	734	-	97	831	6 973	115	-	7 088	
GRAND TOTAL	350 023	337 587	2 898	-	340 486	97 %	734	-	97	831	6 973	1 733	-	8 706	

Title 4: These are cancelled appropriations that are not used in the financial year and can be re-entered in the following three financial years. Therefore the execution rate of Title 4 will be always zero percentage.

6. COMMITMENTS OUTSTANDING

6.1.1. Commitments outstanding – Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1 1 0 0 Basic salaries	-	-	-	-	2 304	2 304	-	-	-
1 1 0 1 Allowances	-	-	-	-	784	784	-	-	-
1 1 0 2 Employers charges	-	-	-	-	125	125	-	-	-
1 1 1 0 Contract agents	-	-	-	-	854	854	-	-	-
1 1 2 1 Entering / leaving	-	-	-	-	147	147	-	-	-
1 1 3 0 Schooling	-	-	-	-	300	287	-	13	13
Total chapter 1 1	-	-	-	-	4 514	4 501	-	13	13
1 2 0 0 Recruitment expenses	5	-	5	-	35	30	-	6	6
Total chapter 1 2	5	-	5	-	35	30	-	6	6
1 3 0 0 Mission expenses	31	(3)	28	-	295	275	-	20	20
Total chapter 1 3	31	(3)	28	-	295	275	-	20	20
1 4 0 0 Restaurants and canteens	-	-	-	-	1	1	-	-	-
1 4 0 1 Medical expenses	0	-	0	-	15	14	-	1	1
1 4 0 2 Childhood centre	-	-	-	-	53	46	-	8	8
1 4 0 3 Social contacts	0	(0)	-	-	6	6	-	-	-
1 4 0 4 Other social expenses	-	-	-	-	2	2	-	-	-
Total chapter 1 4	1	(0)	0	-	78	69	-	9	9
1 5 0 0 Training	17	(4)	12	-	84	51	-	34	34
Total chapter 1 5	17	(4)	12	-	84	51	-	34	34
1 6 0 0 Agency staff	45	(3)	42	-	311	116	-	194	194
1 6 0 1 Seconded national experts (SNE)	-	-	-	-	78	78	-	-	-

Item	Commitments outstanding at the end of previous year				Commitments of the year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1 6 0 2 Trainees	14	-	14	-	32	21	-	11	11
1 6 0 3 IT support	35	(0)	35	-	141	5	-	135	135
1 6 0 4 Administrative assistance	11	(1)	10	-	111	93	-	18	18
1 6 1 1 Translation	9	(2)	7	-	41	41	-	-	-
Total chapter 1 6	115	(7)	108	-	713	355	-	358	358
1 7 0 0 Representation	-	-	-	-	2	2	-	-	-
Total chapter 1 7	-	-	-	-	2	2	-	-	-
Total Title 1	168	(14)	154	-	5 722	5 284	-	439	439

6.1.2. Commitments outstanding – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2 0 0 0 Renting	0	-	0	-	64	36	-	28	28
2 0 0 3 Water, gas, electricity, heating	20	(9)	11	-	15	6	-	9	9
2 0 0 4 Cleaning maintenance	6	(2)	3	-	45	18	-	27	27
2 0 0 5 Security and surveillance	6	(0)	6	-	22	3	-	19	19
2 0 0 6 Fitting out of premises	-	-	-	-	62	2	-	60	60
2 0 0 9 Other building expenditure	-	-	-	-	0	0	-	-	-
Total chapter 2 0	32	(12)	20	-	208	65	-	143	143
2 1 0 0 ICT equipment acquisition	37	-	37	-	203	155	-	48	48
2 1 0 1 ICT maintenance	8	-	8	-	213	162	-	50	50
Total chapter 2 1	45	-	45	-	415	317	-	98	98
2 2 0 0 Acquisition technical equipment	5	-	5	-	0	0	-	-	-
2 2 1 2 Transport cost	-	-	-	-	9	7	-	2	2
2 2 2 0 Acquisition of furniture	14	(0)	14	-	11	11	-	-	-
Total chapter 2 2	19	(0)	18	-	20	18	-	2	2
2 3 0 0 Stationery	1	(1)	0	-	11	11	-	0	0
2 3 0 1 Postage and delivery	1	(0)	1	-	5	4	-	1	1
2 3 0 2 Telecommunication	11	(3)	9	-	33	23	-	10	10
2 3 0 3 Legal expenses and damages	5	-	5	-	119	89	-	30	30
2 3 0 4 Handling and moving	-	-	-	-	2	2	-	-	-
2 3 0 5 Bank charges	27	(26)	1	(0)	41	41	-	-	(0)
2 3 0 6 Honoraria for Governing Board (GB)	-	-	-	-	184	184	-	-	-
2 3 0 9 Other administrative expenditure	-	-	-	-	0	0	-	-	-

Item	Commitments outstanding at the end of previous year				Commitments of the year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
Total chapter 2 3	45	(30)	16	(0)	394	354	-	40	40
2 4 0 0 Official Journal	1	(0)	1	-	1	-	-	1	1
Total chapter 2 4	1	(0)	1	-	1	-	-	1	1
2 5 0 0 Governing Board (GB) meetings and travels	110	(60)	50	-	115	104	-	11	11
2 5 2 0 Internal meetings	-	-	-	-	2	2	-	-	-
Total chapter 2 5	110	(60)	50	-	117	106	-	11	11
Total Title 2	252	(101)	151	(0)	1 156	861	-	295	295

6.1.3. Commitments outstanding – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3 0 0 0 Knowledge Innovation Community (KIC) grants	73 146	(20 012)	51 936	1 198	384 074	279 306	-	104 768	105 966
Total chapter 3 0	73 146	(20 012)	51 936	1 198	384 074	279 306	-	104 768	105 966
3 1 1 1 Planning, reporting and audits	1 145	(56)	1 089	-	2 141	428	-	1 714	1 714
3 1 1 2 Knowledge triangle integration	68	(12)	46	10	325	63	-	263	273
3 1 1 4 New Knowledge Innovation Communities	167	(22)	-	144	167	135	-	31	176
Total chapter 3 1	1 380	(91)	1 135	154	2 634	626	-	2 008	2 162
3 2 0 1 Strategic innovation agenda	-	-	-	-	12	1	-	11	11
3 2 0 2 Communications and dissemination	1 693	(229)	154	1 310	232	39	-	193	1 503
3 2 0 3 Alumni	174	(65)	103	7	153	6	-	147	154
3 2 0 4 Stakeholder relations	367	(40)	327	-	638	61	-	577	577
3 2 0 5 Awards	117	(11)	106	-	140	140	-	-	-
Total chapter 3 2	2 351	(345)	689	1 317	1 175	247	-	929	2 246
3 3 0 1 EIT-KIC relations	30	-	22	8	40	-	-	40	48
3 3 0 3 Monitoring and evaluation	92	(28)	64	-	17	13	-	5	5
Total chapter 3 3	122	(28)	85	8	57	13	-	45	53
Total Title 3	77 000	(20 476)	53 845	2 678	387 940	280 191	-	107 749	110 427
GRAND TOTAL	77 420	(20 592)	54 150	2 678	394 818	286 336	-	108 483	111 161

7. GLOSSARY

ABAC

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

Accounting

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

Administrative appropriations

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

Adjustment

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

Adopted budget

Draft budget becomes the adopted budget as soon as approved by the Budgetary Authority. Cf. Budget.

Agencies

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

Amending budget

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

Annuality

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

Appropriations

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

Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure. Main sources of external assigned revenue are financial contributions from third countries to programmes financed by the Union. Main sources of internal assigned revenue is revenue from third parties in respect of goods, services or work supplied at their request; (c) revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium. The complete list of items constituting assigned revenue is given in the Financial Regulation Art. 21.

Authorising Officer (AO)

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

Budget

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

Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences.

For agencies, the resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for agencies.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

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

Budgetary authority

Institutions with decisional powers on budgetary matters: for the EU institutions, the European Parliament and the Council of Ministers.

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

Budgetary commitment

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

Cancellation of appropriations

Unused appropriations that may no longer be used.

Carryover of appropriations

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

Commitment appropriations

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

De-commitment

Cancellation of a reservation of appropriations.

Differentiated appropriations

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

Earmarked revenue

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

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Financial regulation (FR)

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

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

Funds Source

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

Grants

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

Implementation

Cf. Budget implementation

Income

Cf. Revenue

Joint Undertakings (JUs)

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

Lapsing appropriations

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

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

Legal base (basic act)

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

Legal commitment

A legal commitment establishes a legal obligation towards third parties.

Non-differentiated appropriations

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

Operational appropriations

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

Outstanding commitment

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

Outturn

Cf. Budget result

Payment

A payment is a cash disbursement to honour legal obligations.

Payment appropriations

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

RAL

Sum of outstanding commitments. Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations. (Cf. Outstanding commitments)

Recovery

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

Result

Cf. Outturn

Revenue

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

Rules of application

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

Surplus

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

Transfer

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