

2022

FINAL ANNUAL ACCOUNTS

**European
Education and Culture
Executive Agency –
EACEA**

I. LEGAL BASIS AND ACCOUNTING PRINCIPLES.....	3
I.1 INTRODUCTION	3
I.2 LEGAL BASIS.....	3
I.3 ACCOUNTING PRINCIPLES.....	4
I.4 ACCOUNTING RULES.....	5
II. FINANCIAL STATEMENTS.....	8
II.1 BALANCE SHEET.....	8
II.2 STATEMENT OF FINANCIAL PERFORMANCE.....	9
II.3 CASH FLOW STATEMENT	10
II.4 STATEMENT OF CHANGES IN NET ASSETS	10
II.5 NOTES TO THE FINANCIAL STATEMENTS.....	11
II.5.1. NOTES TO THE BALANCE SHEET.....	11
II.5.2. NOTES ON THE PROFIT AND LOSS STATEMENT.....	14
II.5.3. NOTES ON THE CASH FLOW STATEMENT	16
II.5.4. OFF-BALANCE-SHEET RIGHTS AND OBLIGATIONS AND OTHER INFORMATION.....	16
II.5.5. FINANCIAL INSTRUMENTS AND RISKS	16
II.5.6. ACCOUNTING METHODS	18
II.5.7. INFORMATION ON MANAGEMENT	18
II.5.8. EVENTS DURING THE ACCOUNTING YEAR AND AFTER CLOSING.....	18
III. BUDGET STATEMENTS.....	18
III.1 BUDGET OUTTURN	19
III.2 RECONCILIATION OF BUDGET OUTTURN /ACCOUNTING RESULT.....	19

I. LEGAL BASIS AND ACCOUNTING PRINCIPLES

I.1 INTRODUCTION

The Agency's accounting system comprises budgetary and general accounting for the financial year, in euro. The purpose of budget accounting is to give a detailed picture of the budget outturn. It is based on the modified cash-based accounting principle, which means that it recognises income and expenditure at the time at which it is paid in or out, except for items such as appropriation carry-over. Conversely, accrual-based accounting records income and expenditure in the period during which the related service occurs, regardless of the payment date.

The accounts, as well as being accurate and comprehensive, must faithfully reflect the Agency's assets and liabilities, rights and obligations, cash flow, and revenue and expenditure outturns. The purpose of the financial statements is to provide information on an entity's assets and liabilities and financial situation, cash flow, and changes in equity.

The purpose of the budget statements is to summarise budget operations for the financial year into revenue and expenditure.

For Agencies like EACEA, these statements demonstrate that the resources allocated are being used responsibly.

I.2 LEGAL BASIS

The Agency's financial statements have been drawn up in accordance with the following legal acts:

- Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes;
- Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Education and Culture Executive Agency and repealing Implementing Decision 2013/776/EU, which governs the EU's management of EU programmes in the field of education and culture, pursuant to Council Regulation (EC) No 58/2003;
- Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, as amended by Regulation (EC) No 651/2008 of 9 July 2008;
- The Commission's ISPAS-based accounting rules are the ones used by the Commission's Accounting Officer.

Furthermore, for all aspects related to how the executive agencies operate that are not expressly set out in these Regulations, the provisions of Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012, shall apply accordingly.

I.3 ACCOUNTING PRINCIPLES

The financial statements are drawn up in accordance with the following principles:

- Principle of unit of account (financial regulation for the executive agencies, Article 13):

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

- Going-concern principle (financial regulation for the executive agencies, Article 53):

The going-concern principle is the principle whereby, when preparing its financial statements, the Agency is presumed to have an unlimited lifespan, even though the EACEA is currently set to end in 2029 according to the rules establishing the Agency.

- Principle of prudence (financial regulation for the executive agencies, Article 53):

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

- Principle of consistent accounting methods (financial regulation for the executive agencies, Article 53):

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

- Principle of comparability of information (financial regulation for the executive agencies, Article 53):

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

- Materiality principle (financial regulation for the executive agencies, Article 53):

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

- No-netting principle (financial regulation for the executive agencies, Article 53):

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

- Principle of reality over appearance (financial regulation for the executive agencies, Article 53):

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

- Accrual-based accounting principle (financial regulation for the executive agencies, Article 53):

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

I.4 ACCOUNTING RULES

In accordance with Article 80 of the Regulation on the Financial Regulation applicable to the general budget of the Union, the financial statements follow the accounting rules that have been adopted by the Commission's Accounting Officer.

The main rules affecting the Agency's accounts are summarised below:

- Tangible and intangible fixed assets

Tangible and intangible fixed assets are valued at their purchase price in euro (or, where necessary at the purchase price in another currency, converted into euro at the rate applicable at point of purchase). The accounting value of a fixed asset is equal to its purchase or production price, less accumulated depreciation and write downs and increased by write-ups.

The eligible costs are included in the fixed amount or recorded separately as fixed assets only if they create a future economic benefit. Any repair or maintenance work is recorded as an expense the year in which it is incurred.

Depreciation is calculated using the straight-line method on a monthly basis in order to distribute the costs across the estimated lifespan of the item.

Fixed assets are adjusted in value at the annual closure of accounts where necessary.

Internally developed intangible fixed assets are capitalised when the relevant criteria of the EU accounting rules are met. The costs able to be capitalised include all directly attributable costs necessary to create, produce and prepare the fixed asset in order for it to operate in the manner intended by management. Costs associated with research, non-capitalised development and maintenance are recorded as they are incurred.

- Currency conversion

The financial statements are drawn up in euro.

Transactions in a foreign currency (not euro) are recorded in the EU's financial statements in euro at the exchange rate applicable on the transaction date.

At the end of the financial year, monetary items on the financial statement must be converted at the closing rate.

Foreign-exchange differences are recorded under the specific profit and loss statement headings as income or expenditure, depending on the nature of the transaction to which they are related.

➤ Lease contracts

When a lease contract does not give rise to a substantial transfer of risk or ownership (a significant share of the risks and benefits inherent in ownership fall to the lessor), it is considered to be an operating lease. In the case at hand, lease payments are entered in the profit and loss statement in a linear manner throughout the lifespan of the lease.

➤ Pre-financing (not applicable to EACEA operating budget: see balance sheet)

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into several instalments over a given period, depending on the conditions set out in the contract. The advance is either used for the purpose for which it was provided during the period defined in the agreement, or it is repaid. If expenditure incurred in the performance of the contract is not eligible, the beneficiary must return the advance to the Agency. The advance amount is reduced (wholly or partially) depending on the amount of eligible expenditure accepted.

At the end of the year, non-reimbursed pre-financing amounts are recorded at the initial amount, minus any reimbursed amounts, eligible and cleared expenditure, and write-downs.

Guarantees related to pre-financing are mentioned in the off-balance-sheet assets.

➤ Receivables

Receivables are assessed at their realisable value. No allowance for bad debt is included for the European institutions (all units included). There is an allowance for bad debt, where applicable, for other receivables, after a review of the non-reimbursed amounts at the account closing date and provided that there is objective proof that the amounts cannot be recovered.

EACEA has been using the Commission's treasury services since 2020. The bank accounts are not opened in the name of the entity but in the name of the Commission. At the same time, funds belong to the agency and are at their disposal. Therefore, the central treasury liaison account balances are reported as exchange receivables in the financial statements of the entity.

➤ Provisions

Provisions are built up and recorded as book entries by the Agency where the Agency has a justified legal obligation to do so as a result of a past transaction and it is likely that resources will be needed to clear this obligation. Nevertheless, the amount of provisions must be estimated in a reasonable and reliable manner.

➤ Income and expenditure

Transactions and events are entered on the financial statement for the financial year to which they relate.

Expenditure arising from transactions with a direct counterparty, such as the purchase of goods or services, are recorded when the goods or services are delivered and accepted. They are valued at the original invoice cost.

Expenditure arising from transactions without a direct counterparty are recorded as expenditure in the financial year in which the events giving rise to the transfers occurred, provided that the nature of the transfer is permitted under regulations or authorised under a signed contract, that the beneficiary meets eligibility criteria and that the amount can be reasonably estimated.

Sales of goods or services are recorded when the purchaser has been seen to transfer the major risks and benefits intrinsic to ownership of the goods. These events are recognised by reference to the stage of completion of the transaction at the reporting date.

At the end of the accounting period, outstanding expenditure is recorded as an estimated amount for transfers owed for that financial year. Income is also recorded in the fiscal year to which it relates. At the end of the financial year, if a service has been rendered, or goods delivered, but not yet invoiced, the corresponding amount is recorded as accrued income in the financial statements. Conversely, if an invoice is sent and the service has not been performed, the corresponding amount is recorded as deferred income in the financial statements.

➤ Off-balance-sheet assets and liabilities

An off-balance-sheet asset is an entitlement resulting from a past event whose existence is confirmed by whether or not any future events that are not wholly within the Agency's control occur.

An off-balance-sheet liability is a potential obligation resulting from a past event whose existence is confirmed by whether or not any future events that are not wholly within the Agency's control occur. It may also be a present obligation resulting from past events but that is not recognised, as it is uncertain whether resources will be needed to clear the obligation or because the amount of the obligation cannot be reliably estimated.

Preliminary remark: the amounts in the following financial statements are rounded to the nearest euro. There may be rounding differences as a result.

II. FINANCIAL STATEMENTS

II.1 BALANCE SHEET

	Notes	2022	2021	Variation	%
ASSETS					
		8.230.384	9.541.111	- 1.310.727	-14%
FIXED ASSETS	1.1.	1.385.373	2.028.819	-663.446	-33%
INTANGIBLE FIXED ASSETS	1.1.1.	1.148.124	1.950.619	-802.495	-41%
SOFTWARE		1.148.124	1.950.619	-802.495	-41%
IN PROGRESS INTERNAL GENERATED ASSETS		0	0	0	0%
TANGIBLE FIXED ASSETS	1.1.2.	217.249	78.200	139.049	178%
PLANT AND EQUIPMENT		0	5	-5	-100%
FURNITURE AND VEHICLES		1.114	4.890	-3.776	-77%
HARDWARE		215.840	71.808	144.032	201%
OTHER FIXTURES AND FITTINGS		295	1.497	-1.202	-80%
CURRENT ASSETS	1.2.	6.865.011	7.512.292	-647.281	-9%
SHORT TERM PREFINANCING	1.2.1.	0	0	0	0%
SHORT TERM RECEIVABLES	1.2.1.	6.865.011	7.512.292	-647.281	-9%
RECEIVABLES FROM CONSOLIDATED ENTITIES		217	2.542	-2.324	-91%
OTHER RECEIVABLES		57.054	88.852	-31.798	-36%
DEFERRED CHARGES		143.515	81.376	62.139	76%
RECEIVABLES FROM NON CONSOLIDATED ENTITIES		1.260	0	1.260	0%
CENTRAL TREASURY LIAISON ACCOUNTS	1.2.2.	6.662.964	7.339.521	-676.557	-9%
LIABILITIES					
		8.230.383	9.541.111	- 1.310.728	-14%
NET ASSETS/LIABILITIES	1.3.	-2.603.669	-3.965.988	1.462.319	37%
ACCUMULATED RESULT		-3.965.988	-2.948.462	-1.017.527	35%
ECONOMIC RESULT OF THE YEAR		1.462.319	-1.017.527	2.479.846	-244%
LONG TERM LIABILITIES	1.4.	0	0	0	
OTHER LONG TERM LIABILITIES		0	0		
SHORT TERM LIABILITIES	1.4.	-5.726.714	-5.575.122	-151.592	3%
SHORT TERM PROVISIONS	1.4.1.	0	0	0	0
CURRENT LIABILITIES	1.4.1.	-5.726.714	-5.575.122	-151.592	3%
PAYABLES NON CONSOLIDATED ENTITIES		-27.301	-27.870	569	-2%
ACCRUED CHARGES		-3.975.594	-4.486.459	510.865	-11%
ACCRUED CHARGES WITH NON CONSOLIDATED ENTITIES		-2.622.415	-2.491.822	-130.593	5%
ACCRUED CHARGES WITH CONSOLIDATED ENTITIES		-1.353.179	-1.994.637	641.458	-32%
PAYABLES CONSOLIDATED ENTITIES		-1.723.819	-1.060.794	-663.026	63%

II.2 STATEMENT OF FINANCIAL PERFORMANCE

	2022	2021	Variation	%	Notes
OPERATING REVENUE	57.706.512	52.728.815	4.977.697	9%	2.1.
NON EXCHANGE REVENUE	57.703.938	52.669.695	5.034.243	10%	2.1.1.
SUBSIDY FROM EUROPEAN COMMISSION	57.590.938	52.478.877	5.112.062	10%	
EUROPEAN DEVELOPMENT FUND CONTRIBUTION	113.000	190.000	-77.000	-41%	
OTHER ADMINISTRATIVE REVENUE	0	818	-818	-100%	
EXCHANGE REVENUE	892	57.594	-56.703	-98%	2.1.2.
OTHER ADMINISTRATIVE REVENUE	892	57.594	-56.703	-98%	
EXCHANGE GAINS	1.682	1.526	156	10%	2.1.3
OPERATING EXPENCE	- 59.168.831	- 51.711.289	- 7.457.543	14%	2.2.
ADMINISTRATIVE EXPENSES	-59.167.059	-51.708.734	-7.458.325	14%	2.2.1.
STAFF COSTS	-42.018.070	-35.683.100	-6.334.970	18%	
FIXED ASSETS COSTS	-857.659	-770.461	-87.198	11%	
OTHER ADMINISITRIVE COSTS WITH NON CONSOL	-7.123.650	-6.211.976	-911.674	15%	
EXPENSES WITH CONSOLIDATED ENTITIES	-9.167.680	-9.043.197	-124.483	1%	
EXCHANGE LOSSES	-1.772	-2.554	782	-31%	2.2.2.
OPERATING RESULT	- 1.462.319	1.017.527	- 2.479.846	-244%	
FINANCIAL REVENUE	0	0	0	0	2.3.
INTEREST RECEIVED	0	0	0	0%	0
FINANCIAL EXPENSE	0	0	0	0	2.4.
BANK AND OTHER FINANCIAL CHARGES	0	0	0	0%	
FINANCIAL RESULT	-	-	-	-	
ECONOMIC RESULT	- 1.462.319	1.017.527	- 2.479.846	-244%	

II.3 CASHFLOW STATEMENT

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES		
ECONOMIC RESULT	1.462.319	1.017.527
OPERATING ACTIVITY		
ADJUSTMENTS		
Depreciation of intangible fixed assets (+)	802.495	699.080
Depreciation of tangible fixed assets (+)	55.164	60.429
Increase (+) / Decrease of provisions (-)	0	
Increase (-) / Decrease of stocks (+)	0	
Increase (-) / Decrease of prefinancings (+)	0	
Increase (-) / Decrease of long term receivables(+)	0	
Increase (-) / Decrease of current receivables(+)	-30.874	62.030
Increase (-) / Decrease of receivables(+) from consolidated entities	1.598	
Increase (+) / Decrease of long term liabilities(-)	0	
Increase (+) / Decrease of payables(-)	130.024	9.270
Increase (+) / Decrease of payables(-) to consolidated entities	21.568	994.959
Other non monetary movements	0	
Extraordinary items	0	
Cashflow operating activity	482.344	2.843.284
INVESTMENT ACTIVITY		
Purchase of investments	-194.213	-287.065
Cashflow investing activity	194.213	287.065
Increase/decrease in LIASON ACCOUNTS	676.557	2.556.229
BALANCE at the beginning of reporting period	7.339.521	4.799.419
BALANCE at the end of reporting period	6.662.964	7.339.521

II.4 STATEMENT OF NET ASSETS

Net assets	Accumulated result	Economic Result	Net assets (total)
Balance at 31.12.2021	-2.948.462	-1.017.527	-3.965.988
Changes in accounting policies 1)			0
Balance as of 1 January 2010 (if restated)	-2.948.462	-1.017.527	-3.965.988
Other 2)			0
Fair value movements			0
Movement in Guarantee Fund reserve			0
Allocation of the economic result of previous year	-1.017.527	1.017.527	0
Amounts credited to Member States			0
Economic result of the year		1.462.319	1.462.319
Balance at 31.12.2022	-3.965.988	1.462.319	-2.503.669
GL accounts	140000	141000	

II.5 NOTES TO THE FINANCIAL STATEMENTS

II.5.1. NOTES TO THE BALANCE SHEET

1.1. FIXED ASSETS

Fixed assets are recorded at their purchase price with linear depreciation from the month in which they are received. Only goods with a purchase price over EUR 700 depreciate according to the rules laid down by the Commission's Accounting Officer.

The depreciation rates applied according to the type of goods and the tables regarding the tangible and intangible fixed assets held by the Agency are set out below.

Depreciation rates

Type of Fixed Asset	%
Intangible fixed assets	
Software	25%
Tangible fixed assets	
Office equipment	
Computer hardware	25%,12,5%
Computers, servers,accessories, data transfer equipment, screens,photociers,scanning and digitising devices	25%
Furniture and vehicles	
Furniture	10%
Office equipment, printers and franking machines	25%,12,5%
Other fixed assets	
Telecommunication equipment and audiovisual equipment	25%
Surveillance and security equipment	12,50%

The Agency's net fixed assets are 33% less than in 2021. They decreased from EUR 2 028 819 in 2021 to EUR 1 365 373 in 2022. This reduction in value is due to a higher depreciation than the asset acquisition during the year.

1.1.1. Intangible fixed assets

2022	Software	Ongoing internal generated assets	Total
Acquisition value 01.01.2022	+ 7.725.590	0	7.725.590
Acquisitions	+		
Divestments	-	0	-
Transfert between headers	+/-	0	-
Other changes	+/-	0	-
Acquisition value 31.12.2022	7.725.590	-	7.725.590
Accumulated depreciation and impairment at 01.01.2022	- 5.774.971	0	- 5.774.971
Depreciation	- 802.495	0	- 802.495
Depreciation reversal	+		
Depreciation of divestments	+		-
Impairment	-		-
Impairment reversal	+		-
Transfert between headers	+/-		-
Other changes	+/-		-
Accumulated depreciation and impairment at 31.01.2022	- 6.577.466	0	- 6.577.466
Net book value at 31.12.2022	1.148.124	-	1.148.124

No other assets were developed in-house after the release in use of PEGASUS, last year.

1.1.2. Tangible fixed assets

2022	Plant and equipment	Furniture and vehicles	Hardware	Other fixtures and fittings	Total
Acquisition value 01.01.2022	4.756	229.575	1.008.553	134.429	1.377.312
Acquisitions	-	-	194.213	-	194.213
Divestments	-	-	-	-	-
Transfert between headers	+/-	-	-	-	-
Other changes	+/-	-	-	-	-
Acquisition value 31.12.2022	4.756	229.575	1.202.766	134.429	1.571.525
Accumulated depreciation and impairment at 01.01.2022	4.751	224.685	936.745	132.932	1.299.112
Depreciation	5	3.776	50.181	1.202	55.164
Depreciation reversal	-	-	-	-	-
Depreciation of divestments	-	-	-	-	-
Impairment	-	-	-	-	-
Impairment reversal	-	-	-	-	-
Transfert between headers	+/-	-	-	-	-
Other changes	+/-	-	-	-	-
Accumulated depreciation and impairment at 31.01.2022	4.756	228.461	986.926	134.134	1.354.276
Net book value at 31.12.2022	-	1.114	215.840	295	217.249

The main change affecting tangible fixed assets is the acquisition of new hardware to replace hardware approaching the end of its useful life.

1.2. CURRENT ASSETS

1.2. Short-term receivables

The level of short-term receivables fell by 9%, dropping from EUR 7 512 290 in 2021 to EUR 6 865 011 in 2022.

- Non exchange recoveries amount to EUR 1 477 (2021: EUR 2 542). The recoverable amounts from consolidated entities established end of 2022 in value of EUR 217 and an amount of EUR 1 260 to be recovered from a non-consolidated entity are both salary related.
- Other receivables of EUR 57 054 (2021: EUR 88 852), in particular money owed by staff, are debts for which the reimbursement timetable was agreed with the Agency.
- Deferred expenses amounting to EUR 143 515 (2021: EUR 81 376) represent expenses paid in advance.
- The balance on the bank accounts owned by EACEA and open on the name of European Commission is EUR 6 662 964 in comparison to EUR 7 339 521 last year. Most of this balance will be used to pay salaries and invoices, and the rest will be returned to the parent DG as 2022 budget surplus.

1.3. OWN FUNDS

Own funds currently stand at EUR - 2 503 669, of which EUR - 3 965 988 is an accumulated result from previous years, less the economic result of the year, a loss of EUR 1 462 319.

1.4. SHORT-TERM LIABILITIES

1.4. Current liabilities

➤ Payables

As of 31 December 2022, the payables are EUR 27 301 in comparison to EUR 27 870 end of previous year.

➤ Other liabilities

The accrued charges (EUR 3 975 594 in comparison to EUR 4 486 459 last year) include third-party and consolidated entity accrued charges EUR 1 353 179 (2021: 1 994 637).

The Agency has EUR 2 622 415 (2021: 2 491 821) in expenses to be charged to third parties for which invoices had not been received by 31 December 2022. This amount also includes provisions for untaken staff leave approved to be carried over to 2023.

Nature of Expenditure	2022	2021
Operating costs	628.478	568.792
Audit and Legal costs	359.647	97.281
IT expence	617.096	782.817
Untaken Leave	1.017.195	1.042.931
Total	2.622.415	2.491.822

The accrual for leave not taken as of 31 December 2022 totalled EUR 1 017 195 (EUR 1 042 931 in 2021). This calculation takes the average daily remuneration per grade for each type of staff member (temporary and contract staff) as provided by the European Commission and multiplies it by the number of non-worked days.

Invoices from consolidated entities not received as of 31 December 2022 totalled EUR 1 353 179 in comparison to EUR 1 994 637 last year and were under various SLAs with the DGs for horizontal services.

➤ Payables to consolidated entity

Consolidated-entity liabilities stand at EUR 1 723 819 in comparison to EUR 1 060 794 last year. The Agency owes EUR 1 723 819 to its parent DGs for the unused share of the subsidies received in 2022.

II.5.2. NOTES ON THE STATEMENT OF FINANCIAL PERFORMANCE

2.1. OPERATING REVENUE

The Agency's income in 2022 increased by EUR 4 977 697 from 2021 to a total of EUR 57 706 512. Non-exchange income from European Commission consolidated entities is EUR 57 590 939 (2021: EUR 52 478 877). Exchange income in 2022 is EUR 2 574 (2021: EUR 59 120).

The Agency's income primarily comprises the following:

2.1.1. Revenue (consolidated entities and European Development Fund (EDF))

This revenue of EUR 57 703 939 (2021: 52 669 695) corresponds to:

- The subsidy (EDF included) received in 2022 was: EUR 59 427 758 (2021: EUR 53 729 670), which breaks down as:
 - EUR 57 276 969 (2021: EUR 48 457 212) from DG EAC, of which the EDF (European Development Fund) contribution to the Agency's administrative budget amounts to of EUR 113 000 (2021: EUR 190 000)
 - EUR 2 150 789 from DG EAC on behalf of DG JUST (2021: EUR 5 272 458 paid by DG JUST);
- No other administrative income was received from the Commission (2021: EUR 818);
- Minus the amount to be reimbursed to the Commission: EUR 1 723 819 (2021: EUR 1 060 793).

2.1.2. Other revenue (third parties)

Other administrative revenue amounts to EUR 892 (2021: EUR 57 594), resulting from refunds and settlements from the previous year.

2.1.3. Exchange gains

Exchange gains earned the Agency EUR 1 682 (2021: EUR 1 526) and were due to certain parts of staff salaries being calculated and paid in foreign currency.

2.2. OPERATING COSTS

2.2.1. Administrative expenditure

Administrative expenditure has increased by EUR 7 457 543 (14%) compared to the previous year and stands at EUR 59 167 059 (2021: EUR 51 708 734). It mainly comprises the following elements:

- Staff expenditure (temporary and contract staff): EUR 42 018 070 (2021: EUR 35 683 100)
This increase is due to salary indexation for 2022, staff promotions, long service payments and increases in staff number.
- Expenditure on fixed assets: EUR 857 659 (2021: EUR 770 461)
Depreciation on intangible fixed assets amounts to EUR 802 495 (2021: EUR 699 080).
Depreciation on tangible fixed assets amounts to EUR 55 164 (2020: EUR 60 429). No impairment or write-downs were estimated by management in 2022 (2021: EUR 10 952 following divestment to DG DIGIT).
- Other administrative expenditure (third parties): EUR 7 123 650 (2021: EUR 6 211 976)

This heading mainly includes the following expenditure:

o IT service costs / miscellaneous IT goods: EUR 2 677 567 (2020: EUR 2 696 004).

This amount covers costs of updating and maintaining existing IT applications.

o No internal IT development costs concluded in 2022 (2021: 287 065).

o Service costs / miscellaneous goods other than IT: EUR 3 552 076 (2021: EUR 2 455 287). This heading specifically covers the cost of interimaire and audit fees.

o Office supplies and maintenance: EUR 346 304 (2021: EUR 519 414). This heading covers maintenance costs for IT equipment and miscellaneous supplies.

o Communication costs: EUR 350 620 (2021: EUR 351 320)

o Training costs: EUR 197 082 (2021: EUR 122 782)

➤ Administrative expenditure (consolidated entities) EUR 9 167 680 (2021: EUR 9 043 197

These expenses cover:

o services provided by the OIB and DG HR under the SLA (lease, management, maintenance, security and surveillance of the building, as well as other miscellaneous services);

o services to implement corporate IT tools, and IT support from DIGIT, SEC-GEN, ERCEA and DG BUDG;

o the OIB SLA for crèches and childcare centres;

o translation services (SLA with the CdT);

o PMO services (salary calculations, as well as reimbursement calculations for candidates);

o training and recruitment services (SLAs with DG HR and EPSO);

o medical examinations undertaken annually and upon recruitment (SLA with HR);

o publication, distribution and storage services.

2.2.2. Exchange losses

Exchange losses cost the Agency EUR 1 772 (2021: EUR 2 554) and were due to certain parts of staff salaries being calculated and paid in foreign currency.

2.3. FINANCIAL REVENUE

The Agency's bank account did not generate any interest in 2022.

2.4. FINANCIAL EXPENDITURE

No financial expenditure was incurred in 2022.

II.5.3. NOTES ON THE CASH FLOW STATEMENT

The cash flow statement was drawn up using the indirect method. This means that net profit or loss for the period is adjusted for the effects of transactions with no cash effect, any time lag or accrual of past or future operating cash inflows or outflows and items of income or expenditure linked to investment-related cash flows.

The cash flow statement sets out the cash flows for the financial year by operating activity and investment. Operating activities are all Agency activity other than investments. This represents the majority of activities carried out. Investment covers the acquisition and divestment of tangible and intangible fixed assets.

II.5.4. OFF-BALANCE-SHEET RIGHTS AND OBLIGATIONS AND OTHER INFORMATION

➤ Rent

The Agency signed an SLA with the OIB for its various buildings. The outstanding rent until the end of the current contract amounts to EUR 4 891 208 (2021: EUR 3 010 098).

➤ Reste à liquider (RAL)

The Agency has carried over EUR 4 989 332 of appropriations. However, invoices that will arrive in 2023 for services provided in 2022 have already been recorded as expenditure on the liabilities side of the balance sheet. There is still an 'accounting' RAL (outstanding budgetary commitment not yet expensed) in value of EUR 1 849 378 (2021: EUR 2 408 441).

II.5.5. FINANCIAL INSTRUMENTS AND RISKS

Financial instruments include liquidity, short-term receivables, short-term liabilities and amounts owed to and by consolidated entities.

Financial Asset	2022	2021
Short term receivables	202.047	172.770
Central treasury -Liaison accounts	6.662.964	7.339.522
Total	6.865.011	7.512.292

Financial liability	2022	2021
Payables to non consolidated entities	-27.301	-27.870
Payables to consolidated entities	-1.723.819	-1.060.794
Other liabilities	0	0
Total	-1.751.120	-1.088.663

Financial total	2022	2021
Total Net	5.113.891	6.423.629

- **LIQUIDITY RISK**

This is the risk of the Agency not being able to honour its short-term commitments. Under the budgetary principle, budget ‘income’ must be sufficient to cover all expenditure. The Agency manages its liquidity risk by regularly monitoring its cash position. It calls upon parent DG funds as soon as the available cash in its bank account drops below EUR 5 000 000. Overdraft on bank accounts is not allowed.

2022	Not past due and not impaired			Total
	< 1 an	1 - 5 ans	> 5 ans	
Payables to non consolidated entities	-27.301			-27.301
Payables to consolidated entities	-1.723.819			-1.723.819
Total payables	-1.751.120	0	0	-1.751.120

- **CREDIT RISK**

The credit risk is the risk that the debtor does not repay their debt by the agreed due date.

2022	Not past due and not impaired			Total
	< 1 an	1-5 ans	> 5 ans	
Sundry receivables	41.116	12.638	3.300	57.054
Receivables from non consolidated entities	1.478	-	-	1.478
Central Treasury Liaison account- receiva	6.662.964	-	-	6.662.964
Total receivables	6.705.557	12.638	3.300	6.721.496

The deferred expenses are already paid future expenses and have been excluded from the group of receivables used for calculation of credit and currency risk.

Receivables are payable in case or within the year, with the exception of staff receivables, which may have longer payment deadlines in certain circumstances.

The Agency is also exposed to a limited amount of risk on the funds held in its bank account.

The Agency’s cash resources are deposited into a bank account that is managed with DG BUDG.

The Agency holds a current account.

Treasury and accounts with DGBUDG	Short term deposit account	Current account
6.662.964	0	6.662.964

- **INTEREST-RATE RISK**

EACEA will not accrue interest as it uses the centralised cash resources of DG BUDG.

- **FOREIGN-EXCHANGE RISK**

This risk is irrelevant, as the Agency only holds euro accounts, and all transactions (with the exception of payments of specific salary items that represent small amounts) are conducted in euro.

II.5.6. ACCOUNTING METHODS

There have not been any changes to accounting procedures in 2022.

II.5.7. INFORMATION RELATED MANAGEMENT

The highest grade in the Agency is AD14 and it concerns 10 persons.

II.5.8. EVENTS DURING THE ACCOUNTING YEAR AND AFTER CLOSING

Under accounting policy EU 19/IPSAS 14, the non-adjusting events after the balance sheet date require separate disclosure under this section. None of these events had an impact on accounts.

The mandate of Mr Roberto CARLINI, the Director in place in 2022, ends beginning of 2023 and the annual accounts are signed by the new acting Director Sophie BEERNAERTS.

EACEA's relocation to the North Light building will take place in the first half of 2024. Based on the letter of intent signed by the acting Director on 9 February 2023, the move to the new building is expected to decrease building-related expenses by 12%, currently amounting to EUR 4.45 million.

III. BUDGET IMPLEMENTATION REPORTS

The Agency's overall budget follows several fundamental principles:

- **unity and budgetary accuracy:** all revenue and expenditure must be brought together in a single budgetary document. They must be allocated to a budget heading, and no expenditure may exceed the authorised appropriations;
- **universality:** this principle includes two rules:
 - the rule of non-assignment, whereby budgetary revenue must not be affected by specific expenditure (the sum of the revenue should cover the sum of the expenditure);
 - the rule against setting-off, whereby revenue and expenditure must be recorded in the budget at their integral amounts, without being offset against each other;
- **annuality:** the appropriations recorded have been authorised for a single financial year and must be used in the course of that financial year;
- **equilibrium:** the budget is a balance of revenue and expenditure (the estimated revenue covers the payment appropriations);
- **specification:** each appropriation must have a specified destination and be allocated to that specific target;
- **unit of account:** the budget is drawn up and implemented in euro and the accounts presented in euro;
- **sound financial management:** budget appropriations are used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness;
- **transparency:** the budget and the final annual accounts are published in the Official Journal of the European Union.

III.1 BUDGET RESULT

See annex 'Report on budgetary and financial management'.

III.2 RECONCILIATION OF BUDGET RESULT /ACCRUAL BASED RESULT

	2022	2021
Economic Result	+/- -1.462.319	1.017.527
<i>Accounting adjustments (items included in economic outturn but not in budgetary outturn)</i>		
Adjustment Cut off (reversal of 31.12.N-1)	-	-4.486.459
Adjustment Cut off (cut- off 31.12.N)	+	3.975.594
Staff Expenses not charged to the budget	+	1.500
Unpaid invoices received before 31/12/N and charged to the budget (FIN100)	+	27.301
Depreciation of tangible and intangible assets	+	857.659
Provisions	+	0
Assets Impairment	+	0
Budgetary recovery orders issued before 31.12.N and registered on income	-	0
Prefinancing paid previous year and cleared during the reporting year	+	0
Prefinancing received previous year and cleared during the reporting year	-	0
Payments from carry over from previous year	+	4.994.954
Other (eg. Deferred charges of previous year, charged to expense in the reporting year)	+/-	81.376
Budgetary adjustments(items included in the budget outturn but not in economic result)		
Acquisitions of fixed assets less payment of outstanding amounts at 31.12.N	-	-194.213
New prefinancing payments	-	0
Prefinancing received previous year and cleared during reporting year	+	1.723.819
Ordres de recouvrements émis avant l'année N et encaissés dans l'année N (budgetary)	+	
Ordres de recouvrements émis dans l'année N sur des comptes de bilan (pas compte 6 et 7) et encaissés dans l'année N	+	
Capital payments on financial leasing (they are budgetary payments but not in the economic result)	-	
Payment appropriations carried over to N+1	-	-4.989.332
Cancellation of payment appropriation carried over from N-1	+	1.365.325
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	
Payments for pensions (they are budgetary payments but booked against provisions)	-	
Budgetary payments of supplier's invoices registered on charges of previous year	-	-27.870
Payments for stocks of leave and supplementary hours (they are budgetary payments but booked against provisions)	-	
Other (eg. Deferred charges paid during the reporting year, to be charged to expense next years)	+/-	-143.515
Total adjusted		-1.723.819
Budgetary Result	1.723.819,00	1.060.794,00

There are differences – some temporary, some permanent – between the budget outturn arrived at through cash-based accounting and the credit balance calculated on an accrual basis.

Therefore, the Agency has a negative accounting result of EUR -1 462 319 (2021: EUR 1 017 527) and a positive budget outturn (surplus) of EUR 1 723 819 (2021: EUR 1 060 794).

This difference is explained as follows:

- In the accounting result, invoices that have not been recorded or received at 31.12.N but pertaining to goods or services delivered or provided in year N are considered expenditure for that year. However, under accrual-based accounting, this expenditure also includes the carry-over of appropriations to pay the invoices that will be received the following year but are for goods and services contracted in year N and delivered at the start of N+1 or invoiced in N+1.
- Using cash-based accounting, expenditure paid out in advance is carried over to the financial year in which it actually occurs (the service year), whereas the budget outturn includes these amounts, as this expenditure has already left the account. Conversely, amounts paid in previous years no longer have any impact on the budget outturn but do on the credit balance, at the time at which they are absorbed into the current financial year.
- Only annual depreciation of fixed assets is considered expenditure in the accounting result, whereas on budget accounts the expenditure recorded is the cost of purchasing the fixed assets at the time at which the funds leave the account.

- Provisions are expenditure that diminishes the accounting result. Conversely, cancelling a provision entry increases the accounting result, as this expenditure does not influence the cash balance because the funds have not been paid out.
- Payments made on carried-over appropriations are an expense that impacts on the economic outturn, whereas in the budget outturn, the expenditure is recorded in N-1.
- The unused portion of the subsidy received in year N is not considered revenue under accruals-based accounting, whereas on budget accounts it is revenue because funds were paid into the account in that year

III.3 BUDGET OUTTURN

See annex 'Report on budgetary and financial management'.

III.4 INITIAL 2022 BUDGET AND TRANSFERS

See annex 'Report on budgetary and financial management'.

IV. HUMAN RESOURCES

See annex 'Report on budgetary and financial management'.