EUROPEAN PUBLIC PROSECUTOR'S OFFICE

ANNUAL ACCOUNTS OF THE EUROPEAN PUBLIC PROSECUTOR'S OFFICE

FINANCIAL YEAR 2022

DRAWN UP 30/05/2023

CERTIFICATION OF THE ACCOUNTING OFFICER AND STATEMENT OF THE ADMINISTRATIVE DIRECTOR

Certification of the accounting officer

I acknowledge my responsibility for the preparation and presentation of the annual accounts of EPPO, the European Public Prosecutor's Office, in accordance with Article 102 of the Framework Financial Regulation ('FFR')[1] and I hereby certify that the annual accounts of EPPO for the year 2022 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

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

Based on this information and on such checks, as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of EPPO.

KARKO Adrienn

Digitally signed by KARKO Adrienn
Date: 2023.06.26 14:37:02 +02'00'

Ms. Adrienn KARKO

Principal Accounting Officer

Statement of the Administrative Director

I, the undersigned, Administrative Director of EPPO, in my capacity as Authorizing Officer declare that the information contained in this report gives a true and fair view.

State that I have reasonable assurance that the resources assigned to the activities described in this report were for their intended purpose and in accordance with the principles of sound financial management.

Confirm that I am not aware of anything not reported here which could harm the interests of the EPPO and the European Institutions in general.

Digitally signed by:
Olivier RAMSAYER
Reason: EPPO Administrative Director.
Date: 2023-06-26 10:59:49 UTC

Mr. Olivier RAMSAYER

Administrative Director

[1] COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

BACKGROUND INFORMATION NOTE

Establishment

The European Public Prosecutor's Office (EPPO), which has its seat in Luxembourg, was established by Council Regulation (EU) 1939/2017 of 12 October 2017, implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office.

The EPPO started operations on 1 June 2021, after the European Commission officially confirmed the starting date on 26 May 2021 and has been financially autonomous since 24 June 2021.

Mission

The EPPO is responsible for investigating, prosecuting and bringing to judgment crimes against the financial interests of the EU. These include several types of fraud, VAT fraud with damages above EUR 10 million euro, money laundering, corruption, etc.

Main operational activities

The EPPO undertakes investigations, carries out acts of prosecution and exercises the functions of prosecutor in the competent courts of the participating Member States, until a case is finally disposed of. The mandate of the European Public Prosecutor's Office is defined in Council Regulation (EU) 1939/2017 that entered into force on 31 October 2017.

Governance

The EPPO operates as a fully independent single office across all participating EU countries, and combines European and national law-enforcement efforts.

The administrative set-up of EPPO was finalised and the operational phase started on 1 June 2021. The Office is composed of two levels: the central level and the decentralised (national) level.

The central level, with its headquarters in Luxembourg, consists of the European Chief Prosecutor, 22 European Prosecutors (one per participating EU country), two of whom function as deputies for the European Chief Prosecutor, and the Administrative Director. The European Chief Prosecutor and the 22 European Prosecutors constitute the College of the EPPO.

The decentralised level consists of the European Delegated Prosecutors (EDPs) in the 22 participating EU Member States. The central level supervises the investigations and prosecutions carried out by the EDPs at the national level, who operate with complete independence from their national authorities.

Sources of financing

The entity's operations are financed from the general budget of the European Union through an annual subsidy.

Annual accounts - Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the Framework Financial Regulation (FFR)[2]. As per this regulation, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

Accounting Officer

In accordance with the FFR, the EPPO College appoints the Accounting Officer, who is amongst other tasks, responsible for the preparation of the annual accounts, which are consolidated with those of the EU.

Composition of the annual accounts

The annual accounts cover the period of a calendar year, however the comparative data of 2021 is from financial autonomy starting from 24 June 2021 to 31 December 2021. The accounts comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

Process from provisional accounts to discharge

The provisional annual accounts prepared by the Accounting Officer are transmitted, by 1 March of the following year, to the European Court of Auditors (ECA) and to the external audit company selected by the entity. Following the audit, the Accounting Officer prepares the final annual accounts and submits them to the EPPO College for opinion.

The final annual accounts, together with the opinion of the EPPO College, are sent to the Accounting Officer of the Commission, the Court of Auditors, the European Parliament and the Council by 1 July of the following financial year. The ECA scrutinises the final annual accounts and includes any findings in the annual report for the European Parliament and the Council.

It falls to the Council to recommend, and then to the European Parliament to decide, whether to grant discharge to the Administrative Director of EPPO in respect of the implementation of the budget for a given financial year. Amongst other elements, this decision is also based on a review of the accounts and the annual report of the ECA.

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[2] COMMISSION DELEGATED REGULATION (EU) 2019/715 OF 18 DECEMBER 2018 ON THE FRAMEWORK FINANCIAL REGULATION FOR THE BODIES SET UP UNDER THE TFEU AND EURATOM TREATY AND REFERRED TO IN ARTICLE 70 OF REGULATION (EU, EURATOM) 2018/1046 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

Operational highlights

EPPO investigates fraud involving EU funds over EUR 10.000 and cross-border VAT fraud involving damages above EUR 10 million. Any such fraud committed in the participating Member States after November 2017 falls within its jurisdiction. The EPPO is independent from national governments, The European Commission and other EU institutions, bodies and agencies and represents the justice pillar of the EU. EPPO operates as a single office with a decentralized structure. The headquarters is in Luxembourg, while it has offices in 41 locations in the participating Member States. Twenty-two European Prosecutors oversee investigations initiated by the European Delegated Prosecutors (EDP). On 31 December 2022, there were 114 EDPs in active employment.

2022 marked the first complete calendar year of operations for EPPO following financial autonomy in mid-year 2021.

The budget of EPPO is financed from the General Budget of the European Union in the form of balancing subsidy. In 2022 it amounted initially to EUR 57.1 million for the year, which was gradually reduced to EUR 51.2 million with amending budgets. The comparisons for the purposes of the Financial Statements are those of 2021 following financial autonomy; while for the budget reports, the amounts before financial autonomy are included when necessary for fair presentation.

The major IT tool that facilitates investigations is the so-called Case Management System (CMS), which aims to deliver in a fully independent, secure and compliant manner the critical capabilities required in the daily analytical and casework management. During 2022, it evolved further from an application to an ecosystem of tools. In the back-end, the infrastructure upon which the CMS services relies was further enhanced in terms of security hardening and segregation of environments. The work to provide a second data centre, to host a duplicate of the EPPO infrastructure was on the way.

2022 was another significant year with large number of recruitments and onboarding campaigns: 217 posts out of the 248 (88%) authorized in the Establishment plan were filled by the end of 2022.

FINANCIAL STATEMENTS

IT SHOULD BE NOTED THAT DUE TO THE ROUNDING OF FIGURES INTO THOUSANDS OF EURO (kEUR), SOME FINANCIAL DATA IN THE TABLES MAY APPEAR NOT TO ADD-UP.

BALANCE SHEET

EUR '000

	Note	31.12.2022	31.12.2021	Variation	Change in %
NON-CURRENT ASSETS					
Intangible assets	2.1	4.512	3.141	1.372	44%
Property, plant and equipment	2.2	3.659	1.888	1.771	94%
Non-current exchange receivables		0	-		
		8.171	**5.028**	**3.143**	**63%**
CURRENT ASSETS					
Exchange receivables	2.3	13.693	8.666	5.027	58%
		13.693	**8.666**	**5.027**	**58%**
TOTAL ASSETS		**21.864**	**13.694**	**8.170**	**60%**
CURRENT LIABILITIES					
Payables	2.4	-1.622	-1.004	-618	62%
Accrued charges	2.5	-2.836	-3.838	1.002	-26%
		-4.459	**-4.843**	**384**	**-8%**
TOTAL LIABILITIES		**-4.459**	**-4.843**	**384**	**-8%**
NET ASSETS					
Accumulated surplus		-8.851	-	-8.851	100%
Economic result of the year		-8.555	-8.851	296	-3%
NET ASSETS		**-17.406**	**-8.851**	**-8.555**	**97%**

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	Note	2022	2021	Variation	Change in %
REVENUE					
Revenue from non-exchange transactions	3.1				
Funds from the Commission		49.620	26.274	23.347	89%
Transfer of assets from the Commission		1.130	3.538	-2.408	-68%
Other		-	404	-404	-100%
		50.750	**30.216**	**20.534**	**68%**
Revenue from exchange transactions	3.2				
Other		30	1	29	5508%
		30	**1**	**29**	**5508%**
Total revenue		**50.780**	**30.216**	**20.564**	**68%**
EXPENSES					
Operating costs	3.3	-864	-1.835	971	-53%
Staff costs	3.4	-27.509	-11.734	-15.775	134%
Other expenses	3.5	-13.852	-7.796	-6.056	78%
Total expenses		**-42.225**	**-21.365**	**-20.860**	**98%**
ECONOMIC RESULT OF THE YEAR		**8.555**	**8.851**	**-296**	**-3%**

CASH FLOW STATEMENT[3]

EUR '000

	31.12.2022	31.12.2021
Economic result of the year - Profit/ (Loss)	8.555	8.851
Operating activities		
Depreciation and amortization	1.307	507
(Increase)/decrease in exchange receivables	-5.027	-8.666
Increase/(decrease) in payables	618	1.004
Increase/(decrease) in accrued charges	-1.002	3.838
Investing activities		
(Increase)/decrease in intangible assets and property, plant and equipment	-4.450	-5.536
NET CASH FLOW	**0**	**0**
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at year-end	-	-

[3] EPPO IS BENEFITING FROM THE CENTRALIZED TREASURY SERVICES OFFERED BY THE COMMISSION. BECAUSE OF THIS, EPPO 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 OF EXCHANGE RECEIVABLES.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
Balance as of 1 January 2022	8.851	-	8.851
Economic result of the year	-	8.555	8.555
BALANCE AS AT 31.12.2022	**8.851**	**8.555**	**17.406**

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Accounting principles

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

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.

Basis of preparation - Reporting period

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

As from 24 June 2021 EPPO was financially autonomous from the European Commission, the annual accounts presents the comparative data for the period starting 24 June and ending 31 December 2021.

Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional 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	31.12.2022	31.12.2021	Currency	31.12.2022	31.12.2021
BGN	**1,9558**	1,9558	**PLN**	**4,6808**	4,5969
CZK	**24,1160**	26,8580	**RON**	**4,9495**	4,9490
DKK	**7,4365**	7,4364	**SEK**	**11,1218**	10,2503
HRK	**7,5345**	7,5156	**CHF**	**0,9847**	1,0331
HUF	**400,8700**	369,1900	**USD**	**1,0666**	1,1326

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: impairment allowance for financial assets at amortised cost, amounts for employee benefit liabilities, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of intangible assets and property, plant and equipment, net realisable value of intentories. Actual results could differ from those estimates.

Reasonable estimates are an 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.

Application of new and revised European Union Accounting Rules (EAR)

There are no new EAR that became effective for annual periods beginning on or after 1 January 2022.

There are no new EAR adopted during 2022 but not yet effective at 31 December 2022.

BALANCE SHEET

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable, or arises from binding arrangements. Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met and the expenses relate solely to the development phase of the asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives (3 to 11 years).

Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer 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 is not depreciated, as it is 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
Buildings	4 % to 10 %
Plant and equipment	10 % to 25 %
Furniture and vehicles	10 % to 25 %
Computer hardware	25 % to 33 %
Other	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

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee.
An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering into an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither an asset nor a liability recognised in the balance sheet.

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 tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) 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. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

Financial assets

The classification of the financial instruments is determined at initial recognition. Based on the management model and the asset contractual cash-flow characteristics the financial assets can be classified in three categories: Financial assets at amortised cost ('AC'), financial assets at fair value through net assets/equity ('FVNA') or financial assets at fair value through surplus or deficit ('FVSD').

Based on this classification, the entity has only '**financial assets at amortised cost**', which are exchange receivables.

Financial assets at amortised cost are non-derivative financial assets that meet two conditions:

1. The entity holds them in order to collect the contractual cash flows.
2. On specified days, there are contractual cash flows that are solely payments of the principal and interest on the outstanding principal.

Financial assets at amortised cost are included in current assets, except for those with maturity of more than 12 months from the balance sheet reporting date.

Financial assets at amortised cost are initially recognised at their fair value plus the transaction costs.

Financial assets at amortised cost are carried at amortised cost, which is the amount initially recognised minus the principal repayments, plus or minus the cumulative amortisation of the interests using the effective interest method. In addition, the entity recognises a loss allowance for expected credit losses over the lifetime of the financial assets. At each reporting date, the annual movement in the loss allowance adjusts the carrying amount of the financial asset. In the statement of financial performance, the entity recognises an impairment gain or loss for the adjustment of the loss allowance.

Financial assets at amortised cost are derecognised either when the rights to receive cashflows from the investments have expired or are waived, or and when the entity has transferred substantially all risks and rewards of ownership to another party.

Receivables and recoverables

The EU accounting rules require separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions meet the definition of financial instruments, the entity classified them as financial assets at amortised cost and measured them accordingly.

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition 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.

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, or pre-financing received.

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount, at the moment 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. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

Provisions

Provisions are recognized when EPPO has a present legal or constructive obligation towards third parties as a result of past events, when 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 recognized or future operating losses. The amount of the provision is the best estimate of the expenditures expected to settle the present obligation at the reporting date.

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, or 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. These 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.

STATEMENT OF FINANCIAL PERFORMANCE

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, revenue 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. For the EU entities, transfers mostly comprise funds received from the Commission (e.g. balancing subsidy to the traditional agencies, operating subsidy for the delegation agreements).

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.

(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.

Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or the incurring of liabilities that result in decreases in net assets. 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 the 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.

CASH FLOW STATEMENT

Cash flow information provides a basis for assessing the ability of the entity to generate cash and cash equivalents, and its need to utilise those cash flows.

The cash flow statement is prepared using the **indirect method**. This means that the economic result for the financial year is adjusted by adding or subtracting differences resulting from non-cash transactions. Non-cash items show up in the changes to an entity`s assets and liabilities on the Balance Sheet from one period to the next. Cash flows are divided into the following general categories: operating, investing and financing activities.

Operating activities are the activities of the entity that are not investing or financing activities but refer to the primary revenue-generating activities. These are the majority of the activities performed.

Investing activities are the acquisition and disposal of intangible assets, property, plant and equipment and other investments, which are not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of borrowings, transactions with owners or lenders either to provide long-term funds to the entity or to return those funds to the owners or lenders.

CONTINGENT ASSETS AND LIABILITIES

Contingent assets

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

Contingent liabilities

A contingent liability is either a possible obligation 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 where it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

A contingent liability also arises in the rare circumstances where a present obligation exists but cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the accounts. They are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

CONSOLIDATION

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

2. NOTES TO THE BALANCE SHEET

2.1 INTANGIBLE ASSETS

EUR '000

	TOTAL
Gross carrying amount at 31.12.2021	3.374
Additions	2.392
Other changes	-700
Gross carrying amount at 31.12.2022	**5.067**
Accumulated amortisation at 31.12.2021	-234
Amortisation charge for the year	-359
Other changes	39
Accumulated amortisation at 31.12.2022	**-554**
NET CARRYING AMOUNT AT 31.12.2022	**4.512**
NET CARRYING AMOUNT AT 31.12.2021	*3.141*

Addition for the year represents the subsequent expenditure for EPPO's Case Management System (CMS), the dedicated IT system that is used for entering, managing and transmitting EPPO's cases and other confidential data in a secure manner and which is interlinked to the Member States' systems. The development of the software began before financial autonomy mid-2021 and continues ever since. At the end of 2022 kEUR 1.130 was transferred from DG JUST, which represents the expenditure of CMS development contract that was kept in DG JUST books due to budget constraints at time of financial autonomy. The transfer at year-end was free of charge, hence the corresponding revenue is recognised in *Non-exchange operating revenue* (see note 3.1). In addition, kEUR 1.262 development expenditure was covered directly from EPPO budget in 2022.

The amounts in the *Other changes* rows of the fixed assets movement tables (tangible assets and PPE) are related to overlapping impact of corrections in the previous financial year due to post-capitalization.

2.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) are tangible assets that are held for use in the production, supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

EUR '000

	Plant and equipment	Furniture and vehicles	Computer hardware	Fixtures and fittings	TOTAL
Gross carrying amount at 31.12.2021	1	261	1.602	297	2.161
Additions	6	79	747	1.226	2.058
Other changes	0	0	700	0	700
Gross carrying amount at 31.12.2022	**6**	**340**	**3.050**	**1.523**	**4.919**
Accumulated depreciation at 31.12.2021	0	-10	-220	-43	-273
Depreciation charge for the year	0	-35	-742	-171	-948
Other changes	0	0	-39	0	-39
Accumulated depreciation at 31.12.2022	**-1**	**-45**	**-1.001**	**-214**	**-1.260**
NET CARRYING AMOUNT AT 31.12.2022	**6**	**295**	**2.049**	**1.309**	**3.659**
NET CARRYING AMOUNT AT 31.12.2021	*1*	*251*	*1.382*	*253*	*1.888*

Material additions in Computer hardware relate to EPPO`s data centre and administrative IT infrastructure purchases (laptops, phones etc). Asset investment during 2022 classified as Fixtures and fittings relate to the refurbishment of floors in the EPPO headquarter, due to foreseen expansion and new audio-visual equipment installations.

At the end of 2022 EPPO ran its first comprehensive inventory exercise. Out of the 6.327 inventoried items at the end of 2022, 3.991 (63%) are marked to be labelled, hence in the scope of the inventory tracking. Scanning result of inventoried items for all asset domains was 93.28% as of number of items, which represented 96,57% of initial acquisition value of all items that were in the scope of the exercise (tangible items that are marked for labelling).

2.3 EXCHANGE RECEIVABLES

Exchange transactions are transactions in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Non-exchange transactions are transactions in which an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

At 31 December 2022 EPPO had an immaterial non-current receivable in the form of a two-month` deposit paid to secure a rental agreement. The material amounts included under this heading are of current nature and can be broken down as follows:

EUR '000

	31.12.2022	31.12.2021	Variation	Change in %
Central treasury liaison accounts	12.549	7.668	4.881	64%
Deferred charges relating to exchange transactions	974	968	6	1%
Other	170	30	140	465%
Total	**13.693**	**8.666**	**5.027**	**58%**

The main element concerns the treasury liaison/intercompany accounts with the Commission that represent a virtual bank account of EPPO. The treasury of EPPO is integrated into the Commission's treasury system. Because of this, EPPO 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 presented under this heading. The result of the incoming and outgoing payments is the virtual cash balance available to EPPO.

The deferred charges consist of pre-payments for services that will cover future financial years. Forward-looking representation of the deferred charges balance at 2022 year-end is shown in the table below.

EUR '000

Origin of deferred charge (booking year)	Future year of expense 2023	2024	2025	Total
2021	267	200		467
2022	387	111	9	507
Total	**654**	**311**	**9**	**974**

2.4 PAYABLES

Payables are liabilities to pay for goods or services that have been received or supplied and - unlike accrued charges - have already been invoiced or formally agreed with the supplier. Payables can relate to both exchange transactions (such as the purchase of goods and services) and non-exchange transactions (e.g. cost claims from beneficiaries of grants, pre-financing or other EU funding).

EUR '000

	31.12.2022	31.12.2021	Variation	Change in %
Commission subsidy	1.581	894	687	77%
Suppliers	42	110	-68	-62%
Total	**1.622**	**1.004**	**618**	**62%**

The heading Commission subsidy comprises the unused pre-financing amounts received from the Commission in 2022, known as the balancing subsidy. The outstanding amount will be returned to the Commission in the course of 2023. (See also Budget outturn calculation in Budget implementation reports and explanatory notes 2.)

2.5 ACCRUED CHARGES

Accruals are liabilities to pay for goods or services that have been received or supplied but - unlike payables - have not yet been invoiced or formally agreed with the supplier. They include amounts due to employees (e.g. accruals for untaken holidays, retroactive salary revisions). The calculation of accruals is on one hand based on the open amount of budgetary commitments at year-end. (Except for the staff-expense related ones which follow strictly the budgetary annuality principle) The estimated accrued charges consist of reasonable estimates based on the information available at the end of the year. At the time of the preparation of the final annual accounts, the accruals were revised to reflect the most recent information related to the underlying transactions.

EUR '000

	31.12.2022	31.12.2021	Variation	Change in %
Accrued charges	2.528	3.604	-1.076	-30%
Accrued charges with consolidated entities	308	234	74	32%
Total	**2.836**	**3.838**	**-1.002**	**-26%**

The accrued charges of kEUR 2.528 include the estimated staff costs of kEUR 1.074 for untaken leave days at the end of 2022 and an additional amount of kEUR 439 representing retroactive salary adjustments effectively accounted for during 2023. An amount of kEUR 410 was accrued for Q4 security services in the headquarters, kEUR 274 for translation services with other consolidated entity.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

3.1 NON-EXCHANGE REVENUE

Revenue from non-exchange transactions relates to transactions where the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange. The heading includes the value of transferred asset (CMS development) received from DG JUST at the end of the year next to the subsidy revenue from The Commission, which is the sole source of financing of the EPPO stemming from the general budget of the European Union (See also Budget outturn calculation in Budget implementation reports and explanatory notes 2)

EUR '000

	2022	2021	Variation	Change in %
Funds from the Commission	49.620	26.274	23.346	89%
Transfer of assets from the Commission	1.130	3.538	-2.408	-68%
Other	-	404	-404	-100%
Total	**50.750**	**30.216**	**20.534**	**68%**

3.2 OTHER EXCHANGE REVENUE

EUR '000

	2022	2021	Variation	Change in %
Other	30	1	29	2900%

Included under this heading are the realised and unrealised exchange gains and salary regularizations of EDPs for the time they worked for their national authorities. The corresponding foreign exchange losses are included under other expenses (see note 3.5 below).

3.3 OPERATING COSTS

Included under this heading are expenses incurred in relation to operational activities.

EUR '000

	2022	2021	Variation	Change in %
Operating costs	864	1.835	-971	-53%

The operational costs include amounts related to operational ICT services, investigation activities, communication services etc. The decrease from 2021 is largely outweighed by the increase of costs under Other expenses. This is because of significant translation and close protection services were provided by other consolidated EU entities and such expenses have to be reported under the *Other expenses* heading.

3.4 STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment-related benefits. Based on the service level agreement between the entity and the Commission, the calculations of staff-related costs are carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO).

The pensions of the entity staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the entity staff and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the entity accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the entity, as the obligation falls to the Commission. Consequently, both the annual cost to the EU budget, and the future benefits payable to the entity staff, are accounted for in the Commission's annual accounts as part of its provision for pensions and other post-employment benefits.

The remuneration of the officials and other servants of the European Union is updated yearly, taking into account the economic and social situation of the Union. The update is implemented in accordance with Article 65 of the Staff Regulation applicable to officials and other servants of the European Union, adjusting with effect from 1 July 2022 the remuneration of active staff and the pensions of retired staff with + 7 %, and updating with effect from 1 July 2022 the correction coefficients applied to the remuneration of active staff.

In February 2023, retroactive salary adjustments were implemented in line with Article 8(2) of Annex XI to the Staff Regulations in light of the local increase of the cost of living updating the remuneration and correction coefficients earlier than 1 July 2022, in some places.

Country coefficients meant to reflect differences in living conditions/purchasing power in the various places of employment referenced to Brussels/Luxemburg (100%).

EUR '000

	2022	2021	Variation	Change in %
Staff costs	27.509	11.734	15.775	134%

Staff expenses substantially grew in line with the expansion of recruited staff numbers. At the end of 2022 the occupancy rate was 88% compared to what was foreseen in the Establishment plan.

3.5 OTHER EXPENSES

Included under this heading are expenses of administrative nature such as external non-IT services, operating leasing expenses, communications and publications, training costs etc.

EUR '000

	2022	2021	Variation	Change in %
Administrative expenses with EU consolidated entities	6.409	1.271	5.138	404%
Property, plant and equipment related expenses	2.846	2.161	685	32%
IT operational external costs	1.670	2.199	-529	-24%
External non IT services	1.131	891	239	27%
Missions	898	295	603	205%
Office Supplies & maintenance	443	729	-286	-39%
Training costs	168	69	99	145%
Operating leasing expenses	149	129	20	16%
Transport	85	-	85	100%
Communication and publication	56	1	55	100%
Other (Experts, recruitment, exchange)	-3	50	-52	-106%
Total	**13.852**	**7.796**	**6.057**	**78%**

The administrative expenses with consolidated entities (kEUR 6.409) relate mostly to service level agreements (SLAs) that the EPPO established with different departments of the Commission (close protection services, or HR and financial services, like provision of the ABAC suit etc) or with the Translation Centre CDT.

Property plant and equipment costs (kEUR 2.846) include security and utilities costs of the EPPO headquarter and amortisation and depreciation of assets for the year. IT operational costs incurred for the maintenance of CMS system (kEUR 1.670) as well as for administrative ICT maintenance (HW/SW) services, whereas external non-IT covers interim staff cost. The heading operating leasing expenses includes the rental of the Betzdorf Data centre.

4. OTHER SIGNIFICANT DISCLOSURES

4.1 OUTSTANDING COMMITMENTS NOT YET EXPENSED

The outstanding budgetary commitments not yet expensed (accounting RAL) comprise the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the current year's statement of financial performance. The budgetary RAL represents the open budgetary commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

EUR '000

	31.12.2022	31.12.2021	Variation	Change in %
Outstanding commitments not yet expensed	9.586	4.095	5.491	134%

The *outstanding budgetary commitments not yet expensed* (accounting RAL) represent the correction of the budgetary RAL with the estimated costs, which are determined by applying accrual based principle not reflected in the budgetary result, where the cash based principle is followed.

4.2 SERVICES IN KIND

During 2022 EPPO received, from the Luxembourg government, office space free of charge. The offered office space and share of common areas totalling to 5.480 m2 would cost approximately kEUR 2.762 per year.

4.3 RELATED PARTIES

The related parties of the entity are the other EU consolidated entities and the key management personnel of these entities. As transactions between EPPO and related parties take place as part of the usual business operations of the entity and on terms and conditions that are normal for such transactions, no specific disclosures are required.

As for key management entitlements, apart from transactions stemming from the employment relationship governed by the Staff Regulations of Officials and the Conditions of Employment of Other Servants[4], there are no other type of transactions neither any loans were provided on standard or preferential rate.

	31.12.2022	31.12.2021
European Chief Prosecutor	AD 15	AD 15
Administrative Director	AD 14	AD 14
European Prosecutors	AD 13	AD 13

4.4 LEGAL COMMITMENTS WITHOUT BUDGETARY COMMITMENTS

The EPPO has long-term/multi-annual contractual commitments without corresponding budgetary commitments[5] in the amount of kEUR 535 at year-end 2022. The entity will need to tie financial resources to those contractual obligations in the coming budgetary period(s).

4.5 FINANCIAL RISK MANAGEMENT

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for

[4] REGULATION NO 31 (EEC), 11 (EAEC), LAYING DOWN THE STAFF REGULATIONS OF OFFICIALS AND THE CONDITIONS OF EMPLOYMENT OF OTHER SERVANTS OF THE EUROPEAN ECONOMIC COMMUNITY AND THE EUROPEAN ATOMIC ENERGY COMMUNITY.

[5] ARTICLE 74(2) OF THE EPPO'S FINANCIAL RULES.

loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the entity has no significant interest rate risk and other price risk).

(1) Currency risk is the risk that the entity operations will be affected by changes in exchange rates. This risk arises from the change in the 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. The entity 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 non-payment or other failure to meet a contractual obligation. The default events include a delay in repayments, and bankruptcy.

Liquidity risk is the risk that an EU entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Currency risk

At the end of the year, the financial assets are composed of exchange receivables. The financial liabilities are composed of accounts payable. Their ending balances are materially quoted in EUR, the entity is thus not exposed to currency risk.

Credit risk

At the end of the year, the financial assets comprise exchange receivables that are not past due for more than 30 days. As no credit loss is expected during the life time of those receivables the entity is not exposed to any significant credit risk.

Liquidity risk

The financial liabilities are mainly composed of accounts payable. All the accounts payable have remaining contractual maturity of less than 1 year.

4.6 EVENTS AFTER REPORTING DATE

In line with Article 8(2) of Annex XI to the Staff Regulations, and in light of the local increase of the cost of living, the updates of remuneration and correction coefficients took place earlier than 1 July 2022 in some places. For remuneration, this is the case in Sofia, Copenhagen, Tallinn, Madrid, Zagreb, Varese, Nicosia, Budapest, Warsaw, Bucharest, Bratislava and Stockholm, where the updates took place on 16 May; in Prague, Athens, Riga, Vilnius and Lisbon on 1 May. The additional indexation and other miscellaneous salary adjustments with origin of 2022 were taken into account when establishing the final staff expense related accruals for 2022.

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

BUDGETARY PRINCIPLES AND STRUCTURE

The establishment and implementation of the EPPO budget is governed by the following basic principles set out in the Title II of the EPPO Financial Rules.

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 EPPO budget. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

Principle of annuality

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

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

The budget shall be drawn up and implemented in 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 lines.

Principle of sound financial management

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

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published in the Official Journal of the European Union within three months of their adoption.

STRUCTURE AND PRESENTATION OF THE BUDGET

Following the provisions of the EPPO Financial Rules approved by the EPPO College Decision no 002/2021 of 13 January 2021, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The statement of expenditure must be set out on the basis of a nomenclature with a classification by purpose. That nomenclature shall be determined by EPPO and shall make a clear distinction between administrative appropriations and operating appropriations:

Title 1

Budget lines relating to staff expenditure such as salaries and allowances for personnel working with EPPO. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure, training, representation costs and interim staff costs.

Title 2

Budget lines relating to all buildings, equipment and miscellaneous administrative expenditure.

Title 3

Budget lines providing for the implementation of the activities and tasks assigned to the EPPO by its establishing Regulation (EU) No. 1939/2017 of the Council of 12 October 2017.

Assigned revenue

Budget lines relating to financing of specific items of expenditure. They can be externally or internally assigned.

1. BUDGET IMPLEMENTATION HIGHIGHTS

Comparative budget evolution is presented in the table below. EPPO became financially independent 24 June 2021. Before that date The Commission implemented the EPPO budget, hence the comparative data for 2021 is the sum of the budget implementation before and after financial autonomy for the calendar year.

EUR '000

	2022	2021 EPPO	2021 COMM	2021 Total	Change 2022/2021
Title 1 - Staff expenditure	**21.024**	8.826	6.176	**15.002**	140%
Title 2 - Infrastructure and operating expenditure	**9.131**	4.248	1.119	**5.367**	170%
Title 3 - Operational expenditure	**21.047**	13.179	1.904	**15.083**	140%
Final budget for the year (C1)	**51.202**	**26.253**	**9.199**	**35.452**	**144%**

EPPO managed a final budget of kEUR 51.202 in commitment and payment appropriations in 2022 (C1-final budget for the year)[6]. The table below shows the budget evolution from initial voted budget to final budget for the year 2022 following amendments and transfers.

EUR '000

Title	Sum of Initial adopted budget 1	Sum of Amending budgets 2	Sum of Transfers 3	Sum of Final adopted budget 4=1+2+3
Title 1 - Staff expenditure	25.800	-4.573	-203	**21.024**
Title 2 - Infrastructure and operating exp.	6.280	3.017	-167	**9.131**
Title 3 - Operational expenditure	25.022	-4.345	370	**21.047**
Grand Total	**57.102**	**-5.900**	**0**	**51.202**

Amending budgets

The College adopted four amending budgets during 2022, gradually returning kEUR 5.900 (10% of the initial voted budget of kEUR 57.102). In 2021, 21% of the initial voted budget was returned to the EU budget via amendments.

Budget transfers

Transfers represent adjustments aiming at optimizing budget allocations within set limits, not resulting in overall modification of the available budget for the year. In accordance with Art. 26 of EPPO Financial Rules[7], three budget transfers were adopted by the European Chief Prosecutor,

[6] APPROPRIATIONS OF EPPO ARE NON-DIFFERENTIATED; HENCE, COMMITMENT AND PAYMENT APPROPRIATIONS FOR A GIVEN FINANCIAL YEAR ARE IDENTICAL

[7] THE EUROPEAN CHIEF PROSECUTOR, ON A PROPOSAL DRAWN UP BY THE ADMINISTRATIVE DIRECTOR, MAY TRANSFER APPROPRIATIONS: (A) FROM ONE TITLE TO ANOTHER UP TO A MAXIMUM OF 10 % OF THE APPROPRIATIONS FOR THE FINANCIAL YEAR SHOWN ON THE LINE FROM WHICH THE TRANSFER IS MADE; (B) FROM ONE CHAPTER TO ANOTHER AND WITHIN EACH CHAPTER WITHOUT LIMIT.

on proposal drawn up by the Administrative Director and were notified to the College for information.

Comparative budget implementation overview

EUR '000

Budget execution	2022	2021*
Final budget (C1)	51.202	35.452
Committed appropriations	50.234	34.544
Paid appropriations	39.240	27.741
Committed/final budget (%)	98,1%	97,4%
Paid/committed (%)	78,1%	80,3%
Paid/final budget (%)	76,6%	78,2%

*Aggregated data for 2021 (COMM+EPPO)

2022 was the first complete financial year under financial autonomy for EPPO. Compared to 2021, the final budget grew by 44,4%. Implementation of commitment appropriations improved to 2022 to 98,1% being over the expected performance indicator of 95% considerably in both years. Implementation of payments deteriorated somewhat compared to the reference year of 2021.

Implementation overview of 2022 final appropriations (C1 fund source)

EUR '000

Title	Final budget	Committed	Committed/final budget	Paid	Paid/committed
Title 1 - Staff expenditure	21.024	20.669	98,3%	20.368	98,5%
Title 2 - Infrastructure and operating exp.	9.131	8.911	97,6%	4.122	46,3%
Title 3 - Operational expenditure	21.047	20.654	98,1%	14.750	71,4%
Total	**51.202**	**50.234**	**98,1%**	**39.240**	**78,2%**

Implementation of commitment appropriations was over the 95% (performance indicator) for all the titles. The not committed CAs (commitment appropriations) of kEUR 968 are to a great extent due to shifts of activities to the following year: a training under Title 1, pilot project to cover Art. 91.6 expenditure[8] under Title 3.

Payment implementation varies across the titles. For Title 1 - Staff related expenditures the implementation rate was above 95%. In Title 2 and 3, the under-implementation is due to large number of specific contracts, order forms and purchase orders being placed towards the end of the year. Implementation of those is expected in N+1, as the committed but not paid payment appropriations are automatically carried over to the following year becoming C8 fund source.

[8] ARTICLE 91.6 OF THE EPPO REGULATION COVERING THE EXCEPTIONALLY COSTLY EXPENDITURE FOR INVESTIGATIONS. A PILOT-CASE WAS LAUNCHED IN 2022 AND THE FINANCING AGREEMENT IS EXPECTED TO BE SIGNED IN Q1-2023.

Implementation overview of carried over appropriations from 2021 (C8 fund source)

EUR '000

Title	Carried-over payment appropriation	Paid	Paid/carried-over	Cancelled	Cancelled/carried-over
Title 1 - Staff expenditure	706	515	72,9%	191	27,1%
Title 2 - Infrastructure and operating exp.	2.575	2.449	95,1%	126	4,9%
Title 3 - Operational expenditure	3.522	3.213	91,2%	309	8,8%
Total	**6.803**	**6.177**	**90,8%**	**626**	**9,2%**

Out of the kEUR 6.803 payment appropriations carried-over from 2021 (automatic carry-overs on C8 fund source), 9.2% was cancelled. This was due to lower than expected consumption on consultancy contracts, excess contingency margins kept to cover provisional commitments for translation, security and missions and lower than anticipated operational purchases.

Carry-overs to the following year (2023)

EUR '000

Title	Carry-over on C8 1	Carry-over on C5 (assigned revenue) 2	Carry-over on C9 3	Total carry-over 4=1+2	Carried-over lapsing appropriation C9
Title 1 - Staff expenditure	277	-	24	277	24
Title 2 - Infrastructure and operating exp.	4.789	0	-	4.789	-
Title 3 - Operational expenditure	5.903	43	-	5.946	-
Total	**10.970**	**43**	**24**	**11.013**	**24**

The difference between paid and committed appropriations in 2022 for kEUR 10.970 is carried over to the following financial year in accordance with Article 12 paragraph 6 of the EPPO Financial Rules[9]. Carry-overs of internal assigned revenue (kEUR 43) are automatic to the following financial year in accordance with Article 12 paragraph 4(a)[10] of the Financial Rules. Carry-overs on C9 fund source represent commitment appropriations without payment appropriation that are not available anymore for implementation and shall be decommitted (lapsing).

[9] NON-DIFFERENTIATED APPROPRIATIONS LEGALLY COMMITTED BY THE END OF THE FINANCIAL YEAR SHALL BE PAID UNTIL THE END OF THE FOLLOWING FINANCIAL YEAR.

[10] APPROPRIATIONS SHALL BE AUTOMATICALLY CARRIED OVER IN RESPECT OF: (A) APPROPRIATIONS CORRESPONDING TO INTERNAL ASSIGNED REVENUE. SUCH APPROPRIATIONS MAY BE CARRIED OVER ONLY TO THE FOLLOWING FINANCIAL YEAR AND MAY BE COMMITTED UP TO 31 DECEMBER OF THAT YEAR, WITH THE EXCEPTION OF THE INTERNAL ASSIGNED REVENUE FROM LETTINGS AND THE SALE OF BUILDINGS AND LAND REFERRED TO IN POINT (E) OF ARTICLE 20(3) WHICH MAY BE CARRIED OVER UNTIL IT IS FULLY USED

Payment time limits

In 2022, the EPPO paid 94.5% of payments within the legal time limits set in the FR and contractual instruments and the late payments did not necessitate default payments to suppliers[11]. For the payments that are subject to a 30-day time limit, which represents about half of the total number of payments, the average payment time was 17,52 days with suspension. For the payments related to mission claims (45% of the number of payments) which are subject to 90-day time limit, the average payment time was 31,29 days. The overall average time to pay was 23,66 days during 2022.

Late payments represented 5.48 % of total number of payments and only 1.59% of total amount of payments in 2022. The corresponding figures for 2021 (after EPPO's financial autonomy) are 17.05% and 4.08%.

[11] DEFAULT INTEREST OF AN AMOUNT HIGHER THAN EUR 200 HAS TO BE PAID AUTOMATICALLY TO THE CONTRACTOR/BENEFICIARY IN THE EVENT OF LATE PAYMENT. HOWEVER, FOR LOWER AMOUNTS (≤ EUR 200) IT IS UP TO THE CONTRACTOR/BENEFICIARY TO CLAIM ANY DEFAULT INTEREST WITHIN TWO MONTHS FOLLOWING RECEIPT OF THE LATE PAYMENT.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET (BUDGET OUTTURN)

EUR '000

	31.12.2022	31.12.2021
Balancing subsidy from the European Union	51.202	27.168
Other income	43	1
Total revenue	**51.245**	**27.169**
Title I: Staff		
Payments	-20.368	-7.896
Appropriations carried over	-301	-706
Title II: Administrative Expenses		
Payments	-4.122	-1.386
Appropriations carried over	-4.789	-2.575
Title III: Operating Expenditure		
Payments	-14.750	-9.260
Appropriations carried over	-5.946	-3.522
Total expenditure	**-50.277**	**-25.345**
Cancellation of unused payment appropriations carried over from 2021	**626**	**-930**
Exchange rate differences	**-14**	**1**
Budget result	**1.581**	**895**
EU balancing subsidy - EPPO revenue	**49.620**	**26.274**

The budget outturn for the financial year corresponds to the total subsidy of The European Union and other external/internal assigned revenues cashed, minus the total eligible expenditures incurred during the financial year (executed payments and appropriations carried over) adjusted with items originating from the previous financial year. The purpose of this calculation is to determine the amount of balancing subsidy that is considered as revenue of the EPPO out of the pre-financing subsidy cashed during 2022.

At the end of the 2022 financial year, the budget outturn is kEUR 1.581. This is the balancing subsidy pre-financing remaining open at the end of 2022, which will need to be reimbursed to The Commission during 2023.

The figure indicated as *EU balancing subsidy – EPPO revenue* is the amount to be recognised on the face of the Statement of Financial Performance.

The positive balance from 2021 of kEUR 895 was reimbursed to The Commission during 2022.

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET OUTTURN

EUR '000

	31.12.2022
ECONOMIC RESULT OF THE YEAR	**8.555**
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	**6.460**
Adjustments for accrual cut-off 2021 reversals	-2.871
Adjustments for accrual cut-off 2022	1.862
Unpaid invoices at year end but booked in expenses	-15
Depreciation of intangible and tangible assets	1.307
Payments made from carry-over of payment appropriations	6.177
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	**-13.434**
Asset acquisitions less unpaid amounts	-4.498
New pre-financing paid in the year and remaining open as at 31 December	-108
New pre-financing received in the year and remaining open as at 31 December	1.581
Budgetary recovery orders issued in 2022 on balance sheet accounts (and cashed in 2022)	1
Payment appropriations carried over to 2022	-11.037
Cancellation of unused carried over payment appropriations from previous year	626
BUDGET RESULT OF THE YEAR	**1.581**

4. IMPLEMENTATION OF BUDGET REVENUE

EUR '000

	Income appropriations		Entitlements established			Revenue				
Item	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	Out-standing
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
Contribution from the European Union	57.102	51.202	51.202	-	51.202	51.202	-	51.202	100%	-
Miscellaneous recoveries	-	-	43	-	43	43	-	43	-	-
GRAND TOTAL	**57.102**	**51.202**	**51.245**	-	**51.245**	**51.245**	-	**51.245**	**100%**	-

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1 BREAKDOWN AND CHANGES IN COMMITMENT AND PAYMENT APPROPRIATIONS

As EPPO is managing its budget appropriations as non-differentiated, the available commitment (CA) and payment appropriations (PA) are identical for a given financial year. The table below represents the overview of all fund sources: C1, C4 and C8 for the year. The meaning of the last two column (total available appropriations) nevertheless is slightly different depending if we consider CAs or PAs. As for CAs, the C8 carry overs are actual commitments carried over from 2021, hence they are not appropriations to commit in the narrow sense of the word, but documents (contracts) which await execution.

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Title	Chapter	Budget line description	Initial adopted budget	Amendments	Transfers	Final adopted budget (C1)	Carry-overs from 2021 (C8)	Assigned revenue (C4)	Total available commitment appropriations (C1+C4)	Total available payment appropriations (C1+C4+C8)
1	11	Contract agents	3.000	-798	-175	2.027	0	0	2.027	2.027
		Seconded National Experts	1.300	-847	0	453	0	0	453	453
		Temporary agents	18.000	-2.754	-86	15.160	0	0	15.160	15.160
	11 Total		**22.300**	**-4.398**	**-261**	**17.641**	**0**	**0**	**17.641**	**17.641**
	12	Recruitment, entering and leaving the service, transfer costs	1.000	-378	0	622	24	0	622	646
	12 Total		**1.000**	**-378**	**0**	**622**	**24**	**0**	**622**	**646**
	13	Mission costs, duty travel, ancillary expenditure	50	-10	0	40	2	0	40	42
	13 Total		**50**	**-10**	**0**	**40**	**2**	**0**	**40**	**42**
	14	Canteens, internal meetings, events and receptions	150	67	0	217	8	0	217	225
		Social, medical and other services	500	0	100	600	330	0	600	930
	14 Total		**650**	**67**	**100**	**817**	**338**	**0**	**817**	**1.155**
	15	Training and training related expenses	150	274	-62	361	67	0	361	428
	15 Total		**150**	**274**	**-62**	**361**	**67**	**0**	**361**	**428**
	16	External services	470	-105	0	365	87	0	365	452
		Interim staff and train	960	7	20	987	88	0	987	1.076
	16 Total		**1.430**	**-98**	**20**	**1.352**	**175**	**0**	**1.352**	**1.528**
	17	Receptions, events and representation expenses	20	0	0	20	2	0	20	22
	17 Total		**20**	**0**	**0**	**20**	**2**	**0**	**20**	**22**
	18	Other staff expenditure	200	-30	0	170	98	0	170	268
	18 Total		**200**	**-30**	**0**	**170**	**98**	**0**	**170**	**268**

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Title	Chapter	Budget line description	Initial adopted budget	Amendments	Transfers	Final adopted budget (C1)	Carry-overs from 2021 (C8)	Assigned revenue (C4)	Total available commitment appropriations (C1+C4)	Total available payment appropriations (C1+C4+C8)
Total Title 1			**25.800**	**-4.573**	**-203**	**21.024**	**706**	**0**	**21.024**	**21.730**
2	21	Insurance, maintenance and cleaning	450	-252	0	198	42	0	198	240
		Rental of buildings and associated costs	2.500	472	-150	2.822	1.457	0	2.822	4.280
	21 Total		**2.950**	**220**	**-150**	**3.020**	**1.499**	**0**	**3.020**	**4.520**
	22	Hardware, software and linked expenses	1.950	943	83	2.977	73	0	2.977	3.050
		ICT services, analysis, programming, technical assistance	600	2.080	-100	2.580	375	0	2.580	2.955
	22 Total		**2.550**	**3.023**	**-17**	**5.557**	**448**	**0**	**5.557**	**6.005**
	23	Audiovisual, technical equipment and installations	300	-160	0	140	538	0	140	678
		Furniture	200	0	0	200	0	0	200	200
		Transportation and removal expenses	130	-5	0	125	15	0	125	140
	23 Total		**630**	**-165**	**0**	**465**	**553**	**0**	**465**	**1.018**
	24	Office supplies, publication and library expenses	60	-8	0	52	5	0	52	57
		Other administrative expenditure	40	-8	0	32	21	0	32	53
	24 Total		**100**	**-16**	**0**	**84**	**26**	**0**	**84**	**110**
	25	Other infrastructure and operating expenditure	50	-45	0	5	48	0	5	53
	25 Total		**50**	**-45**	**0**	**5**	**48**	**0**	**5**	**53**
2 Total			**6.280**	**3.017**	**-167**	**9.131**	**2.575**	**0**	**9.131**	**11.706**
3	31	Communication and related costs	200	-77	0	123	7	0	123	130
		Translation and related costs	8.350	-5.432	0	2.919	83	0	2.919	3.002
	31 Total		**8.550**	**-5.508**	**0**	**3.042**	**90**	**0**	**3.042**	**3.132**
	32	Costs related to investigation activities	200	-30	0	170	24	0	170	194
		Costs related to the provisions of Art. 91.6	1.300	-1.220	0	80	0	0	80	80

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Title	Chapter	Budget line description	Initial adopted budget	Amendments	Transfers	Final adopted budget (C1)	Carry-overs from 2021 (C8)	Assigned revenue (C4)	Total available commitment appropriations (C1+C4)	Total available payment appropriations (C1+C4+C8)
		European Delegated Prosecutors remuneration	9.000	-244	0	8.756	0	23	8.779	8.779
	32 Total		**10.500**	**-1.494**	**0**	**9.006**	**24**	**23**	**9.029**	**9.053**
	33	Operational ICT hardware and software	1.150	552	370	2.072	1.354	20	2.092	3.446
		Operational ICT services	2.000	2.015	-100	3.915	1.690	0	3.915	5.605
	33 Total		**3.150**	**2.567**	**270**	**5.987**	**3.044**	**20**	**6.007**	**9.051**
	34	Close protection services and related costs	1.900	-85	0	1.815	0	0	1.815	1.815
		Operational missions expenses	800	80	100	980	130	0	980	1.110
		Other miscellaneous operational expenses	122	95	0	217	233	0	217	450
	34 Total		**2.822**	**91**	**100**	**3.013**	**363**	**0**	**3.013**	**3.376**
3 Total			**25.022**	**-4.345**	**370**	**21.047**	**3.522**	**43**	**21.090**	**24.612**
Grand Total			**57.102**	**-5.900**	**0**	**51.202**	**6.803**	**43**	**51.245**	**58.048**

5.2 IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

EUR '000

Title	Chapter	Item	Total available commitment appropriations (C1+C4)	Commitments made: from final adopted budget C1	Commitments made: from carry-overs	Commitments made: from assigned revenue C4	Commitments made: Total	Commitments made: %	Appropriations carried over to 2023: Assigned revenue C5	Appropriations carried over to 2023: By decision	Appropriations carried over to 2023: Total	Appropriations lapsing: from final adopted budget	Appropriations lapsing: from carry-overs	Appropriations lapsing: from assigned revenue	Appropriations lapsing: 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	11	Contract agents	2.027	2.027	-	-	2.027	100%	-	-	-	-	-	-	-
		Seconded National Experts	453	425	-	-	425	94%	-	-	-	28	-	-	28
		Temporary agents	15.160	15.160	-	-	15.160	100%	-	-	-	-	-	-	-
	11 Total		**17.641**	**17.613**	**-**	**-**	**17.613**	**100%**	**-**	**-**	**-**	**28**	**-**	**-**	**28**
	12	Recruitment, entering and leaving the service, transfer costs	622	611	-	-	611	98%	-	-	-	11	-	-	11
	12 Total		**622**	**611**	**-**	**-**	**611**	**98%**	**-**	**-**	**-**	**11**	**-**	**-**	**11**
	13	Mission costs, duty travel, ancillary expenditure	40	40	-	-	40	100%	-	-	-	-	-	-	-
	13 Total		**40**	**40**	**-**	**-**	**40**	**100%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	14	Canteens, internal meetings, events and receptions	217	184	-	-	184	85%	-	-	-	33	-	-	33
		Social, medical and other services	600	598	-	-	598	100%	-	-	-	2	-	-	2
	14 Total		**817**	**783**	**-**	**-**	**783**	**96%**	**-**	**-**	**-**	**35**	**-**	**-**	**35**
	15	Training and training related expenses	361	193	-	-	193	54%	-	-	-	168	-	-	168
	15 Total		**361**	**193**	**-**	**-**	**193**	**54%**	**-**	**-**	**-**	**168**	**-**	**-**	**168**
	16	External services	365	355	-	-	355	97%	-	-	-	10	-	-	10
		Interim staff and train	987	967	-	-	967	98%	-	-	-	20	-	-	20
	16 Total		**1.352**	**1.322**	**-**	**-**	**1.322**	**98%**	**-**	**-**	**-**	**30**	**-**	**-**	**30**
	17	Receptions, events and representation expenses	20	14	-	-	14	70%	-	-	-	6	-	-	6
	17 Total		**20**	**14**	**-**	**-**	**14**	**70%**	**-**	**-**	**-**	**6**	**-**	**-**	**6**
	18	Other staff expenditure	170	93	-	-	93	55%	-	-	-	77	-	-	77

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Title	Chapter	Item	Total available commitment appropriations (C1+C4)	Commitments made: from final adopted budget C1	Commitments made: from carry-overs	Commitments made: from assigned revenue C4	Commitments made: Total	Commitments made: %	Appropriations carried over to 2023: Assigned revenue C5	Appropriations carried over to 2023: By decision	Appropriations carried over to 2023: Total	Appropriations lapsing: from final adopted budget	Appropriations lapsing: from carry-overs	Appropriations lapsing: from assigned revenue	Appropriations lapsing: Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	18 Total		**170**	**93**	**-**	**-**	**93**	**55%**	**-**	**-**	**-**	**77**	**-**	**-**	**77**
1 Total			**21.024**	**20.669**	**-**	**-**	**20.669**	**98%**	**-**	**-**	**-**	**354**	**-**	**-**	**354**
2	21	Insurance, maintenance and cleaning	198	198	-	-	198	100%	-	-	-	0	-	-	0
		Rental of buildings and associated costs	2.822	2.754	-	-	2.754	98%	0	-	0	68	-	-	68
	21 Total		**3.020**	**2.951**	**-**	**-**	**2.951**	**98%**	**0**	**-**	**0**	**69**	**-**	**-**	**69**
	22	Hardware, software and linked expenses	2.977	2.926	-	-	2.926	98%	-	-	-	50	-	-	50
		ICT services, analysis, programming, technical assistance	2.580	2.529	-	-	2.529	98%	-	-	-	51	-	-	51
	22 Total		**5.557**	**5.455**	**-**	**-**	**5.455**	**98%**	**-**	**-**	**-**	**102**	**-**	**-**	**102**
	23	Audiovisual, technical equipment and installations	140	109	-	-	109	78%	-	-	-	31	-	-	31
		Furniture	200	200	-	-	200	100%	-	-	-	-	-	-	-
		Transportation and removal expenses	125	125	-	-	125	100%	-	-	-	0	-	-	0
	23 Total		**465**	**434**	**-**	**-**	**434**	**93%**	**-**	**-**	**-**	**31**	**-**	**-**	**31**
	24	Office supplies, publication and library expenses	52	49	-	-	49	94%	-	-	-	3	-	-	3
		Other administrative expenditure	32	22	-	-	22	68%	-	-	-	10	-	-	10
	24 Total		**84**	**71**	**-**	**-**	**71**	**84%**	**-**	**-**	**-**	**13**	**-**	**-**	**13**
	25	Other infrastructure and operating expenditure	5	-	-	-	-	0%	-	-	-	5	-	-	5
	25 Total		**5**	**-**	**-**	**-**	**-**	**0%**	**-**	**-**	**-**	**5**	**-**	**-**	**5**
2 Total			**9.131**	**8.911**	**-**	**-**	**8.911**	**98%**	**0**	**-**	**0**	**220**	**-**	**-**	**220**

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Title	Chapter	Item	Total available commitment appropriations (C1+C4)	Commitments made					Appropriations carried over to 2023			Appropriations lapsing			
				from final adopted budget C1	from carry-overs	from assigned revenue C4	Total	%	Assigned revenue C5	By decision	Total	from final adopted budget	from carry-overs	from assigned 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	31	Communication and related costs	123	123	-	-	123	100%	-	-	-	0	-	-	0
		Translation and related costs	2.919	2.901	-	-	2.901	99%	-	-	-	18	-	-	18
	31 Total		**3.042**	**3.024**	**-**	**-**	**3.024**	**99%**	**-**	**-**	**-**	**18**	**-**	**-**	**18**
	32	Costs related to investigation activities	170	170	-	-	170	100%	-	-	-	-	-	-	-
		Costs related to the provisions of Art. 91.6	80	-	-	-	-	0%	-	-	-	80	-	-	80
		European Delegated Prosecutors remuneration	8.779	8.740	-	-	8.740	100%	23	-	23	16	-	-	16
	32 Total		**9.029**	**8.910**	**-**	**-**	**8.910**	**99%**	**23**	**-**	**23**	**96**	**-**	**-**	**96**
	33	Operational ICT hardware and software	2.092	2.069	-	-	2.069	99%	20	-	20	3	-	-	3
		Operational ICT services	3.915	3.708	-	-	3.708	95%	-	-	-	207	-	-	207
	33 Total		**6.007**	**5.777**	**-**	**-**	**5.777**	**96%**	**20**	**-**	**20**	**210**	**-**	**-**	**210**
	34	Close protection services and related costs	1.815	1.815	-	-	1.815	100%	-	-	-	0	-	-	0
		Operational missions expenses	980	910	-	-	910	93%	-	-	-	70	-	-	70
		Other miscellaneous operational expenses	217	217	-	-	217	100%	-	-	-	0	-	-	0
	34 Total		**3.013**	**2.942**	**-**	**-**	**2.942**	**98%**	**-**	**-**	**-**	**70**	**-**	**-**	**70**
3 Total			**21.090**	**20.654**	**-**	**-**	**20.654**	**98%**	**43**	**-**	**43**	**394**	**-**	**-**	**394**
Grand Total			**51.245**	**50.234**	**-**	**-**	**50.234**	**98%**	**43**	**-**	**43**	**968**	**-**	**-**	**968**

5.3 IMPLEMENTATION OF PAYMENT APPROPRIATIONS

EUR '000

Title	Chapter	Item	Total available payment appropriations (C1+C4+C8)	Payments made: from final adopted budget C1	Payments made: from carry-overs C8	Payments made: from assigned revenue C4	Payments made: Total	Payments made: %	Appropriations carried over to 2023: Automatic carry-overs C8	Appropriations carried over to 2023: By decision	Appropriations carried over to 2023: Assigned revenue C5	Appropriations carried over to 2023: Total	Appropriations lapsing: from final adopted budget	Appropriations lapsing: from carry-overs	Appropriations lapsing: from assigned revenue	Appropriations lapsing: 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	11	Contract agents	2.027	2.027	-	-	2.027	100%	-	-	-	-	-	-	-	-
		Seconded National Experts	453	401	-	-	401	89%	-	-	-	-	52	-	-	52
		Temporary agents	15.160	15.160	-	-	15.160	100%	-	-	-	-	-	-	-	-
	11 Total		**17.641**	**17.589**	**-**	**-**	**17.589**	**100%**	**-**	**-**	**-**	**-**	**52**	**-**	**-**	**52**
	12	Recruitment, entering and leaving the service, transfer costs	646	607	18	-	625	97%	4	-	-	4	11	6	-	17
	12 Total		**646**	**607**	**18**	**-**	**625**	**97%**	**4**	**-**	**-**	**4**	**11**	**6**	**-**	**17**
	13	Mission costs, duty travel, ancillary expenditure	42	19	-	-	19	47%	21	-	-	21	-	2	-	2
	13 Total		**42**	**19**	**-**	**-**	**19**	**47%**	**21**	**-**	**-**	**21**	**-**	**2**	**-**	**2**
	14	Canteens, internal meetings, events and receptions	225	102	5	-	108	48%	82	-	-	82	33	2	-	36
		Social, medical and other services	930	588	235	-	823	88%	10	-	-	10	2	96	-	97
	14 Total		**1.155**	**690**	**240**	**-**	**930**	**81%**	**92**	**-**	**-**	**92**	**35**	**98**	**-**	**133**
	15	Training and training related expenses	428	143	67	-	210	49%	50	-	-	50	168	-	-	168
	15 Total		**428**	**143**	**67**	**-**	**210**	**49%**	**50**	**-**	**-**	**50**	**168**	**-**	**-**	**168**
	16	External services	452	315	40	-	355	79%	40	-	-	40	10	47	-	57
		Interim staff and train	1.076	902	68	-	970	90%	66	-	-	66	20	20	-	40

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Title	Chapter	Item	Total available payment appropriations (C1+C4+C8)	Payments made: from final adopted budget C1	Payments made: from carry-overs C8	Payments made: from assigned revenue C4	Payments made: Total	Payments made: %	Appropriations carried over to 2023: Automatic carry-overs C8	Appropriations carried over to 2023: By decision	Appropriations carried over to 2023: Assigned revenue C5	Appropriations carried over to 2023: Total	Appropriations lapsing: from final adopted budget	Appropriations lapsing: from carry-overs	Appropriations lapsing: from assigned revenue	Appropriations lapsing: 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
	16 Total		**1.528**	**1.217**	**109**	**-**	**1.326**	**87%**	**106**	**-**	**-**	**106**	**30**	**66**	**-**	**97**
	17	Receptions, events and representation expenses	22	12	0	-	12	54%	2	-	-	2	6	2	-	8
	17 Total		**22**	**12**	**0**	**-**	**12**	**54%**	**2**	**-**	**-**	**2**	**6**	**2**	**-**	**8**
	18	Other staff expenditure	268	91	81	-	172	64%	2	-	-	2	77	16	-	93
	18 Total		**268**	**91**	**81**	**-**	**172**	**64%**	**2**	**-**	**-**	**2**	**77**	**16**	**-**	**93**
1 Total			**21.730**	**20.368**	**515**	**-**	**20.883**	**96%**	**277**	**-**	**-**	**277**	**378**	**191**	**-**	**570**
2	21	Insurance, maintenance and cleaning	240	198	-	-	198	82%	-	-	-	-	0	42	-	42
		Rental of buildings and associated costs	4.280	1.806	1.403	-	3.209	75%	947	-	0	947	68	54	-	123
	21 Total		**4.520**	**2.004**	**1.403**	**-**	**3.407**	**75%**	**947**	**-**	**0**	**947**	**69**	**96**	**-**	**165**
	22	Hardware, software and linked expenses	3.050	1.186	73	-	1.259	41%	1.741	-	-	1.741	50	-	-	50
		ICT services, analysis, programming, technical assistance	2.955	497	375	-	873	30%	2.031	-	-	2.031	51	-	-	51
	22 Total		**6.005**	**1.683**	**448**	**-**	**2.131**	**35%**	**3.772**	**-**	**-**	**3.772**	**102**	**-**	**-**	**102**
	23	Audiovisual, technical equipment and installations	678	51	537	-	588	87%	58	-	-	58	31	1	-	32
		Furniture	200	200	-	-	200	100%	-	-	-	-	-	-	-	-
		Transportation and removal expenses	140	125	-	-	125	89%	-	-	-	-	0	15	-	15
	23 Total		**1.018**	**376**	**537**	**-**	**913**	**90%**	**58**	**-**	**-**	**58**	**31**	**16**	**-**	**47**
	24	Office supplies, publication and library expenses	57	47	0	-	47	83%	2	-	-	2	3	5	-	8
		Other administrative expenditure	53	12	15	-	27	51%	10	-	-	10	10	6	-	16

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Title	Chapter	Item	Total available payment appropriations (C1+C4+C8)	Payments made					Appropriations carried over to 2023				Appropriations lapsing			
				from final adopted budget C1	from carry-overs C8	from assigned revenue C4	Total	%	Automatic carry-overs C8	By decision	Assigned revenue C5	Total	from final adopted budget	from carry-overs	from assigned revenue	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
	24 Total		**110**	**59**	**15**	**-**	**74**	**68%**	**12**	**-**	**-**	**12**	**13**	**11**	**-**	**24**
	25	Other infrastructure and operating expenditure	53	-	45	-	45	84%	-	-	-	-	5	3	-	8
	25 Total		**53**	**-**	**45**	**-**	**45**	**84%**	**-**	**-**	**-**	**-**	**5**	**3**	**-**	**8**
2 Total			**11.706**	**4.122**	**2.449**	**-**	**6.571**	**56%**	**4.789**	**-**	**0**	**4.789**	**220**	**126**	**-**	**346**
3	31	Communication and related costs	130	27	5	-	32	25%	96	-	-	96	0	1	-	2
		Translation and related costs	3.002	2.516	61	-	2.577	86%	384	-	-	384	18	22	-	40
	31 Total		**3.132**	**2.543**	**66**	**-**	**2.609**	**83%**	**481**	**-**	**-**	**481**	**18**	**24**	**-**	**42**
	32	Costs related to investigation activities	194	143	3	-	146	75%	27	-	-	27	-	21	-	21
		Costs related to the provisions of Art. 91.6	80	-	-	-	-	0%	-	-	-	-	80	-	-	80
		European Delegated Prosecutors remuneration	8.779	8.740	-	-	8.740	100%	-	-	23	23	16	-	-	16
	32 Total		**9.053**	**8.884**	**3**	**-**	**8.887**	**98%**	**27**	**-**	**23**	**49**	**96**	**21**	**-**	**118**
	33	Operational ICT hardware and software	3.446	428	1.294	-	1.721	50%	1.642	-	20	1.661	3	60	-	63
		Operational ICT services	5.605	442	1.538	-	1.979	35%	3.266	-	-	3.266	207	153	-	360
	33 Total		**9.051**	**869**	**2.831**	**-**	**3.701**	**41%**	**4.908**	**-**	**20**	**4.928**	**210**	**213**	**-**	**423**
	34	Close protection services and related costs	1.815	1.731	-	-	1.731	95%	84	-	-	84	0	-	-	0
		Operational missions expenses	1.110	723	80	-	803	72%	187	-	-	187	70	50	-	120
		Other miscellaneous operational expenses	450	-	233	-	233	52%	217	-	-	217	0	-	-	0
	34 Total		**3.376**	**2.454**	**313**	**-**	**2.767**	**82%**	**488**	**-**	**-**	**488**	**70**	**50**	**-**	**120**
3 Total			**24.612**	**14.750**	**3.213**	**-**	**17.963**	**73%**	**5.903**	**-**	**43**	**5.946**	**394**	**309**	**-**	**702**
Grand Total			**58.048**	**39.240**	**6.177**	**-**	**45.417**	**78%**	**10.970**	**-**	**43**	**11.013**	**992**	**626**	**-**	**1.618**

5.4 OUTSTANDING COMMITMENTS

EUR '000

Title	Chapter	Item	Commitments outstanding at the end of previous year				Commitments of the current year (2022)				Total commitments outstanding at year end 2022
			Commitments carried forward from 2021	Decommitments cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commitments which cannot be carried forward	Commitments outstanding at year end	
			1	2	3	4=1+2+3	5	6	7	8=5-6-7	9=4+8
1	11	Contract agents	-	-	-	-	2.027	2.027	-	-	-
		Seconded National Experts	-	-	-	-	425	401	24	-	-
		Temporary agents	-	-	-	-	15.160	15.160	-	-	-
	11 Total		**-**	**-**	**-**	**-**	**17.613**	**17.589**	**24**	**-**	**-**
	12	Recruitment, entering and leaving the service, transfer costs	24	-6	18	-	611	607	-	4	4
	12 Total		**24**	**-6**	**18**	**-**	**611**	**607**	**-**	**4**	**4**
	13	Mission costs, duty travel, ancillary expenditure	2	-2	-	-	40	19	-	21	21
	13 Total		**2**	**-2**	**-**	**-**	**40**	**19**	**-**	**21**	**21**
	14	Canteens, internal meetings, events and receptions	8	-2	5	-	184	102	-	82	82
		Social, medical and other services	330	-96	235	-	598	588	-	10	10
	14 Total		**338**	**-98**	**240**	**-**	**783**	**690**	**-**	**92**	**92**
	15	Training and training related expenses	67	-	67	-	193	143	-	50	50
	15 Total		**67**	**-**	**67**	**-**	**193**	**143**	**-**	**50**	**50**
	16	External services	87	-47	40	-	355	315	-	40	40
		Interim staff and train	88	-20	68	-	967	902	-	66	66
	16 Total		**175**	**-66**	**109**	**-**	**1.322**	**1.217**	**-**	**106**	**106**
	17	Receptions, events and representation expenses	2	-2	0	0	14	12	-	2	2
	17 Total		**2**	**-2**	**0**	**0**	**14**	**12**	**-**	**2**	**2**

EUR '000

Title	Chapter	Item	Commitments outstanding at the end of previous year				Commitments of the current year (2022)				Total commitments outstanding at year end 2022
			Commitments carried forward from 2021	Decommitments cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commitments which cannot be carried forward	Commitments outstanding at year end	
			1	2	3	4=1+2+3	5	6	7	8=5-6-7	9=4+8
	18	Other staff expenditure	98	-16	81	-	93	91	-	2	2
	18 Total		**98**	**-16**	**81**	**-**	**93**	**91**	**-**	**2**	**2**
1 Total			**706**	**-191**	**515**	**0**	**20.669**	**20.368**	**24**	**277**	**277**
2	21	Insurance, maintenance and cleaning	42	-42	-	-	198	198	-	-	-
		Rental of buildings and associated costs	1.457	-54	1.403	-	2.754	1.806	-	947	947
	21 Total		**1.499**	**-96**	**1.403**	**-**	**2.951**	**2.004**	**-**	**947**	**947**
	22	Hardware, software and linked expenses	73	-	73	-	2.926	1.186	-	1.741	1.741
		ICT services, analysis, programming, technical assistance	375	-	375	-	2.529	497	-	2.031	2.031
	22 Total		**448**	**-**	**448**	**-**	**5.455**	**1.683**	**-**	**3.772**	**3.772**
	23	Audiovisual, technical equipment and installations	538	-1	537	-	109	51	-	58	58
		Furniture	-	-	-	-	200	200	-	-	-
		Transportation and removal expenses	15	-15	-	-	125	125	-	-	-
	23 Total		**553**	**-16**	**537**	**-**	**434**	**376**	**-**	**58**	**58**
	24	Office supplies, publication and library expenses	5	-5	0	-0	49	47	-	2	2
		Other administrative expenditure	21	-6	15	-	22	12	-	10	10
	24 Total		**26**	**-11**	**15**	**-0**	**71**	**59**	**-**	**12**	**12**
	25	Other infrastructure and operating expenditure	48	-3	45	-	-	-	-	-	-
	25 Total		**48**	**-3**	**45**	**-**	**-**	**-**	**-**	**-**	**-**
2 Total			**2.575**	**-126**	**2.449**	**-0**	**8.911**	**4.122**	**-**	**4.789**	**4.789**
3	31	Communication and related costs	7	-1	5	-	123	27	-	96	96
		Translation and related costs	83	-22	61	-	2.901	2.516	-	384	384
	31 Total		**90**	**-24**	**66**	**-**	**3.024**	**2.543**	**-**	**481**	**481**
	32	Costs related to investigation activities	24	-21	3	-	170	143	-	27	27
		European Delegated Prosecutors remuneration	-	-	-	-	8.740	8.740	-	-	-

EUR '000

Title	Chapter	Item	Commitments outstanding at the end of previous year				Commitments of the current year (2022)				Total commitments outstanding at year end 2022
			Commitments carried forward from 2021	Decommitments cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commitments which cannot be carried forward	Commitments outstanding at year end	
			1	2	3	4=1+2+3	5	6	7	8=5-6-7	9=4+8
	32 Total		**24**	**-21**	**3**	**-**	**8.910**	**8.884**	**-**	**27**	**27**
	33	Operational ICT hardware and software	1.354	-60	1.294	-	2.069	428	-	1.642	1.642
		Operational ICT services	1.690	-153	1.538	-	3.708	442	-	3.266	3.266
	33 Total		**3.044**	**-213**	**2.831**	**-**	**5.777**	**869**	**-**	**4.908**	**4.908**
	34	Close protection services and related costs	-	-	-	-	1.815	1.731	-	84	84
		Operational missions expenses	130	-50	80	-	910	723	-	187	187
		Other miscellaneous operational expenses	233	-	233	-	217	-	-	217	217
	34 Total		**363**	**-50**	**313**	**-**	**2.942**	**2.454**	**-**	**488**	**488**
3 Total			**3.522**	**-309**	**3.213**	**-**	**20.654**	**14.750**	**-**	**5.903**	**5.903**
Grand Total			**6.803**	**-626**	**6.177**	**-0**	**50.234**	**39.240**	**24**	**10.970**	**10.970**

GLOSSARY

Administrative appropriations

Appropriations to cover the running costs of the entities (staff, buildings, office equipment).

Adopted budget

Draft budget becomes the adopted budget as soon as approved by the budgetary authority.

Amending budget

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

Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments may 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.

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

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

The resulting amount will have to be reimbursed to the funding authority.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

Revenue and expenditure are shown in the budget structure 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 commitment

Operation by which the responsible authorising officer reserves the budget appropriations necessary to cover for subsequent payments to honour legal commitments.

Cancellation of appropriations

Appropriations which have not been used by the end of the financial year and which cannot be carried over shall be cancelled.

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 to the following year.

Commitment appropriations

Commitment appropriations cover the total value of legal obligations (contracts, grant agreements or decisions) that could be signed in the current financial year.

De-commitment

Operation whereby the responsible authorising officer cancels wholly or partly the reservation of appropriations previously made by means of a budgetary commitment.

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.

Economic result

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

Entitlements established

Right to collect income from a debtor as recognised through the issuing of a recovery order.

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 currencies at the date of the accounts.

Expenditure

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

Fund sources

Term	Definition
C1	Appropriations voted for the current budget (N)
C4	Internal assigned revenue (current year)
C5	Appropriations from internal assigned revenue automatically carried-over to N+1
C8	Commitment automatically carried forward with corresponding payment appropriations from N to N+1
C9	Commitments carried forward without corresponding payment appropriations

Grants

Direct financial contributions from the budget to third-party beneficiaries, engaged in activities that serve Union policies.

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, as represented by an appropriation.

Legal basis / basic act

The legal act adopted by the legislative authority (usually the Council and European Parliament) specifying the objective of a Union spending programme, the purpose of the appropriations, the rules for intervention, expiry date and the relevant financial rules to serve as a legal basis for the implementation of the spending programme.

Legal commitment

The act whereby the Authorising Officer enters into an obligation towards third parties which results in a charge for the Union budget.

Common forms of legal commitments are contracts in the case of procurement, grant agreements and grant decisions.

Non-differentiated appropriations

Appropriations which meet annual needs and must therefore be committed during the budget year. Only amounts qualifying for automatic carryover can be disbursed in the following year. Non-differentiated appropriations which have not been used, i.e. committed, by the end of the year, are cancelled (unless, exceptionally, permission is given by a College decision for a non-automatic carryover). Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

Operational appropriations

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

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.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.

RAL (Reste à liquider)

Amount remaining to be paid on a budgetary commitment at a given moment. Cf. outstanding commitments.

Surplus

Positive difference between revenue and expenditure, which has to be returned to the funding authority. Cf. Budget result

Transfer between budget lines

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.