

**THE FINANCIAL PLAN
OF THE CROATIAN POST AND ELECTRONIC
COMMUNICATIONS AGENCY**

FOR 2011

September 2010

FP2011.V.1.1

The Plan of Necessary Funds for Financing HAKOM for 2011

No.	TITLE	Plan 2011
1	Planned total expenditure of HAKOM for 2011	121,383,103.18
2	Increased for investment spending	20,558,600.00
3	Decreased by the amount of expenditure and investments financed from EU pre-accession funds	-2,600,000.00
4	Decreased for expenditure not affecting cash outflow	-3,500,000.00
4.1	<i>- depreciation</i>	3,500,000.00
5.	Decreased by the amount of expenditure and investments financed from surplus funds	0.00
5.1	<i>-investments - Procurement of premises for HAKOM's headquarters</i>	0.00
6	Decreased by the amount of expenditure financed from surplus funds	-45,018,921.13
6.1	<i>- capital donations</i>	45,018,921.13
Necessary funds (1+2+3+4+5+6)		90,822,782.05

Table 1. The Plan of the necessary funds for the financing of HAKOM (in HRK)

HAKOM's 2011 Revenue Plan

N o .	TITLE	Plan 2011
1.	Revenue according to special regulations	90,822,782.05
<i>1.1.</i>	<i>Revenue from frequency fees</i>	<i>47,021,012.27</i>
<i>1.2.</i>	<i>Revenue from fees for addresses and numbers</i>	<i>7,542,995.52</i>
<i>1.3.</i>	<i>Revenue from fees for the carrying out of other HAKOM's tasks from gross revenue earned by operators of electronic communications networks and services</i>	<i>31,347,040.22</i>
<i>1.4.</i>	<i>Revenue from the carrying out of HAKOM's tasks in the postal services sector from gross revenue of postal service providers</i>	<i>4,011,734.04</i>
<i>1.5.</i>	<i>Other revenue (interest rates, compliances)</i>	<i>900,000.00</i>
2.	Revenue from EU pre-accession funds	2,600,000.00
TOTAL (1+2)		93,422,782.05

Table 2. HAKOM's Revenue Plan (in HRK)

HAKOM's 2011 Expenditure Plan

Class	Subgroup	Section	TITLE	PLAN FOR 2011		
				<i>ELECTRONIC COMMUNICATIONS SECTOR</i>	<i>POSTAL SERVICES SECTOR</i>	<i>HAKOM - total-</i>
41			Expenditure for employees	36,578,114.69	2,235,000.00	38,813,114.69
	411		Salaries	30,380,867.17	1,900,000.00	32,280,867.17
		4111	<i>Salaries for regular work</i>	<i>30,053,867.17</i>	<i>1,870,600.00</i>	<i>31,924,467.17</i>
		4112	<i>Payment in kind</i>	<i>180,000.00</i>	<i>20,000.00</i>	<i>200,000.00</i>
		4113	<i>Payments for overtime work</i>	<i>147,000.00</i>	<i>9,400.00</i>	<i>156,400.00</i>
	412		Other expenditure for employees	562,590.00	45,000.00	607,590.00
		4121	<i>Other expenditure for employees</i>	<i>562,590.00</i>	<i>45,000.00</i>	<i>607,590.00</i>
	413		Contributions on salaries	5,634,657.52	290,000.00	5,924,657.52
		4131	<i>Contributions for health insurance</i>	<i>4,898,129.36</i>	<i>250,000.00</i>	<i>5,148,129.36</i>
		4132	<i>Contributions for employment</i>	<i>736,528.16</i>	<i>40,000.00</i>	<i>776,528.16</i>
42			Material expenditure	30,468,025.22	3,411,469.68	33,879,494.90
	421		Reimbursements to employees	4,562,169.34	291,202.29	4,853,371.63
		4211	<i>Business trips</i>	<i>1,891,470.10</i>	<i>120,732.13</i>	<i>2,012,202.23</i>
		4212	<i>Transportation bonus, compensation for field work and separation allowance</i>	<i>640,299.24</i>	<i>49,870.16</i>	<i>690,169.40</i>
		4213	<i>Professional training of employees</i>	<i>2,030,400.00</i>	<i>120,600.00</i>	<i>2,151,000.00</i>
	422		Reimbursement of costs to members in representative and executive bodies, committees, and similar	103,199.90	6,587.23	109,787.13
		4221	<i>Reimbursement of costs to members in representative and executive bodies, committees,</i>	<i>103,199.90</i>	<i>6,587.23</i>	<i>109,787.13</i>
	424		Compensations for external associates	100,000.00	10,000.00	110,000.00
		4241	<i>Compensations for carrying out of activities</i>	<i>100,000.00</i>	<i>10,000.00</i>	<i>110,000.00</i>
	425		Expenditure for services	22,083,597.10	2,872,676.41	24,956,273.51
		4251	<i>Telephone, mail and transportation services</i>	<i>1,491,144.16</i>	<i>95,179.41</i>	<i>1,586,323.57</i>
		4252	<i>Services of current and investment maintenance</i>	<i>1,817,020.00</i>	<i>115,980.00</i>	<i>1,933,000.00</i>
		4253	<i>Promotion and information services</i>	<i>667,400.00</i>	<i>42,600.00</i>	<i>710,000.00</i>
		4254	<i>Utilities</i>	<i>635,473.65</i>	<i>40,562.15</i>	<i>676,035.80</i>
		4255	<i>Leases and rents</i>	<i>7,050,695.60</i>	<i>450,044.40</i>	<i>7,500,740.00</i>
		4256	<i>Health and veterinary services</i>	<i>357,200.00</i>	<i>22,800.00</i>	<i>380,000.00</i>
		4257	<i>Intellectual and personal services</i>	<i>5,670,000.00</i>	<i>1,825,000.00</i>	<i>7,495,000.00</i>
		4258	<i>IT services</i>	<i>2,052,183.69</i>	<i>130,990.45</i>	<i>2,183,174.14</i>
		4259	<i>Other services</i>	<i>2,342,480.00</i>	<i>149,520.00</i>	<i>2,492,000.00</i>

HAKOM's 2011 Expenditure Plan

Class	Subgroup	Section	TITLE	PLAN FOR 2011		
				ELECTRONIC COMMUNICATIONS SECTOR	POSTAL SERVICES SECTOR	HAKOM - TOTAL
	426		Expenditure for material and power	1,891,224.84	120,716.47	2,011,941.31
		4261	<i>Office supplies and other material expenditure</i>	<i>1,006,740.00</i>	<i>64,260.00</i>	<i>1,071,000.00</i>
		4263	<i>Power</i>	<i>697,709.44</i>	<i>44,534.64</i>	<i>742,244.08</i>
		4264	<i>Small inventory and car tyres</i>	<i>186,775.40</i>	<i>11,921.83</i>	<i>198,697.23</i>
	429		Other unmentioned material expenditure	1,727,834.04	110,287.28	1,838,121.32
		4291	<i>Insurance premiums</i>	<i>1,325,400.00</i>	<i>84,600.00</i>	<i>1,410,000.00</i>
		4292	<i>Entertaining</i>	<i>141,439.28</i>	<i>9,028.04</i>	<i>150,467.32</i>
		4293	<i>Membership fees</i>	<i>211,808.32</i>	<i>13,519.68</i>	<i>225,328.00</i>
		4295	<i>Other unmentioned material expenditure</i>	<i>49,186.44</i>	<i>3,139.56</i>	<i>52,326.00</i>
43			Depreciation expenditure	0.00	0.00	3,500,000.00
	431		Depreciation*	0.00	0.00	3,500,000.00
		4311	<i>Depreciation</i>	<i>0.00</i>	<i>0.00</i>	<i>3,500,000.00</i>
44			Financial expenditure	66,883.36	4,269.15	71,152.51
	443		Other financial expenditure	66,883.36	4,269.15	71,152.51
		4431	<i>Banking services and transaction services</i>	<i>41,191.34</i>	<i>2,629.23</i>	<i>43,820.57</i>
		4432	<i>Negative exchange rate differences and currency clause</i>	<i>13,147.97</i>	<i>839.23</i>	<i>13,987.20</i>
		4433	<i>Penalty interest</i>	<i>1,584.03</i>	<i>101.11</i>	<i>1,685.14</i>
		4434	<i>Other unmentioned financial expenditure</i>	<i>10,960.02</i>	<i>699.58</i>	<i>11,659.60</i>
45			Donations	84,600.00	5,400.00	45,108,921.13
	451		Current donations	84,600.00	5,400.00	90,000.00
		4511	<i>Current donations</i>	<i>84,600.00</i>	<i>5,400.00</i>	<i>90,000.00</i>
	452		Capital donations *	0.00	0.00	45,018,921.13
		4521	<i>Capital donations</i>	<i>0.00</i>	<i>0.00</i>	<i>45,018,921.13</i>
46			Other expenditure	9,794.75	625.20	10,419.95
	461		Fines, penalties and damages	9,794.75	625.20	10,419.95
		4612	<i>Penalties, storage charges and other</i>	<i>7,444.72</i>	<i>475.20</i>	<i>7,919.92</i>
		4614	<i>Agreed fines and other compensations for damage</i>	<i>2,350.03</i>	<i>150.00</i>	<i>2,500.03</i>
T O T A L				67,207,418.02	5,656,764.03	121,383,103.18

Table 3. HAKOM's Expenditure Plan (in HRK)

* Class 431 expenditure - depreciation and 452 - capital donations are not divided into areas because they do not affect cash outflow

HAKOM's 2011 Expenditure Plan - for electronic
communications sector

Class	Subgroup Section	TITLE	PLAN FOR 2011			
			FREQUENCIES	ADDRESSES AND NUMBERS	OTHER TASKS	ELECTRONIC COMMUNICATIO NS- TOTAL
41		Expenditure for employees	18,097,720.61	3,605,219.46	14,875,174.62	36,578,114.69
	411	Salaries	15,068,770.67	2,990,949.08	12,321,147.42	30,380,867.17
	4111	<i>Salaries for regular work</i>	<i>14,916,770.67</i>	<i>2,946,949.08</i>	<i>12,190,147.42</i>	<i>30,053,867.17</i>
	4112	<i>Payments in kind</i>	<i>80,000.00</i>	<i>30,000.00</i>	<i>70,000.00</i>	<i>180,000.00</i>
	4113	<i>Payments for overtime work</i>	<i>72,000.00</i>	<i>14,000.00</i>	<i>61,000.00</i>	<i>147,000.00</i>
	412	Other expenditure for employees	270,674.11	61,706.18	230,209.71	562,590.00
	4121	<i>Other expenditure for employees</i>	<i>270,674.11</i>	<i>61,706.18</i>	<i>230,209.71</i>	<i>562,590.00</i>
	413	Contributions on salaries	2,758,275.83	552,564.20	2,323,817.49	5,634,657.52
	4131	<i>Contributions for health insurance</i>	<i>2,397,953.84</i>	<i>480,297.71</i>	<i>2,019,877.81</i>	<i>4,898,129.36</i>
	4132	<i>Employment contributions</i>	<i>360,321.99</i>	<i>72,266.49</i>	<i>303,939.68</i>	<i>736,528.16</i>
42		Material expenditure	14,793,794.62	2,907,778.54	12,766,452.06	30,468,025.22
	421	Reimbursements to employees	2,281,084.67	436,803.45	1,844,281.22	4,562,169.34
	4211	<i>Business trips</i>	<i>945,735.05</i>	<i>181,098.20</i>	<i>764,636.85</i>	<i>1,891,470.10</i>
	4212	<i>Transportation bonus, compensation for field work and separation allowance</i>	<i>320,149.62</i>	<i>61,305.25</i>	<i>258,844.37</i>	<i>640,299.24</i>
	4213	<i>Professional training of employees</i>	<i>1,015,200.00</i>	<i>194,400.00</i>	<i>820,800.00</i>	<i>2,030,400.00</i>
	422	Compensations for members of representative and executive bodies, commissions and the similar	51,599.95	9,880.84	41,719.11	103,199.90
	4221	<i>Reimbursement of costs to members in representative and executive bodies, committees, and similar</i>	<i>51,599.95</i>	<i>9,880.84</i>	<i>41,719.11</i>	<i>103,199.90</i>
	424	Compensations for external associates	48,300.00	9,500.00	42,200.00	100,000.00
	4241	<i>Compensations for carrying out of activities</i>	<i>48,300.00</i>	<i>9,500.00</i>	<i>42,200.00</i>	<i>100,000.00</i>
	425	Expenditure for services	10,603,280.56	2,105,088.61	9,375,227.93	22,083,597.10
	4251	<i>Telephone, mail and transportation services</i>	<i>745,572.08</i>	<i>142,769.12</i>	<i>602,802.96</i>	<i>1,491,144.16</i>
	4252	<i>Services of current and investment maintenance</i>	<i>908,510.00</i>	<i>173,970.00</i>	<i>734,540.00</i>	<i>1,817,020.00</i>
	4253	<i>Promotion and information services</i>	<i>333,700.00</i>	<i>63,900.00</i>	<i>269,800.00</i>	<i>667,400.00</i>
	4254	<i>Utility services</i>	<i>317,736.83</i>	<i>60,843.22</i>	<i>256,893.60</i>	<i>635,473.65</i>
	4255	<i>Leases and rents</i>	<i>3,525,347.80</i>	<i>675,066.60</i>	<i>2,850,281.20</i>	<i>7,050,695.60</i>
	4256	<i>Health and veterinary services</i>	<i>178,600.00</i>	<i>34,200.00</i>	<i>144,400.00</i>	<i>357,200.00</i>
	4257	<i>Intellectual and personal services</i>	<i>2,396,482.00</i>	<i>533,574.00</i>	<i>2,739,944.00</i>	<i>5,670,000.00</i>
	4258	<i>IT services</i>	<i>1,026,091.85</i>	<i>196,485.67</i>	<i>829,606.17</i>	<i>2,052,183.69</i>
	4259	<i>Other services</i>	<i>1,171,240.00</i>	<i>224,280.00</i>	<i>946,960.00</i>	<i>2,342,480.00</i>

HAKOM's 2011 Expenditure Plan - for
electronic communications sector

Class	Subgroup	Section	TITLE	PLAN FOR 2011			
				FREQUENCIES	ADDRESSES AND NUMBERS	OTHER TASKS	ELECTRONIC COMMUNICATIONS
	426		Expenditure for material and power	945,612.42	181,074.72	764,537.70	1,891,224.84
		4261	<i>Office supplies and other material expenditure</i>	503,370.00	96,390.00	406,980.00	1,006,740.00
		4263	<i>Power</i>	348,854.72	66,801.97	282,052.75	697,709.44
		4264	<i>Small inventory and car tyres</i>	93,387.70	17,882.75	75,504.95	186,775.40
	429		Other unmentioned material expenditure	863,917.02	165,430.92	698,486.10	1,727,834.04
		4291	<i>Insurance premiums</i>	662,700.00	126,900.00	535,800.00	1,325,400.00
		4292	<i>Entertaining</i>	70,719.64	13,542.06	57,177.58	141,439.28
		4293	<i>Membership fees</i>	105,904.16	20,279.52	85,624.64	211,808.32
		4295	<i>Other unmentioned material expenditure</i>	24,593.22	4,709.34	19,883.88	49,186.44
43			Depreciation expenditure	0.00	0.00	0.00	0.00
	431		Depreciation	0.00	0.00	0.00	0.00
		4311	<i>Depreciation</i>	0.00	0.00	0.00	0.00
44			Financial expenditure	33,441.68	6,403.72	27,037.96	66,883.36
	443		Other financial expenditure	33,441.68	6,403.72	27,037.96	66,883.36
		4431	<i>Banking services and transaction services</i>	20,595.67	3,943.85	16,651.82	41,191.34
		4432	<i>Negative exchange rate differences and currency clause</i>	6,573.98	1,258.85	5,315.14	13,147.97
		4433	<i>Penalty interest</i>	792.02	151.66	640.35	1,584.03
		4434	<i>Other unmentioned financial expenditure</i>	5,480.01	1,049.36	4,430.65	10,960.02
45			Donations	42,300.00	8,100.00	34,200.00	84,600.00
	451		Current donations	42,300.00	8,100.00	34,200.00	84,600.00
		4511	<i>Current donations</i>	42,300.00	8,100.00	34,200.00	84,600.00
	452		Capital donations	0.00	0.00	0.00	0.00
		4521	<i>Capital donations</i>	0.00	0.00	0.00	0.00
46			Other expenditure	4,897.36	937.79	3,959.60	9,794.75
	461		Fines, penalties and damages	4,897.36	937.79	3,959.60	9,794.75
		4612	<i>Penalties, storage charges and other</i>	3,722.36	712.79	3,009.57	7,444.72
		4614	<i>Agreed fines and other compensations for damage</i>	1,175.00	225.00	950.03	2,350.03
TOTAL				32,972,154.27	6,528,439.51	27,706,824.24	67,207,418.02

Table 4. HAKOM's Expenditure Plan for electronic communications sector (in HRK)

HAKOM's 2011 Investment Plan

TITLE	<i>ELECTRONIC COMMUNICATIO NS SECTOR</i>	<i>POSTAL SERVICES SECTOR</i>	<i>HAKOM - total-</i>
I. Facilities	5,230,000.00	0.00	5,230,000.00
A) Construction of HAKOM centres and CMSs	5,230,000.00	0.00	5,230,000.00
<i>I.A. 1 Procurement of premises for HAKOM's headquarters</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>I.A.2 Construction of CMS Veliki Bokolj</i>	<i>2,000,000.00</i>	<i>0.00</i>	<i>2,000,000.00</i>
<i>I.A. 3 CMS Ozljak</i>	<i>30,000.00</i>	<i>0.00</i>	<i>30,000.00</i>
<i>I.A.4 Procurement of business premises for CMC Split and CMC Rijeka</i>	<i>-</i>	<i>-</i>	<i>0</i>
<i>I.A.5. Purchase of premises for CMC Osijek</i>	<i>3,200,000.00</i>	<i>0.00</i>	<i>3,200,000.00</i>
II. Measurement and IT equipment	4,340,780.00	47,820.00	4,388,600.00
A) Procurement of measurement equipment for CMSs and HAKOM's centres	3,591,600.00	0.00	3,591,600.00
<i>II.A. 1 Modernisation of the measurement system</i>	<i>1,091,600.00</i>	<i>0.00</i>	<i>1,091,600.00</i>
<i>II.A. 2 Equipment for measurement vehicles</i>	<i>2,500,000.00</i>	<i>0.00</i>	<i>2,500,000.00</i>
B) Procurement of IT equipment	749,180.00	47,820.00	797,000.00
III. Furniture	347,800.00	22,200.00	370,000.00
IV. Investments into software	5,658,800.00	361,200.00	6,020,000.00
V. Means of transport	3,050,000.00	200,000.00	3,250,000.00
VI Development projects and expert studies	940,000.00	60,000.00	1,000,000.00
VII. Other equipment	282,000.00	18,000.00	300,000.00
T O T A L	19,849,380.00	709,220.00	20,558,600.00

Table 5. HAKOM's Investment Plan (in HRK)

HAKOM's 2011 Investment Plan - *for electronic
communications sector*

TITLE	<i>FREQUENCIES</i>	<i>ADDRESSES AND NUMBERS</i>	<i>OTHER TASKS</i>	<i>ELECTRONIC COMMUNICATIONS - total -</i>
I. Facilities	5,230,000.00	0.00	0.00	5,230,000.00
A) Construction of HAKOM centers CMSs	5,230,000.00	0.00	0.00	5,230,000.00
<i>I.A. 1 Procurement of premises for HAKOM's headquarters</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>I.A. 2 Construction of CMS Veliki Bokolj</i>	<i>2,000,000.00</i>	<i>0.00</i>	<i>0.00</i>	<i>2,000,000.00</i>
<i>I.A.3 CMS Ozljak</i>	<i>30,000.00</i>	<i>0.00</i>	<i>0.00</i>	<i>30,000.00</i>
<i>I.A.4 Procurement of business premises for CMC Split and CMC Rijeka</i>	-	-	-	-
<i>I.A.5 Purchase of premises for CMC Osijek</i>	<i>3,200,000.00</i>	<i>0.00</i>	<i>0.00</i>	<i>3,200,000.00</i>
II. Measurement and IT equipment	3,449,590.00	588,330.00	302,860.00	4,340,780.00
A) Procurement of measurement equipment for CMS and HAKOM's centres	3,075,000.00	516,600.00	0.00	3,591,600.00
<i>II.A. 1 Modernisation of the measurement system</i>	<i>575,000.00</i>	<i>516,600.00</i>	<i>0.00</i>	<i>1,091,600.00</i>
<i>II.A.2 Equipment for measurement vehicles</i>	<i>2,500,000.00</i>	<i>0.00</i>	<i>0.00</i>	<i>2,500,000.00</i>
B) Procurement of IT equipment	374,590.00	71,730.00	302,860.00	749,180.00
III. Furniture	173,900.00	33,300.00	140,600.00	347,800.00
IV. Investments into software	2,829,400.00	541,800.00	2,287,600.00	5,658,800.00
V. Means of transport	2,500,000.00	250,000.00	300,000.00	3,050,000.00
VI. Development projects and expert studies	470,000.00	90,000.00	380,000.00	940,000.00
VII. Other equipment	141,000.00	27,000.00	114,000.00	282,000.00
T O T A L	14,793,890.00	1,530,430.00	3,525,060.00	19,849,380.00

Table 6. HAKOM's Investment Plan for electronic communications sector (in HRK)

Explanation of the 2011 Financial Plan of the Croatian Post and Electronic Communications Agency

The 2011 Financial plan of the Croatian Post and Electronic Communications Agency (hereinafter: HAKOM) consists of the following:

- Plan of the necessary funds for the financing of HAKOM (in HRK)
- HAKOM's Revenue Plan,
- HAKOM's Expenditure Plan
- HAKOM's Investment Plan.

The Plan for the necessary funds for the financing of HAKOM for 2011 is given in Table 1. The Table shows the necessary funds, that is, total expenditure increased by investment costs and decreased by expenditure not affecting cash outflow. Expenditure not affecting the cash outflow is the following:

- expenditure financed from EU pre-accession funds,
- expenditure finance from surplus funds,
- depreciation expenditure.

HAKOM's 2011 **Revenue Plan** is given in Table 2. The Revenue Plan consists of the division of revenue into revenue from fees for frequencies, revenue from fees for addresses and numbers, revenue from gross revenue of operators of electronic communications networks and services, revenue from fees from gross revenue of postal service providers, revenue from EU pre-accession funds and other revenue (interest rates and compliances).

Part of HAKOM's expenditure and investments will be financed from other revenue (interest rates, compliance). The planned revenue from fees has been proportionally decreased for that amount.

Pursuant to the Electronic Communications Act and the Postal Services Act, the funds necessary for the operation of the Agency are collected separately for the electronic communications sector and separately for the postal services sector. HAKOM keeps separate accounting for the above-mentioned sectors. The necessary funds for the financing of postal services will be ensured from the revenue from fees from gross revenue of postal service providers, while the necessary funds for the financing of the electronic communications sector services sector will be ensured from revenue from frequency fees, fees for addresses and numbers and gross revenue of operators of electronic communications networks and services.

The following projects will be financed from revenue from EU pre-accession funds:

- IPA 2007 "Reinforcement of Institutional and Administrative capacity for HAKOM" The total project value amounts to EUR 699,400.00. The project was initiated in 2010 and it will continue throughout 2011. It consists of the provision of consultancy services in the area of cost accounting market analysis and drafting of the strategy for human resources management,
- IPA 2009 Twinning light - support in the area of accounting separation of postal services. The total project value amounts to EUR 250,000.00.
- IPA CBC - SEE Transnational cooperation programme. The total project value for the first year amounts to EUR 70,850.00.

HAKOM's 2011 **Expenditure Plan** is illustrated in Table 3. The Agency's expenditure for

2011 has been planned on the basis of actually expected expenditure in 2011. Since separate accounting has been prescribed for the electronic communications and for postal services sectors, HAKOM's planned expenditure is divided between the electronic communications and postal services sectors. Class 431 expenditure - depreciation and 452 - capital donations are not divided into areas because they do not affect cash outflow. This expenditure has been marked with an asterisk in the table *.

Planned expenditure related to employees includes expenditure for their salaries and social contributions, that is, gross expenditure for salaries. The planned total amount of salaries for 2011, compared to 2010, did not change significantly.

Material expenditures consists of reimbursement of cost to employees, fees for members of expert teams, expenses for material and power, expenses for services and other unmentioned expenses.

Reimbursement of costs to employees has been planned at the level of 2010 assessments. Professional training of employees primarily includes the organisation of working groups and training of employees. The reasons for the planned organization of working groups in 2011 have been explained in the Agency's annual work and development plan (regulatory workshops, organization of WGSE meetings). In accordance with its own position and also in line with the opinions and recommendations of EU consultants, HAKOM invests in the knowledge and training of its employees in order for them to acquire know-how necessary to carry out and develop HAKOM's activities. In our opinion this is one of the necessary conditions for the development of HAKOM as a regulatory authority. The granting of approvals for graduate and postgraduate education of HAKOM's employees has also been planned. The remaining planned expenses pertain to courses, seminars, conferences and congresses. Fees for members of expert teams include reimbursements of costs to members of external commissions.

Expenses for the services of current and investment maintenance include expenses for the maintenance of HAKOM's equipment (equipment for the control of the radiofrequency spectrum) and expenses for the maintenance of software tools. Expenditure for information and promotion services is lower than planned for 2010. Expenses for the renting of business premises are planned on the basis of lease agreements.

Intellectual and personal services include consultancy services (related to technical and conceptual matters), advisory services related to market analysis, the "Accounting separation and cost accounting" project, and the "Cost models of SMP operators" project, translation services, notary services, audit services and other intellectual services. A part of these services will be financed from the EU pre-accession funds.

Expenditures for material and power have been planned at the level of 2010 assessments.

Expenses planned for insurance premiums include insurance of motor vehicles, real estate, equipment and employees. Since high-value equipment for the measurement of the radio frequency spectrum was procured in 2010 from the IPA 2007 programme, the insurance of this equipment has been planned.

Capital donations are planned under class 45, section 452, subsection 4521. Funds for the financing of these expenses already exists, but the expenses will be incurred in 2011 and are

presented in class 45. Since funds already exist, expenditure was not divided into areas. A part of capital donations, amounting to HRK 20,018,921.13, has been defined on the basis of a Decision adopted by the Government of the Republic of Croatia in compliance with the Telecommunications Act which was in force at that time. These are funds allocated for a specific purpose and are transferred from one year to another up until the completion of the project. The second part of capital donations include the planned surplus of collected funds which is transferred to the following calendar year pursuant to the Electronic Communications Act. The planned surplus amounts to HRK 25,000,000.00. This surplus of funds is planned as a support to further development of broadband Internet access in areas of special state concern, mountain areas and on the islands.

The 2011 Expenditure Plan for the electronic communications sector is presented in Table 4. Expenditure in the electronic communications sector is divided into expenditure for the radio frequency spectrum management, expenditure for addressing and numbering space management and expenditure other HAKOM's activities. Expenditures of HAKOM's joint services were divided into the above-mentioned expenditure depending on their share in total expenditure.

HAKOM's 2011 Investment Plan is presented in Tables 5 and 6. In Table 5, the investment plan is divided into two basic sectors, the electronic communications sector and the postal services sector. Furthermore, in Table 6, the investment plan for the electronic communications sector has been divided into investments intended for radio frequency spectrum management, investments for addressing and numbering space management and investments for other HAKOM's tasks. HAKOM's Investment Plan contains the following:

I. Facilities

Related to HAKOM's Annual Work Programme - activities 3.8 -3.9, regular activities 3.14

II. Measurement and IT equipment

II.A. Modernising the measurement system - Related to HAKOM's Annual Work Programme – activity 3.8 , regular activities 3.14, 2.9

II.B. IT equipment - Related to HAKOM's Annual Work Programme - regular activities - activities 6.2., 6.3., 6.5.

III. Furniture

Related to HAKOM's Annual Work Programme - activities 3.8, 3.9

IV. Investments into software

"E-Agency" and "E-business" projects and other software

Related to HAKOM's Annual Work Programme - activities 6.1- 6.9

V. Means of transport

Related to HAKOM's Annual Work Programme - strategic activities 3.7

VI. Development projects and expert studies

"Auction of the RF Spectrum" project

Related to HAKOM's Annual Work Programme - strategic activities 3.2

"Analysis of the Postal Service Market" and "User Satisfaction Survey" projects.

Related to HAKOM's Annual Work Programme - regular activities 4.3,4.8

HAKOM

THE FINANCIAL PLAN

OF THE CROATIAN POST AND ELECTRONIC COMMUNICATIONS AGENCY

FOR 2011
- COMPARISONS -

September 2010

FP 2011 v.1.1.

The Plan for necessary funds for financing HAKOM for 2011 - compared to the 2010 plan -

No.	T I T L E	PLAN FOR 2011	PLAN FOR 2010	PLAN 2011/ PLAN 2010
1.	Planned total expenditure of HAKOM for 2011	121,383,103.18	143,661,576.74	0.84
2.	Increased for investment spending	20,558,600.00	49,432,825.43	0.42
3.	Decreased by the amount of expenditure and investments financed from EU pre-accession funds	-2,600,000.00	-25,000,000.00	0.10
4.	Decreased for expenditure not affecting cash outflow	-3,500,000.00	-3,500,000.00	1.00
4.1	<i>- depreciation</i>	<i>3,500,000.00</i>	<i>3,500,000.00</i>	<i>1.00</i>
5.	Decreased by the amount of expenditure and investments financed from surplus funds	0.00	-2,318,143.43	-
5.1	<i>-investments</i>	<i>0.00</i>	<i>2,318,141.43</i>	-
6.	Decreased by the amount of expenditure financed from surplus funds	-45,018,921.13	-69,735,612.25	0.65
6.1	<i>- capital donations</i>	<i>45,018,921.13</i>	<i>69,735,612.25</i>	<i>0.65</i>
	Necessary funds (1-K2-3+4--S-5+6)	90,822,782.05	92,540,648.49	0.98

Table 1. Comparison of the Plan of the necessary funds for the financing of HAKOM for 2011/2010(in HRK)

HAKOM's 2011 Revenue plan -
compared to 2010 Plan

No.	T I T L E	PLAN FOR 2011	PLAN FOR 2010	PLAN 2011/ PLAN 2010
1.	Revenue according to special regulations	90,822,782.05	92,540,648.49	0.98
1.1.	<i>Revenue from frequency fees</i>	47,021,012.27	45,184,404.56	1.04
1.2	<i>Revenue from fees for addresses and numbers</i>	7,542,995.52	7.581,774.60	0.99
1.3	<i>Revenue from fees for the carrying out of other HAKOM's activities gross revenue of providers of electronic communications networks and services</i>	31,347,040.22	35,044,469.33	0.89
1.4	<i>Revenue from the carrying out of HAKOM's tasks in the postal services sector from gross revenue of postal service providers</i>	4,011,734.04	3,830,000.00	1.05
1.5	<i>Other revenue (interest rates, compliances)</i>	900,000.00	900,000.00	1.00
2.	Revenue from EU pre-accession funds	2,600,000.00	25,000,000.00	0.10
	TOTAL (1+2)	93,422,782.05	117,540,648.49	0.79

Table 2. Comparison of Revenue Plans 2011/2010 (in HRK)

HAKOM's 2011 Expenditure plan -
compared to 2010 Plan

Class	Subgroup	Section	TITLE	PLAN FOR 2011			PLAN FOR 2010			PLAN 2011/PLAN 2010		
				ELECTRONIC COMMUNICATIONS SECTOR	POSTAL SERVICES SECTOR	HAKOM - total-	ELECTRONIC COMMUNICATIONS SECTOR	POSTAL SERVICES SECTOR	HAKOM - total-	I.	II.	III.
41			Expenditure for employees	36,578,114.69	2,235,000.00	38,813,114.69	36,078,114.70	2,235,000.00	38,313,114.70	1.01	1.00	1.01
	411		Salaries	30,380,867.17	1,900,000.00	32,280,867.17	29,880,867.17	1,900,000.00	31,780,867.17	1.02	1.00	1.02
		4177	<i>Salaries for regular work</i>	<i>30,053,867.17</i>	<i>1,870,600.00</i>	<i>31,924,467.17</i>	<i>29,553,867.17</i>	<i>1,870,600.00</i>	<i>31,424,467.17</i>	<i>1.02</i>	<i>1.00</i>	<i>1.02</i>
		4712	<i>Payments in kind</i>	<i>180,000.00</i>	<i>20,000.00</i>	<i>200,000.00</i>	<i>180,000.00</i>	<i>20,000.00</i>	<i>200,000.00</i>	<i>1.00</i>	<i>1.00</i>	<i>1.00</i>
		4773	<i>Payments for overtime work</i>	<i>147,000.00</i>	<i>9,400.00</i>	<i>156,400.00</i>	<i>147,000.00</i>	<i>9,400.00</i>	<i>156,400.00</i>	<i>1.00</i>	<i>1.00</i>	<i>1.00</i>
412			Other expenditure for employees	562,590.00	45,000.00	607,590.00	562,590.00	45,000.00	607,590.00	1.00	1.00	1.00
		4727	<i>Other expenditure for employees</i>	<i>562,590.00</i>	<i>45,000.00</i>	<i>607,590.00</i>	<i>562,590.00</i>	<i>45,000.00</i>	<i>607,590.00</i>	<i>7.00</i>	<i>1.00</i>	<i>1.00</i>
413			Contributions on salaries	5,634,657.52	290,000.00	5,924,657.52	5,634,657.53	290,000.00	5,924,657.53	1.00	1.00	1.00
		4131	<i>Contributions for health insurance</i>	<i>4,898,129.36</i>	<i>250,000.00</i>	<i>5,148,129.36</i>	<i>4,898,129.37</i>	<i>250,000.00</i>	<i>5,148,129.37</i>	<i>1.00</i>	<i>1.00</i>	<i>1.00</i>
		4132	<i>Contributions for employment</i>	<i>736,528.16</i>	<i>40,000.00</i>	<i>776,528.16</i>	<i>736,528.16</i>	<i>40,000.00</i>	<i>776,528.16</i>	<i>1.00</i>	<i>1.00</i>	<i>1.00</i>
42			Material expenditure	30,468,025.22	3,401,469.68	33,869,494.90	25,269,779.24	1,495,832.24	31,765,611.48	1.21	2.27	1.07
	421		Reimbursements to employees	4,562,169.34	291,202.29	4,853,371.63	4,028,370.67	240,000.00	4,268,370.67	1.13	1.21	1.14
		4211	<i>Business trips</i>	<i>1,891,470.10</i>	<i>120,732.13</i>	<i>2,012,202.23</i>	<i>1,694,549.11</i>	<i>100,000.00</i>	<i>1,794,549.11</i>	<i>7.72</i>	<i>1.21</i>	<i>1.12</i>
		4212	<i>Transportation bonus, compensation for field work and separation allowance</i>	<i>640,299.24</i>	<i>49,870.16</i>	<i>690,169.40</i>	<i>733,025.36</i>	<i>80,000.00</i>	<i>813,025.36</i>	<i>0.87</i>	<i>0.62</i>	<i>0.85</i>
		4213	<i>Professional training of employees</i>	<i>2,030,400.00</i>	<i>120,600.00</i>	<i>2,151,000.00</i>	<i>1,600,796.20</i>	<i>60,000.00</i>	<i>1,660,796.20</i>	<i>1.27</i>	<i>2.01</i>	<i>1.30</i>
	422		Reimbursement of costs to members in representative and executive bodies, committees, and similar	103,199.90	6,587.23	109,787.13	62,186.00	0.00	62,186.00	1.66	-	1.77
			<i>Reimbursement of costs to members in representative and executive bodies, committees, and similar</i>	<i>703,799.90</i>	<i>6,587.23</i>	<i>109,787.13</i>	<i>62,186.00</i>	<i>0.00</i>	<i>62,186.00</i>	<i>1.66</i>	<i>-</i>	<i>1.77</i>
	424		Compensations for external associates	100,000.00	10,000.00	110,000.00	0.00	0.00	0.00	-	-	-
		4241	<i>Compensations for carrying out of activities</i>	<i>100,000.00</i>	<i>10,000.00</i>	<i>110,000.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>-</i>	<i>-</i>	<i>-</i>

HAKOM's 2011 Expenditure plan -
compared to 2010 Plan

		TITLE	PLAN FOR 2011			PLAN FOR 2010			PLAN 2011/PLAN 2030		
			ELECTRONIC COMMUNICATIONS SECTOR	POSTAL SERVICES SECTOR	HAKOM - total-	ELECTRONIC COMMUNICATIONS SECTOR	POSTAL SERVICES SECTOR	HAKOM - total-	I	II	III
	425	Expenditure for services	22,083,597.10	2,862,676.41	24,946,273.51	17,813,073.28	1,032,432.24	23,845,505.52	1.24	2.77	1.05
	4251	Telephone, mail and transportation services	1,491,144.16	95,179.41	1,586,323.57	1,320,796.44	300,000.00	1,400,796.44	1.13	1.19	1.13
	4252	Services of current and investment maintenance	1,817,020.00	115,980.00	1,933,000.00	1,340,006.22	55,000.00	1,395,006.22	1.36	2.11	1.39
	4253	Promotion and information services	667,400.00	42,600.00	710,000.00	860,087.80	32,000.00	892,087.80	0.78	1.33	0.80
	4254	Utility services	635,473.65	40,562.15	676,035.80	577,535.14	30,000.00	607,535.14	1.10	1.35	1.11
	4255	Leases and rents	7,050,695.60	450,044.40	7,500,740.00	7,644,392.47	400,000.00	8,044,392.47	0.92	1.13	0.93
	4256	Health and veterinary services	357,200.00	22,800.00	380,000.00	360,000.00	30,000.00	390,000.00	0.99	0.76	0.97
	4257	Intellectual and personal services	5,670,000.00	1,825,000.00	7,495,000.00	2,655,639.04	300,000.00	7,955,639.04	2.14	6.08	0.94
	4258	IT services	2,052,183.69	120,990.45	2,173,174.14	1,768,335.71	55,432.24	1,823,767.95	1.16	2.18	1.19
	4259	Other services	2,342,480.00	149,520.00	2,492,000.00	1,286,280.46	50,000.00	1,336,280.46	1.82	2.99	1.86
	426	Expenditure for material and power	1,891,224.84	120,716.47	2,011,941.31	1,807,009.23	143,000.00	1,950,009.23	1.05	0.84	1.03
	4	Office supplies and other material expenditure	1,006,740.00	64,260.00	1,071,000.00	805,493.86	89,000.00	894,493.86	1.25	0.72	1.20
	4263	Power	697,709.44	44,534.64	742,244.08	714,692.71	30,000.00	744,692.71	0.98	1.48	1.00
	4264	Small inventory and car tyres	186,775.40	11,921.83	198,697.23	286,822.66	24,000.00	310,822.66	0.65	0.50	0.64
	429	Other unmentioned material expenditure	1,727,834.04	110,287.28	1,838,121.32	1,559,146.05	80,400.00	1,639,546.05	1.11	1.37	1.12
	4291	Insurance premiums	1,325,400.00	84,600.00	1,410,000.00	1,084,399.80	45,000.00	1,129,399.80	1.22	1.88	1.25
	4292	Entertainment	141,439,281	9,028.04	150,467.32	148,688.85	24,400.00	173,088.85	0.95	0.37	0.87
	4293	Membership fees	211,808.32	13,519.68	225,328.00	247,937.40	10,000.00	257,937.40	0.85	1.35	0.87
	4295	Other unmentioned material expenditure	49 86.44*	3,139.56	52,326.00	78,120.00	1,000.00	79,120.00	0.63	3.14	0.66
43		Depreciation expenditure	0.00	0.00	3,500,000.00	0.00	0.00	3,500,000.00	-	-	1.00
	431	Depreciation*	0.00	0.00	3,500,000.00	0.00	0.00	3,500,000.00	-	-	1.00
	4311	Depreciation*	0.00	0.00	3,500,000.00	0.00	0.00	3,500,000.00	-	-	1.00

HAKOM's 2011 Expenditure plan -
compared to 2010 Plan

C l a s s	Su bgr oup	Secti on	T I T L E	PLAN FOR 2011			PLAN FOR 2010			PLAN 2011/PLAN 2010		
				<i>ELECTRONIC COMMUNICATIONS SECTOR</i>	<i>POSTAL SERVICES SECTOR</i>	<i>HAKOM - total-</i>	<i>ELECTRONIC COMMUNICATIONS SECTOR</i>	<i>POSTAL SERVICES SECTOR</i>	<i>HAKOM - total-</i>	<i>I.</i>	<i>II</i>	<i>III</i>
44			Financial expenditure	66,883.36	4,269.15	71,152.51	197,603.57	8,700.00	206,303.57	0.34	0.49	0.34
	443		Other financial expenditure	66,883.36	4,269.15	71,152.51	197,603.57	8,700.00	206,303.57	0.34	0.49	0.34
		4 4 3	<i>Banking services and payment transaction services</i>	<i>41,191,34</i>	<i>2,629,23</i>	<i>43,820,57</i>	<i>73,799.44</i>	<i>3,000.00</i>	<i>76,799.44</i>	<i>0.56</i>	<i>0.88</i>	<i>0.57</i>
		4432	<i>Negative exchange rate differences and currency clause</i>	<i>13,147,97</i>	<i>839.23</i>	<i>13,987.20</i>	<i>8,756.74</i>	<i>1,000,00</i>	<i>9,756.74</i>	<i>1.50</i>	<i>0.84</i>	<i>1.43</i>
		4433	<i>Penalty interest</i>	<i>1,584.03</i>	<i>101.1</i>	<i>1,685.14</i>	<i>55,829.76</i>	<i>3,000.00</i>	<i>58,829.76</i>	<i>0.03</i>	<i>0.03</i>	<i>0.03</i>
		4434	<i>Other unmentioned material expenditure</i>	<i>10,960.02</i>	<i>699.58</i>	<i>11,659.60</i>	<i>59,217.63</i>	<i>1,700.00</i>	<i>60,917.63</i>	<i>0.19</i>	<i>0.41</i>	<i>0.19</i>
45			Donations	84,600.00	5,400.00	45,108,921.13	132,000.001	0.00	47,562,491.25	0.64	-	0.95
	451		Capital donations	84,600.00	5,400.00	90,000.00	132,000.00	0.00	132,000.00	0.64	-	0.68
		4511	<i>Capital donations</i>	<i>84,600,00</i>	<i>5,400,00</i>	<i>90,000.00</i>	<i>132,000,00</i>	<i>0.00</i>	<i>132,000,00</i>	<i>0.64</i>		<i>0.68</i>
	452		Capital donations *	0.00	0.00	45,018,921.13	0.00	0.00	47,430,491.25	-	-	0.95
		4521	<i>Capital donations *</i>	<i>0.00</i>	<i>0.00</i>	<i>45,018,921.13</i>	<i>0.00.i.</i>	<i>0.00</i>	<i>47,430,491.25</i>	<i>-</i>	<i>-</i>	<i>0.95</i>
46			Other expenditure	9,794.75	625.20	10,419.95	8,334.74	600.00	8,934.74	1.18	1.04	1.17
	461		Fines, penalties and damages	9,794.75	625.20	10,419.95	8,334.74	600.00	8,934.74	1.18	1.04	1.17
		4612	<i>Penalties, storage charges and other</i>	<i>7,444.72</i>	<i>475.20</i>	<i>7,919,92</i>	<i>7,919.94</i>	<i>500.00</i>	<i>8,419.94</i>	<i>0.94</i>	<i>0.95</i>	<i>0.94</i>
		4614	<i>Agreed fines and other compensations for damage</i>	<i>2,350,03</i>	<i>150.00</i>	<i>2,500,03</i>	<i>414.80</i>	<i>100.00</i>	<i>514.80</i>	<i>5.67</i>	<i>1.50</i>	<i>4.86</i>
T O T A L				67,207,418.02	5,646,764.03	121,373,103.18	61,685,832.24	3,740,132.24	121,356,455.74	1.09	1.51	1.00

Table 3. Comparison of Expenditure Plans 2011/2010 (in HRK)

**HAKOM's 2011 Investment plan - compared
to 2010 Investment Plan**

T I T L E	PLAN 2011			PLAN 2010			PLAN 2011/PLAN 2010		
	<i>ELECTRONIC COMMUNICATIONS SECTOR</i>	<i>POSTAL SERVICES SECTOR</i>	<i>HAKOM - total-</i>	<i>ELECTRONIC COMMUNICATIONS SECTOR</i>	<i>POSTAL SERVICES SECTOR</i>	<i>HAKOM - total-</i>	<i>I.</i>	<i>II</i>	<i>III</i>
I. Facilities	5,230,000.00	0.00	5,230,000.00	7,445,000.00	0.00	7,445,000.00	0.70	-	0.70
A) Construction of HAKOM centers and CMSs	5,230,000.00	0.00	5,230,000.00	7,445,000.00	0.00	7,445,000.00	0.70	-	0.70
<i>I.A. 1 Procurement of premises for HAKOM's headquarters</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	-	-	-
<i>I.A.2 Construction of CMS Veliki Bokolj</i>	<i>2,000,000.00</i>	<i>0.00</i>	<i>2,000,000.00</i>	<i>1,805,000.00</i>	<i>0.00</i>	<i>1,805,000.00</i>	<i>1.11</i>	-	<i>1.11</i>
<i>I.A.3 CMS Ozljak</i>	<i>30,000.00</i>	<i>0.00</i>	<i>30,000.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	-	-	-
<i>I.A. 4 Procurement of business premises for CMC Split and CMC Rijeka</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>1,940,000.00</i>	<i>0.00</i>	<i>1,940,000.00</i>	<i>0</i>	-	<i>0</i>
<i>I.A.5. Purchase of premises for CMC Osijek</i>	<i>3,200,000.00</i>	<i>0.00</i>	<i>3,200,000.00</i>	<i>3,700,000.00</i>	<i>0.00</i>	<i>3,700,000.00</i>	<i>0.86</i>	-	<i>0.86</i>
II. Measurement and IT equipment	4,340,780.00	47,820.00	4,388,600.00	25,015,496.65	67,000.00	25,082,496.65	0.17	0.71	0.17
A) Procurement of measurement equipment for CMS and HAKOM's centres	3,591,600.00	0.00	3,591,600.00	24,119,000.00	0.00	24,119,000.00	0.15	-	0.15
<i>II.A. 1 Modernisation of the measurement system</i>	<i>1,091,600.00</i>	<i>0.00</i>	<i>1,091,600.00</i>	<i>22,519,000.00</i>	<i>0.00</i>	<i>22,519,000.00</i>	<i>0.05</i>	-	<i>0.05</i>
<i>II.A.2 Equipment for measurement vehicles</i>	<i>2,500,000.00</i>	<i>0.00</i>	<i>2,500,000.00</i>	<i>1,600,000.00</i>	<i>0.00</i>	<i>1,600,000.00</i>	<i>1.56</i>	-	<i>1.56</i>
B) Procurement of IT equipment	749,180.00	47,820.00	797,000.00	896,496.65	67,000.00	963,496.65	0.84	0.71	0.83
III. Furniture	347,800.00	22,200.00	370,000.00	677,967.22	23,000.00	700,967.22	0.51	0.97	0.53
IV. Investments into software	5,658,800.00	363,200.00	6,020,000.00	5,001,381.29	0.00	5,001,381.29	1.13	-	1.20
V. Means of transport	3,050,000.00	200,000.00	3,250,000.00	1,040,000.00	0.00	1,040,000.00	2.93	-	3.33
VI. Development projects and expert studies	940,000.00	60,000.00	1,000,000.00	9,749,000.00	0.00	9,749,000.00	0.10	-	0.10
VII. Other equipment	282,000.00	18 000.00	300,000.00	413,980.271	0.00	433,980.27	0.68	-	0.72
TOTAL	19,849,380.00	709,220.00	20,558,600.00	49,342,825.43	90,000.00	49,432,825.43	0.40	7.88	0.42

Table 4. Comparison of Investment Plans 2011/2010 (in HRK)

