



EUROPEAN COMMISSION
European Innovation Council and
Small & Medium-sized Enterprises Executive Agency (EISMEA)

FINAL ANNUAL ACCOUNTS OF THE EUROPEAN INNOVATION COUNCIL AND SMALL & MEDIUM-SIZED ENTERPRISE EXECUTIVE AGENCY (EISMEA)

Financial Year 2021

**Financial Statements
Reports on the budget implementation**

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Innovation Council and Small & Medium-sized Enterprises Executive Agency (EISMEA) in accordance with Title XIII of the Financial Regulation applicable to the general budget of the European Union and in accordance with Title VI of the Standard Financial Regulation for the Executive Agencies.

I hereby certify that the annual accounts of EISMEA for the year 2021 have been prepared in accordance with Title VI of the Standard Financial Regulation for the Executive Agencies 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 EISMEA'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 EISMEA.

Brussels, 23/06/2022

/e-signed/

Elena Petrova

Deputy Accounting Officer of EISMEA

INTRODUCTION

LEGAL BASIS

The accounts of the European Innovation Council and Small & Medium-sized Enterprises Executive Agency (EISMEA), hereafter: the Agency, are kept in accordance with:

- Commission Regulation 1653/2004, of 21 September 2004, on a standard financial regulation for the executive agencies pursuant to Council Regulation 58/2003¹ laying down the Statute for executive agencies to be entrusted with certain tasks in the management of Community programmes amended by Commission Regulation 1821/2005 and by Commission Regulation 651/2008 of 9 July 2008;
- The accounting rules, methods and guidelines as adopted and provided by the Accountant of the Commission according to Regulation (EU, Euratom) No 2020/1046 of the European Parliament and of the Council of 18 July 2020, on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 The Commission Regulation (EC) No 2909/2000 of 29 December 2000 on the accounting management of the European Communities' non-financial fixed assets.
- The 20 accounting rules on accrual accounting adopted by the Accounting Officer of the Commission in December 2004 and last updated in December 2020.
- The European Commission's 2021 closure consolidation instructions.

BACKGROUND INFORMATION

Executive Agencies are established by the Commission in accordance with Council Regulation (EC) No 58/2003¹ with the purpose of delegating certain tasks relating to the management of Union programmes, including budget implementation. This enables the Commission to focus on its core activities and to dispose of sufficient technical expertise for the management of such programmes with the goal to achieve a more efficient implementation.

The European Innovation Council and Small and Medium-sized Enterprises Executive Agency (EISMEA) was established on 1 April, 2021². With a focus on innovation and the single market, it will create strong synergies to support the recovery of the European economy. The agency has been entrusted with the implementation of the following (parts of) Union programmes:

- Horizon Europe, pillar III: the European Innovation Council (EIC) and European Innovation Ecosystems (EIE);
- European Regional Development Fund: Interregional Innovation Investments;
- Single Market Programme: SME Pillar; Internal market; support to standardisation; and Consumers.

EISMEA's mission is to provide high quality support to European innovators, researchers, businesses, regions and consumers. The agency aims to reinforce the European Union's position as a global leader in Research and Innovation, strengthen its Single Market, open up opportunities for SMEs and maintain high standards of protection for its citizens towards a more competitive, digital, green and

¹ 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 (OJ L 11 of 16.01.2003).

² COMMISSION IMPLEMENTING DECISION (EU) 2021/173 of 12 February 2021

inclusive EU. Its work is underpinned by six core values: client orientation, excellence, innovation, integrity, respect and transparency.

The Agency has its own legal identity and its tasks are specified in the Act of Delegation. This means that EISMEA implements the delegated programmes autonomously with the Director acting as Authorising Officer by Delegation (AOD). EISMEA implements the EU programme budgets under direct management (Article 62(1)a and 69(2) of the Financial Regulation).

The Agency has its own administrative budget for which it receives from the EU an annual subsidy (in 2021: EUR 43 071 370). The administrative budget covers the running costs of the Agency, mainly staff expenditure, office related costs, experts and other services. The EISMEA's Director is the Authorising Officer (AO) for this budget.

EISMEA operates under the control of the Commission: it reports to the Directors-General of the parent Directorates-General (DGs) and to the Steering Committee, on the performance of the tasks assigned to the Agency. The Agency implements delegated tasks in close cooperation with its five parent DGs: (1) DG for Research and Innovation, (2) DG for Communications Networks, Content and Technology, (3) DG for Internal Market, Industry, Entrepreneurship and SMEs, (4) DG for Justice and Consumers and (5) DG for Regional and Urban Policy.

This was EISMEA's first year of operation, bringing fresh management and a unique portfolio of programmes. Staff were recruited from previous Executive Agencies (EASME, REA, CHAFEA) as well as the European Commission. As the agency was established during a period of confinement brought by the COVID-19 pandemic, this brought practical challenges – particularly in terms of recruiting, onboarding and team-building. The agency was nevertheless able to rely on a committed, stable and adaptable workforce that has been implementing EU programmes successfully for many years. These positive factors contributed strongly to the agency's strong performance in 2021.

On 1 April 2021, Jean-David Malo was appointed Director of the Agency.

External Audit

The European Court of Auditors is required to prepare a specific annual report on the Agency in line with the requirements of Article 248 of the EC Treaty³.

Discharge

The European Parliament is the discharge authority within the EU. This means that, following the audit and finalisation of the annual accounts, it falls to the Council to recommend and then to the European Parliament to give a discharge to the Agency for a given financial year.

³ Art. 65 of the Commission Regulation (EC) n° 1653/2004 of the 21 December 2004 on a standard regulation for the executive agencies pursuant to Council Regulation (EC) n° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes

FINANCIAL STATEMENTS

BALANCE SHEET

EUR

	Note	31.12.2021	31.12.2020
NON-CURRENT ASSETS		955 943	1 273 604
Intangible assets	2.1	-	76
Tangible fixed assets	2.2	955 943	1 273 528
Plant and equipment		-	-
Computer hardware		6 572	40 443
Fixtures and fittings		949 371	1 194 482
Assets under financial lease		-	38 603
CURRENT ASSETS		4 572 549	6 695 690
Receivables and recoverables	2.3	59 163	50 788
Current receivables		1 765	-
Sundry receivables		57 398	50 788
Prepaid expenses	2.4	377 990	1 324 288
Cash and cash equivalents	2.5	4 135 396	5 320 614
TOTAL ASSETS		5 528 492	7 969 294
NON-CURRENT LIABILITIES		-	33 455
Finance lease liabilities	2.10	-	33 455
CURRENT LIABILITIES		4 161 154	6 842 041
Provisions for risks and liabilities	2.6	49 670	56 425
Finance lease liabilities	2.10	-	16 513
Payables		4 111 484	6 769 103
Current payables	2.7	10 466	1 323 236
Accrued charges and deferred income	2.8	2 608 766	3 123 659
Accounts payable to consolidated EU entities	2.9	1 492 252	2 322 208
TOTAL LIABILITIES		4 161 154	6 875 496
NET ASSETS		1 367 338	1 093 798
Accumulated surplus/(deficit)		1 093 798	3 096 902
Economic result of the year		273 540	(2 003 104)

STATEMENT OF FINANCIAL PERFORMANCE

EUR

	Note	2021	2020
OPERATING REVENUE		41 305 605	46 946 507
Non-exchange revenue	3.1.1	41 288 664	46 936 040
European Union Contribution		41 288 664	46 936 040
Other non-exchange revenue		-	-
Exchange revenue	3.1.2	16 941	10 467
Income from non-consolidated entities		7 551	9 938
Income from consolidated entities		-	-
Gains from exchange rate differences		9 390	529
OPERATING EXPENSES		(41 030 791)	(48 948 361)
Staff expenditure	3.2.1	(31 232 935)	(36 550 266)
Administrative expenses with non-consolidated entities	3.2.2	(3 522 831)	(4 523 213)
Expenses with consolidated entities	3.2.3	(5 969 209)	(7 495 432)
Experts and related expenses	3.2.4	(14 638)	(70 029)
Fixed assets related expenses	3.2.5	(278 673)	(306 445)
Exchange differences		(12 505)	(2 976)
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		274 814	(2 001 854)
Financial revenue		-	-
Financial expenses	3.3	(1 274)	(1 250)
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		273 540	(2 003 104)
Extraordinary gains		-	-
Extraordinary losses		-	-
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS		-	-
ECONOMIC RESULT OF THE YEAR		273 540	(2 003 104)

CASH FLOW STATEMENT

EUR

	Note	2021	2020
Economic result of the year		273 540	(2 003 104)
Operating activities	4.1	(1 451 876)	2 314 483
Amortisation		76	460
Depreciation		244 825	305 967
(Increase)/Decrease in receivables and recoverables		(1 765)	2 231
(Increase)/Decrease in receivables from consolidated EU entities		(6 610)	14 469
(Increase)/Decrease in prepayments		946 298	(1 308 563)
Increase/(Decrease) in provisions		(6 755)	30 300
Increase/(Decrease) in payables		(1 877 632)	1 626 683
Increase/(Decrease) in liabilities to consolidated EU entities		(829 956)	1 642 918
(Gains)/losses on sale of property, plant and equipment		79 643	18
Net cash-flow from operating activities		(1 178 336)	311 379
Investing activities	4.2	(6 883)	(95 341)
Purchase of intangible assets and property, plant and equipment		(6 883)	(95 341)
Net increase/(decrease) in cash and cash equivalents		(1 185 219)	216 038
Cash and cash equivalents at the beginning of the year		5 320 615	5 104 577
Cash and cash equivalents at year-end		4 135 396	5 320 615

STATEMENT OF CHANGES IN NET ASSETS

EUR

	Note	Accumulated Surplus/Deficit	Economic result of the year	Net Assets (Total)
Balance as at 31 December 2020		1 093 798	-	1 093 798
Changes in accounting policies		-	-	-
Balance as at 1 January 2021		1 093 798	-	1 093 798
Allocation of the economic result of previous year		-	-	-
Economic result of the year		-	273 540	273 540
Balance as at 31 December 2021		1 093 798	273 540	1 367 338

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Legal basis and Accounting rules

These accounts are kept in accordance with Commission Regulation (EC) N° 1653/2004 of 21 September 2004⁴ on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) N° 58/2003. Art 2 of the standard financial regulation defines in which cases the executive agencies shall also apply the Financial Regulation applicable to the general budget of the European Communities (Regulation (EU, Euratom) N° 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union⁵ together with its rules of application (Commission Delegated Regulation (EU), Euratom) N° 1268/2012 of 29 October 2012).

These financial statements are prepared on the basis of the EU Accounting Rules as adopted by the Commission's Accounting Officer which adapt the International Public Sector Accounting Standards (and in some cases the International Financial Reporting Standards) to the specific environment of the EU, while the reports on implementation of the budget continue to be primarily based on movements of cash.

The accounting system of the Agency comprises general accounts and budget accounts. These accounts are kept in Euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.⁶ The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

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

1.2. Accounting principles

The objectives of the financial statements are to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. For a public sector entity such as the Agency, the objectives are more specifically to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

Article 53 of the standard financial regulation for executive agencies (Commission Regulation (EC) N° 1653/2004 amended by Commission Regulation (EC) N° 651/2008) sets out the accounting principles to be applied in drawing up the financial statements:

Going-concern principle

When preparing financial statements an assessment of an entity's ability to continue as a going concern shall be made. Financial statements shall be prepared on a going concern basis unless there is an intention to liquidate the entity or to cease operating, or if there is no realistic alternative but to do so. These financial statements have been prepared in accordance with the going concern principle, which means that the Agency is deemed to have been established for an indefinite duration.

⁴ Amended by Commission Regulation (EC) No 651/2008 of 9th July 2008

⁵ Repealing Council Regulation (EC, Euratom) No 1605/2002

⁶ This differs from cash-based accounting because of elements such as carryovers.

Principle of prudence

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

Principle of consistent accounting methods

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

The Agency's accounting officer may not depart from the principle of consistent accounting methods other than in exceptional circumstances, in particular:

- (a) in the event of a significant change in the nature of the entity's operations;
- (b) where the change made is for the sake of a more appropriate presentation of the accounting operations.

Principle of comparability of information

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

Where, the presentation or the classification of one of the components of the financial statements is changed, the corresponding amounts for the previous year shall be made comparable and reclassified. Where it is impossible to reclassify items, this shall be explained in the annex to the financial statements.

Principle of materiality

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

Transactions may be aggregated where:

- (a) the transactions are identical in nature, even if the amounts are large;
- (b) the amounts are negligible;
- (c) aggregation makes for clarity in the financial statements.

Principle of no-netting

The no-netting principle means that receivables and debts may not be offset against each other, nor may charges and income, except when offsetting reflects the substance of the transaction or other event.

Principle of reality over appearance

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

Accrual-based accounting principle

In order to meet their objectives, financial statements are prepared on the accrual basis of accounting. Under this basis, the effects of transactions and other events are recognised when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

Exception to the accounting principles

Where, in a specific case, the accounting officer considers that an exception should be made to the content of one of the accounting principles defined above this exception must be duly substantiated and reported in the annex to the financial statements.

1.3. Basis of preparation

Functional and reporting currency

The financial statements are presented in euros, which is the functional and reporting currency of the EU and of the Agency.

Transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary items in foreign currency into euros at year-end are recognised in the statement of financial performance.

Chart of Accounts

The chart of accounts used by the Agency follows the structure of the chart of accounts of the European Commission (PCUE).

Use of estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts presented and disclosed in the Financial Statements of the Agency. Significant estimates and assumptions in these financial statements require judgment and are used for, but not limited to, accrued income and charges, provisions, contingent assets and liabilities. Actual results reported in future periods may be different from these estimates. Changes in estimates are reflected in the period in which they become known.

1.4. Balance Sheet

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

1.4.1. Intangible fixed assets

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

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

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

Internally developed intangible assets are capitalised when the relevant criteria of the EU Accounting rules are met. The costs capitalisable include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

1.4.2. Tangible fixed assets

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

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

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

The depreciation is calculated using the straight-line method with the following rates:

Type of asset	Straight line depreciation rate
Plant, machinery and equipment	12.5 - 25%
Fixtures and fittings	5 - 25%
Computer hardware	25%

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

1.4.3. Leases

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

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

1.4.4. Financial assets

The Agency has as financial assets its receivables and current bank accounts. Receivables arise when the Agency provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities more than 12 months of the balance sheet date. See notes 1.4.5 and 1.4.6 below for more information.

1.4.5. Receivables

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

See note 1.4.10 below concerning the treatment of accrued income at year-end.

1.4.6. Cash and cash equivalents

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

1.4.7. Provisions

Provisions are recognised when the Agency has a present legal or constructive obligation towards third parties as a result of past events, it is more likely that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date.

1.4.8. Financial liabilities

The Agency has as financial liabilities its payables. They are classified as current liabilities, except for maturities more than 12 months after the balance sheet date. See note 1.4.9 below for more information.

1.4.9. Payables

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

1.4.10. Accrued and deferred income and charges

According to the EU Accounting rules, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Commission and by the Agency which aim at ensuring that the financial statements reflect a true and fair view.

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

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

1.5. Statement of financial performance

1.5.1. Revenue

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

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

Interest income consists of received bank interest.

1.5.2. Expenses

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

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

Non-exchange expenses 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 (Financial Regulation, Staff Regulations, or other regulation) or a contract has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

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

1.6. Contingent Assets and Liabilities

1.6.1. Contingent assets

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

1.6.2. Contingent liabilities

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

1.7. Consolidation

According to Article 57 of Commission Regulation 1653/2004, the Agency's accounts are consolidated with the Commission's annual accounts.

2. NOTES TO THE BALANCE SHEET

NON-CURRENT ASSETS

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

2.1. Intangible fixed assets

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

The intangible fixed assets at the Agency consist of computer software.

EUR

Computer Software	
A. Acquisition value	
Gross book value at 31 st December 2020	46 039
Variations of the year:	
Additions	-
Disposals	-
Total gross book value at 31st December 2021	46 039
B. Depreciation and value reduction	
Accumulated depreciation at 31 st December 2020	45 963
Variations of the year:	
Depreciation	76
Disposals	-
Total accumulated depreciation at 31st December 2021	46 039
NET BOOK VALUE (A-B)	-

2.2. Tangible fixed assets

As a general rule, the Agency books as the fixed tangible assets only items with the purchase price above EUR 700. Items with lower value, such as digital cameras, monitors, furniture etc., are treated as expenses of the year but are however registered in the physical inventory.

The Agency's tangible fixed assets consist of technical equipment, furniture, kitchen equipment, computer hardware, telecommunication and audio-visual equipment.

In addition, until April 2021 the Agency had lease agreements for copiers, which are included in the table below (for the details see note 2.10.).

EUR

	Plant & equip.	Computer hardware*	Assets under financial leases*	Fixtures & fittings	Total
A. Acquisition value					
Gross book value at 31st December 2020	2 421	244 688	82 451	3 341 276	3 670 836
Variations of the year:					
Additions	-	6 883	-	-	6 883
Disposals	-	(170 039)	(82 451)	(19 621)	(272 111)
Transfers	-	-	-	-	-
Total gross book value at 31 December 2021	2 421	81 532	-	3 321 655	3 405 608
B. Depreciation and value reduction					
Accumulated depreciation at 31st December 2020	2 421	204 245	43 848	2 146 794	2 397 308
Variations of the year:					
Depreciation	-	3 610	5 545	235 670	244 825
Disposals	-	(132 895)	(49 395)	(10 180)	(192 468)
Transfers	-	-	-	-	-
Total accumulated depreciation at 31 December 2021	2 421	74 960	-	2 372 284	2 449 665
NET BOOK VALUE (A-B)	-	6 572	-	949 371	955 943

* In January 2021 the Agency signed MoU with DIGIT for services of Digital Workplace Solutions (DWP) and as of 1st January 2021 most of the Computer Hardware was transferred to DIGIT and all the assets under financial lease were transferred as of 1st April 2021.

CURRENT ASSETS

2.3. Receivables and recoverables

	EUR	
	2021	2020
<i>Current receivables</i>	1 765	-
<i>Less amounts written down</i>	-	-
Sub-total current receivables	1 765	-
Sundry receivables	57 398	50 788
Total	59 163	50 788

The current receivable represents recovery of expenses for services delivered by the suppliers in previous years and received in 2021.

Sundry receivables relate to the monthly salary regularizations concerning staff members and other balances linked to payroll paid to staff on behalf of the Commission and other institutions and not yet claimed by the Agency.

2.4. Prepaid expenses

	EUR	
	2021	2020
Prepaid expenses/deferred charges	377 990	1 324 288
Total	377 990	1 324 288

The prepaid expenses and deferred charges consist of the anticipated charges for 2021 (i.e. rent, transport costs, licenses and supplies not yet received) for which the invoices were received before 31 December 2021.

2.5. Cash and cash equivalents

	EUR	
	2021	2020
Bank accounts	4 135 396	5 320 614
Cash and imprest account	-	-
Total	4 135 396	5 320 614

This amount corresponds to the cash balance held by the Agency on 31 December 2021 on its bank account in EUR at ING bank. The Agency does not hold any petty cash.

LIABILITIES

2.6. Provisions for risks and liabilities

The provision of EUR 49 670 covers: (1) the legal services fees for the representation of the Agency in the national courts; the ongoing legal cases relate to the grants (covered by the operational budget of the Agency) and (2) staff installation allowances for staff that had a right to reallocate in 2021.

2.7. Current payables

The accounts payable as at 31 December 2021 comprise outstanding unpaid invoices and claims from suppliers and other public bodies.

	EUR	
	2021	2020
Amounts payable – suppliers and public bodies	10 466	1 323 236
Amounts payable - staff	-	-
Total	10 466	1 323 236

2.8. Accrued charges and deferred income

	EUR	
	2021	2020
Staff related expenses (incl. holiday compensation)	1 058 859	1 270 526
Rent and rental expenses	640 000	945 200
Support and services	291 853	104 634
IT Software and maintenance	245 405	257 571
Communication and publications	234 711	199 461
Legal charges and insurance	46 639	25 000
Trainings	32 392	26 357
External audits	26 022	285 249
Missions	20 000	-
Other	12 885	9 661
Total	2 608 766	3 123 659

Accrued charges are expenses that have been incurred but not yet paid.

According to the EU Staff Regulation, Annex V: Leave, Article 4, if the person at the time of leaving the service has not used up their annual leave, they shall be paid compensation equal to one thirtieth of their monthly remuneration for each leave's day due to them. The calculated amount of the holiday compensation (included in staff related expenses in the above table) is recognised as accrued expense and amounts EUR 826 000 (2020: EUR 910 000).

2.9. Accounts payable to consolidated EU entities

	EUR	
	2021	2020
Repayable positive budgetary outturn	1 492 252	2 304 764
Other payables to consolidated EU entities	-	17 444
Total	1 492 252	2 322 208

Repayable positive budgetary outturn - this amount will be reimbursed to the Commission in 2021 (for detailed calculations of the budgetary outturn please refer to the reports on the budget implementation).

Other payables to consolidated EU entities consist open invoices payable on the 31 December 2021 to the European Commission.

2.10. Finance lease liabilities

There were no new contracts concluded by the Agency in 2021. After repayments done during first quarter of 2021 and transfer of leased asset to DIGIT as of 1st April 2021, according to Memorandum of Understanding signed in January 2021 for services of Digital Workplace Solutions (DWP), the liability for the financial leases at the reporting date was zero. The leases were treated according to EC Accounting Rule Nr. 8 Leases.

	EUR	
	2021	2020
Non-current finance lease liabilities	-	33 455
Current finance lease liabilities	-	16 513
Total	-	49 968

	EUR		
	Future amounts to be paid		Total
	< 1 year	1 – 5 years	
Tangible fixed assets	-	-	-
Total at 31 December 2021	-	-	-
Interest element	-	-	-
Total minimum lease payments at 31 December 2021	-	-	-
Total minimum lease payments at 31 December 2020	17 424	34 260	51 684

NET ASSETS

The net assets amount to EUR 1 367 338 and comprise the total of the economic result of previous years for the amount of EUR 1 093 798 and the economic result of the current year – a profit for the amount of EUR 273 540.

The economic result of the year is different from the budgetary result due to the differences between the general accounts and the budgetary ones. Additional information concerning the reconciliation between both accounts is provided in the reports on the budget implementation.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

3.1. Operating revenue

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

3.1.1. Non-exchange revenue

	EUR	
	2021	2020
Gross European Union contribution	43 071 370	49 240 804
Transfer of Files to CINEA	(290 454)	-
Subsidy to be reimbursed – budgetary outturn	(1 492 252)	(2 304 764)
Sub-total of European Union contribution	41 288 664	46 936 040
Other non-exchange revenue	-	-
Total	41 288 664	46 936 040

The amount under European Union contribution represents the gross subsidy received for 2021 to cover the administrative autonomy of the Agency in 2021 less the budget result for the year (for detailed calculations of the budgetary outturn please refer to the reports on the budget implementation).

3.1.2. Exchange revenue

	EUR	
	2021	2020
Income from non-consolidated entities	7 551	9 938
Income from consolidated entities	-	-
Exchange rate gains	9 390	529
Total	16 941	10 467

The income from non-consolidated entities represents the recovery of expenses for services delivered by the suppliers in 2020.

The gains from exchange rate differences arose from payments to staff salaries in currencies other than EUR.

3.2. Operating expenses

3.2.1. Staff expenditure

Staff expenses amounting to EUR 31 232 935 contain personnel related expenses such as salaries, allowances, social security contributions and other welfare expenses.

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

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

The Agency is only responsible for the communication to the PMO of reliable information allowing the calculation of the staff costs. It is also responsible to check that this information has been correctly handled in the monthly payroll report used for accounting payroll costs. It is not responsible for the calculation of the payroll costs performed by PMO.

3.2.2. Administrative expenses with non-consolidated entities

Administrative expenses amounted to EUR 3 522 831 with non-consolidated entities contain rental of buildings and associated costs, maintenance and service fees, office running costs as well as the cost of interim staff.

3.2.3. Expenses with consolidated entities

Expenses with consolidated entities amounting to EUR 5 969 209, this heading regroups different types of expenses with consolidated entities mainly for service level agreements (SLAs) with DGs such as DG BUDG, DIGIT, PMO, OIB and HR.

3.2.4. Expert and related expenses

Experts and related expenses amounting to EUR 14 638 consist of the cost relating to the experts for their assistance in project evaluation exercises and other associated costs.

3.2.5. Fixed assets related expenses

Fixed assets related expenses amounting to EUR 244 901 contain the charged amortisation/depreciation for the non-current intangible assets, property, plant and equipment and loss on disposal of assets EUR 33 772 (this amount includes the net amount for leased assets after writing of the balancing lease liability).

3.3. Financial expenses

The amount of EUR 1 274 represents interest on late payments and the cost of finance leases.

4. NOTES TO THE CASH FLOW STATEMENT

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

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

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

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

4.1. Operating activities

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

4.2. Investing activities

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

5. CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

5.1. Contingent Assets

As described in note 2.6, the Agency is party of legal proceedings in front of national courts. Depending on the courts' ruling the Agency may be able to recover administrative legal costs of those proceedings (the amount can be estimate at maximum EUR 14 850).

5.2. Contingent Liabilities

As described in note 2.6, the Agency is party of legal proceedings in front of national courts. Depending on the courts' ruling the Agency may be obliged to cover administrative legal costs of those proceedings and additional claims. The Agency estimates that the maximum value of those potential costs is EUR 56 500. In addition the Agency might be obliged to pay out installation and daily allowances of EUR 43 400 and removal costs (the amounts cannot be estimated at this stage) to staff entitled to it.

5.3. Other significant disclosures

5.3.1. Outstanding commitments not yet expensed (carryovers)

	EUR	
	2021	2020
Automatic carryovers C1	2 699 006	3 058 675
Accrued expenses (excluding holiday compensation); deferred expenses and open invoices	(1 456 912)	(2 286 475)
Outstanding commitments not yet expensed	1 242 094	772 200

The amount disclosed above is the budgetary RAL ("Reste à Liquider") less accruals and plus suppliers invoices received and not yet paid at 31 December 2021 that have been included as expenses in the 2021 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made.

5.3.2. Significant legal commitments

	EUR	
	2021	2020
Operating lease - rental of the office premises	4 315 743	5 429 483
Other contractual commitments	-	-
Future commitments on existing contracts	4 315 743	5 429 483

The future commitment on existing contracts results from the usufruct contract for the building signed by the Agency in 2010. According to this contract, the Agency should pay in total amount of 16 149 KEUR over the 15 years of the usufruct contract (2011-2025).

6. FINANCIAL INSTRUMENTS

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

The carrying amounts of financial instruments are as follows:

	EUR	
	2021	2020
Financial assets		
Current receivables	1 765	-
Other receivables	57 398	50 788
Cash and deposits	4 135 396	5 320 614
Total financial assets	4 194 559	5 371 402
Financial liabilities		
Long-term payables	-	(33 455)
Current payables	(10 466)	(1 323 236)
Other payables	-	(16 513)
Payables to consolidated entities	(1 492 252)	(2 322 208)
Total financial liabilities	(1 502 718)	(3 695 412)
Total net financial instruments	2 691 841	1 675 990

Liquidity risk

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

Liquidity risk arises from the ongoing financial obligations, including settlement of payables.

The Agency manages liquidity risk by continually monitoring forecast and actual cash flows.

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk.

The table below provides detail on the contractual maturity of all financial instruments and other assets and liabilities. Liquidity risk on these items is not managed on the basis of contractual maturity because they are not held for settlement according to such maturity and will be settled before contractual maturity at fair value.

						EUR
As at 31 December 2021	On demand	< 3 months	3 – 12 months	1 – 2 years	2 – 5 years	Total
Assets						
Current receivables	-	1 765	-	-	-	1 765
Other receivables	-	-	57 398	-	-	57 398
Cash and deposits	4 135 396	-	-	-	-	4 135 396
Total financial assets	4 135 396	1 765	57 398	-	-	4 194 559
Liabilities						
Long-term payables	-	-	-	-	-	-
Current payables	(10 466)	-	-	-	-	(10 466)
Other payables	-	-	-	-	-	-
Payables to consolidated entities	(1 492 252)	-	-	-	-	(1 492 252)
Total financial liabilities	(1 502 718)	-	-	-	-	(1 502 718)
Cumulative liquidity surplus/ (gap)	2 632 678	1 765	57 398	-	-	2 691 841

Bank accounts opened in the name of the Agency may not be overdrawn.

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

EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

Credit risk

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

Treasury resources are kept with commercial banks. The subsidy from the European Commission was requested two times during the year based on cash forecasts.

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

- All commercial banks are selected by call for tenders. The minimum short term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1). A lower level may be accepted in specific and duly justified circumstances.
- The credit ratings of the commercial banks where the Agency has accounts are reviewed on regular basis.

None of the Agency's financial assets are past due nor impaired. The maximum exposure to credit risk is:

						EUR
31 December	2021			2020		
	Receivables non-consolidated entities	Receivables consolidated entities	Bank accounts	Receivables non-consolidated entities	Receivables consolidated entities	Bank accounts
Counterparties with external credit rating:						
Prime and high grade	-	-	-	-	-	-
Upper medium grade	-	-	4 135 396	-	-	5 320 614
Lower medium grade	-	-	-	-	-	-
Non-investment grade	-	-	-	-	-	-
Counterparties without external credit rating:						
Debtors who never defaulted	1 765	57 398	-	-	50 788	-
Debtors who defaulted in the past	-	-	-	-	-	-
Total	1 765	57 398	4 135 396	-	50 788	5 320 614

The Agency has a current account in ING Belgium. Its credit rating was as follows:

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

Interest rate risk

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

Interest rate risk at the Agency arises from cash. It is recognised that interest rates fluctuate and the Agency accepts the risk and does not consider it to be material.

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

Foreign currency risk

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

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

When miscellaneous receipts are received in currencies other than EUR, they are either transferred to the Agency's accounts held in the same currencies, if they are needed to cover for the execution of payments, or converted into EUR and transferred to accounts held in EUR.

Fair value

The estimated fair values of all financial instruments of the Agency are equal to their book values as at 31 December 2021 and 31 December 2020. All financial assets and liabilities are receivable or repayable on demand or within one year.

7. CHANGES IN ACCOUNTING POLICIES

Revised EAR which is effective for annual periods beginning on or after 1 January 2021

In 2020, the Accounting Officer adopted the revised EAR 11 'Financial Instruments', which is mandatorily effective as of 1 January 2021. The revised EAR 11 is based on the new IPSAS 41 'Financial Instruments', the amended IPSAS 28 'Financial Instruments: Presentation' and the amended IPSAS 30 'Financial Instruments: Disclosures' which were issued in August 2018. It establishes the financial reporting principles for financial assets and financial liabilities. In accordance with the transition provisions of the revised EAR 11, the entity accounts for any changes from the initial application, on 1 January 2021. The revised EAR 11 does not require the restatement of prior periods.

Changes from the application of the revised EAR 11

The only financial instruments of the entity, are the receivables from exchange transactions. In accordance with the revised EAR 11 requirements, the entity has classified these receivables as 'financial assets at amortised cost' ('loans and receivables' in prior periods). The entity has applied the impairment requirements of the revised EAR 11 to the receivables.

8. RELATED PARTY DISCLOSURE

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

Highest grade description	Grade	Number of persons of this grade
Director, Heads of Department, Heads of Unit	AD14	7
Heads of Department, Heads of Unit	AD13	8

The remuneration equivalent to the grades of the key management personnel in the table can be found in Official Journal L 345/10 of 23 December 2008.

9. EVENTS AFTER THE BALANCE SHEET DATE AND DISCLOSURES

9.1. COVID-19

During 2021, the coronavirus outbreak continued to have a global impact. Based on the information available at the date of the signature of these annual accounts, the main financial effects of the coronavirus outbreak on the Agency's activities have been described in the reports on the implementation of the budget and in the notes to the financial statements.

9.2. Ukraine

In accordance with EU accounting rule 19, Events after Reporting Date, the war in Ukraine that began in February 2022 is a non-adjusting event, thus not requiring any adjustments to the figures reported in these financial statements at 31 December 2021. For subsequent reporting periods, the war may affect the recognition and measurement of some assets and liabilities on the balance sheet or some revenue and expenses recognised in the statement of financial performance.

Based on the facts and circumstances at the time of preparation of these financial statements, there is no financial impact to be reported.

**REPORTS ON THE BUDGET IMPLEMENTATION
OF THE EUROPEAN INNOVATION COUNCIL AND SMALL &
MEDIUM-SIZED ENTERPRISE EXECUTIVE AGENCY
(EISMEA)**

1. INTRODUCTION

1.1. EISMEA budget and its implementation

The first 2021 operating budget (hereafter referred to as administrative budget) of the Agency was adopted by Steering Committee on 16 December 2020 and it amounted to EUR 46 209 551 (including EFTA and Third Countries contributions). During the year 4 amending budgets were adopted by the Steering Committee which reduced the overall initial amount by EUR 1 018 411, resulting in a final budget of EUR 45 191 140. The final subsidy requested on the general budget amounted to EUR 43 071 370. The execution of commitment appropriations amounts to EUR 42 525 351 (94% of the available budget) and the execution of payment appropriations amounts to EUR 39 826 344 (88% of the available budget).

Budgetary structure and principles

1.1.1. Budgetary structure

The budgetary accounts are kept in accordance with the Financial Regulation and its rules of application. The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the implementation of the Agency's Decision.

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

The budget structure for the Agency consists of administrative appropriations and has only non-differentiated appropriations, meaning that the commitment and the payment appropriations are of the same amount. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality).

The appropriations are split into commitment and payment appropriations:

- **Commitment appropriations (CA)** – cover the total cost of the legal obligations entered into for the current financial year.
- **Payment appropriations (PA)** – cover expenditure arising from commitments entered into in the current financial year and/or earlier financial years.

Origin of Appropriations

The main source of appropriations is the Agency's budget for the current year. However, there are other types of appropriations resulting from the provisions of the Financial Regulation. They come from previous financial years or outside sources:

- Initial budget appropriations adopted for the current year can be supplemented with transfers between lines and by amending budgets.
- Appropriations carried over from previous year or made available again also supplement the current budget.

Composition of Appropriations Available

- Initial budget = appropriations voted in year N-1;

- Final budget appropriations = initial budget appropriations adopted + amending budget appropriations + transfers + additional appropriations;
- Additional appropriations = assigned revenue (see above) + appropriations carried over from the previous financial year.

The final budget is distributed in the following titles:

Budget title	EUR		
	Year 2021 Appropriations	Carried-over from 2020	Total Budget 2021
1. Staff expenditure	35 314 640	652 591	35 967 231
2. Infrastructure and operating expenses	8 361 500	1 353 007	9 714 507
3. Programme support expenditure	1 515 000	1 053 077	2 568 077
Total	45 191 140	3 058 675	48 249 815

1.1.2. Budgetary principles

The budget of the Agency has been established and implemented in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency.

- **Unity and budget accuracy** - all Agency's expenditure and revenues must be incorporated in a single budget documents, must be booked on a budget line and expenditure must not exceed authorised appropriation;
- **Annuity** – the appropriations entered are authorised for a single year and must therefore be used during that year;
- **Equilibrium** – the revenue and expenditure shown in the budget must be in balance (estimated revenue must equal payment appropriations);
- **Unit of account** – the budget is drawn up and implemented in euro (EUR) and the accounts are presented in euro;
- **Universality** – this principle comprises of two rules:
 - ✓ The rule of non-assignment, meaning that budget revenue must not be earmarked for specific items of expenditure (total revenue must cover total expenditure);
 - ✓ The gross budget rule, meaning that revenue and expenditure are entered in full in the budget without any adjustments against each other;
- **Specification** – each appropriation is assigned to specific purpose and specific objective;
- **Sound financial management** – budget appropriations are used in accordance with the principle of sound financial management, namely in accordance with the principle of economy, efficiency and effectiveness;
- **Transparency** – the budget is established and implemented and the accounts presented in compliance with the principle of transparency – the budget and amending budgets are published in the website of EISMEA.

2. BUDGET RESULT

2.1. Calculation of the Budget Result

The revenue entered in the accounts is the amount actually received during the course of the year. For the purposes of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus any of the appropriations for that year that are carried over to

the following year. Payments made against the year's appropriations means payments that are made by the accounting officer by 31 December of the financial year.

The following are added to or deducted from the resulting figure:

- the net balance of cancellations of payment appropriations carried over from previous years and any payments which, because of fluctuations in the euro rate, exceed non-differentiated appropriations carried over from the previous year; and
- the balance of exchange-rate gains and losses recorded during the year.

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

2.2. Budget outturn table

BUDGET RESULT - 1.1.2021 – 31.12.2021		EUR
	2021	2020
REVENUE		
Balancing Commission subsidy/Union contribution, cashed	43 071 370	49 240 804
Other subsidy from Commission	-	-
Free income	-	-
Other income	5 786	19 243
TOTAL REVENUE	43 077 156	49 260 047
EXPENDITURE		
Title 1: Staff		
Payments	33 277 891	38 773 351
Appropriations carried over	595 375	652 591
Title 2: Administrative Expenses		
Payments	6 296 056	5 978 878
Appropriations carried over	1 279 379	1 353 007
Title 3: Operating Expenditure		
Payments	252 398	565 810
Appropriations carried over	824 252	1 053 077
TOTAL EXPENDITURE	42 525 351	48 376 714
BUDGET RESULT FOR THE FINANCIAL YEAR BEFORE SPECIAL ITEMS	551 805	883 333
Cancellation of unused appropriations carried over from previous year	1 234 016	1 423 877
Exchange rate differences	(3 115)	(2 446)
BUDGET RESULT FOR THE FINANCIAL YEAR	1 782 706	2 304 764
Unused payment appropriations from current year and paid to CINEA in 2021 (ToF exercise)	(77 557)	-
Unused payment appropriations carried over from previous year and paid to CINEA in 2021 (ToF exercise)	(212 897)	-
Pre-financing remaining open to be reimbursed by agency to Commission in year N+1	1 492 252	2 304 764

The budget result for 2021 amounts to EUR 1 492 252 and is comprised of:

- EUR 2 665 789 – not used appropriations current year (budget 2021 not committed nor carried over);
- EUR 1 234 016 – not used payment appropriations carried forward from 2020;
- EUR 5 786 – other income relating to recovery of expenses for services delivered in 2020;
- (EUR 3 115) – exchange rate differences;
- (EUR 2 119 770) – subsidy not requested;
- (EUR 290 454) – transfer of appropriations to CINEA (ToF exercise).

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR	
	2021	2020
ECONOMIC RESULT OF THE YEAR	273 540	(2 003 104)
Adjustments for accrual items (items included in the economic result but not in the budget result)		
Accrual Cut-off (reversal 31 December 2020)	(3 123 659)	(2 774 112)
Accrual Cut-off (cut-off 31 December 2021)	2 608 766	3 123 659
Unpaid invoices at year end but booked in charges	10 466	1 340 679
Depreciation/amortisation of intangible and tangible assets	278 673	306 445
Provisions	(6 755)	30 300
Recovery Orders issued in year 2021 and not yet cashed	(1 765)	-
Payments made from carry-over of payment appropriations	1 824 660	3 053 884
Deferred expenses (reversal 31 December 2020)	1 324 288	15 725
Deferred expenses (cut-off 31 December 2021)	(377 990)	(1 324 288)
Other (open invoices 2020, accrued income 2021 and reversal 2020, etc)	(1 338 351)	(41 280)
Adjustments for budgetary items (items included in the budget result but not in the economic result)		
Asset acquisitions (less unpaid amounts)	(6 883)	(95 341)
Pre-financing paid	-	-
New pre-financing received in year 2021 and remaining open as at 31 December 2021	1 492 252	2 304 764
Budgetary recovery orders issued before year 2021 and not cashed in the year	-	2 231
Budgetary recovery orders issued in year 2021 on balance sheet accounts and cashed	-	-
Payment appropriations carried over to year 2021	(2 699 006)	(3 058 675)
Cancellation of unused carried over payment appropriations from previous year	1 234 016	1 423 877
Other	-	-
Total	1 218 712	4 307 868
BUDGET RESULT OF THE YEAR	1 492 252	2 304 764

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

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

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

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

The net effect of pre-financing is the combination of (1) the new pre-financing amounts paid in the current year and recognised as budgetary expenditure of the year and (2) the clearing of the pre-financing paid in current year or previous years through the acceptance of eligible costs. The latter represent an expense in accrual terms but not in the budgetary accounts since the payment of the initial pre-financing had already been considered as a budgetary expenditure at the time of its payment.

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

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

4. BUDGET REVENUE

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

5. BUDGET EXPENDITURE

5.1. Budget overview - commitment and payment appropriations fund source C1

EUR

Budget line	Description	Initial budget (EUR)	Budget amendment No 1 (EUR) [transfers]	Budget amendment No 2 (EUR) [transfers]	Budget amendment No 3 (EUR)	Budget amendment No 4 (EUR) [transfers]	Final budget (EUR)
1111	Temporary Agents - Remunerations	9 861 000	-	-	484 000	-	10 345 000
1112	Temporary Agents - Allowances	2 505 000	-	-	155 000	-	2 660 000
1121	Contract Agents - Remuneration	15 830 000	(56 580)	-	(873 420)	-	14 900 000
1122	Contract Agents - Allowances	4 315 000	(15 420)	-	(199 580)	-	4 100 000
1131	Seconded National Experts - Allowances and Charges (PM)	-	72 000	-	38 000	-	110 000
1141	Support services & trainees	957 186	-	-	217 814	-	1 175 000
1211	Recruitment expenses	10 000	-	-	-	-	10 000
1221	Individual entitlements of staff	483 140	-	-	-	-	483 140
1231	Training	440 000	-	-	-	-	440 000
1241	Medical Service	148 750	-	-	(18 750)	-	130 000
1242	Mobility & social expenses for the Staff	903 875	-	-	27 625	-	931 500
1251	Representation expenses, Events and Internal meetings	30 000	-	-	-	-	30 000
Title 1	Staff expenditure	35 483 951	-	-	(169 311)	-	35 314 640
2111	Rental of building and associated expenses	5 300 000	-	-	(143 000)	-	5 157 000
2211	ICT Purchases, Hard - and Software & Maintenances	224 000	-	-	(19 000)	125 000	330 000
2212	ICT Services	2 408 000	-	-	147 000	(125 000)	2 430 000
2311	Furniture, Technical Installations and associated expenses	127 500	-	-	175 000	-	302 500
2312	Office Supplies, documentation & correspondence	43 000	-	-	(16 000)	-	27 000
2313	Charges, insurances & other operating expenses	96 100	-	-	18 900	-	115 000
Title 2	Infrastructure and operating expenditure	8 198 600	-	-	162 900	-	8 361 500
3111	Experts and external meetings	85 000	1 725 000	11 000	(1 756 000)	-	65 000
3112	Missions: Programme Management	400 000	(400 000)	5 000	136 000	-	141 000
3113	External Audits	568 000	(436 000)	(16 000)	54 000	-	170 000
3114	Communication, Information and Linguistic services	724 000	(364 000)	-	514 000	-	874 000
3115	Seminars & specific Training	-	-	-	-	-	-
3116	Programme related IT expenses	750 000	(525 000)	-	40 000	-	265 000
Title 3	Programme support expenditure	2 527 000	-	-	(1 012 000)	-	1 515 000
	Total budget	46 209 551	-	-	(1 018 411)	-	45 191 140

5.2. Budget implementation

The below budgetary tables depict the details of the Agency's budget implementation in 2021

Fund Source: C1

EUR

Budget line	Description	Appropriation (1) (EUR)	Committed (2) (EUR)	% Committed (2/1)	Paid (3) (EUR)	% Paid (3/1)	Balance Commitment (1-2) (EUR)	Balance Payment (2-3) (EUR)
Title: 1 Staff expenditure		35 314 640	33 873 266	96%	33 277 891	94%	1 441 374	595 375
Chapter 11 – Remunerations, allowances & charges		33 290 000	32 194 948	97%	31 863 948	96%	1 095 052	331 000
1111	Temporary Agents - Remunerations	10 345 000	10 034 205	97%	10 034 205	97%	310 795	-
1112	Temporary Agents - Allowances	2 660 000	2 538 979	95%	2 538 979	95%	121 021	-
1121	Contract Agents - Remuneration	14 900 000	14 509 677	97%	14 509 677	97%	390 323	-
1122	Contract Agents - Allowances	4 100 000	4 021 015	98%	4 021 015	98%	78 985	-
1131	Seconded National Experts	110 000	82 390	75%	82 390	75%	27 610	-
1141	Support services & trainees	1 175 000	1 008 682	86%	677 682	58%	166 318	331 000
Chapter 12 – Professional development & social expenditure		2 024 640	1 678 318	83%	1 413 943	70%	346 322	264 375
1211	Recruitment expenses	10 000	-	0%	-	0%	10 000	-
1221	Individual entitlements of staff	483 140	415 072	86%	380 072	79%	68 068	35 000
1231	Training	440 000	258 581	59%	234 581	53%	181 419	24 000
1241	Medical Service	130 000	98 319	76%	58 319	45%	31 681	40 000
1242	Mobility & social expenses for the Staff	931 500	896 346	96%	740 971	80%	35 154	155 375
1251	Representation expenses, Events and Internal meetings	30 000	10 000	33%	-	0%	20 000	10 000
Title: 2 Infrastructure and operating expenses		8 361 500	7 575 435	91%	6 296 056	75%	786 065	1 279 379
Chapter 21 – Building expenditure		5 157 000	4 859 555	94%	4 175 471	81%	297 445	684 084
2111	Rental of building and associated expenses	5 157 000	4 859 555	94%	4 175 471	81%	297 445	684 084
Chapter 22 – ICT expenses		2 760 000	2 411 381	87%	2 092 874	76%	348 619	318 507
2211	ICT Purchases, Hard - and Software & Maintenances	330 000	311 155	94%	309 922	94%	18 845	1 233
2212	ICT Services	2 430 000	2 100 226	86%	1 782 952	73%	329 774	317 274
Chapter 23 – Movable property and current operating expenditure		444 500	304 499	69%	27 711	6%	140 001	276 788
2311	Furniture, Technical Installations and associated expenses	302 500	231 499	77%	21 901	7%	71 001	209 598
2312	Office Supplies, documentation & correspondence	27 000	17 000	63%	-	0%	10 000	17 000
2313	Charges, insurances & other operating expenses	115 000	56 000	49%	5 810	5%	59 000	50 190
Title: 3 Programme support expenditure		1 515 000	1 076 649	71%	252 397	17%	438 351	824 252
Chapter 31 – Programme management expenditure		1 515 000	1 076 649	71%	252 397	17%	438 351	824 252
3111	Experts and external meetings	65 000	23 638	36%	13 500	21%	41 362	10 138
3112	Missions: Programme Management	141 000	60 352	43%	40 352	29%	80 648	20 000
3113	External Audits	170 000	150 465	89%	5 750	3%	19 535	144 715
3114	Communication, Information and Linguistic services	874 000	715 900	82%	139 817	16%	158 100	576 083
3116	Programme related IT expenses	265 000	126 294	48%	52 978	20%	138 706	73 316
Total		45 191 140	42 525 350	94%	39 826 344	88%	2 665 790	2 699 006

The breakdown by type of expenditure shows that the total staff expenditure accounts for about 78% of total commitments, i.e. EUR 33 277 891. Throughout the year 2021, the salaries were calculated by PMO with which the Agency has a Service Level Agreement (SLA) since 2005. The infrastructure and operating expenditure of the Agency (EUR 6 296 056) comprises mainly purchases of office rent of 66% and IT equipment and IT services of about 33%. Programme support expenditure amounted to EUR 252 398 of which 55% are allocated to communication, expenses. The rest consists mainly of programme related IT expenses (21%) and missions (16%).

In 2021, the difference between commitments and payments amounted to EUR 2 699 006. This amount was carried forward to 2021 as it corresponds to legal commitments contracted in 2021 but not yet paid on 31 December 2021 (building, communication, ex-post audits related expenses, trainings, programme IT and ICT expenses).

Fund Source: C8

EUR

Budget line	Description	Appropriation (1)	Paid (2)	Paid (2/1)	Balance commitment (1-2)	Balance carried-forward
Title: 1 Staff expenditure		652 591	300 813	46%	351 778	-
Chapter 11 – Remunerations, allowances & charges		147 500	104 634	71%	42 866	-
1141	Support services & trainees	147 500	104 634	71%	42 866	-
Chapter 12 – Professional development & social expenditure		505 091	196 179	39%	308 912	-
1221	Individual entitlements of staff	58 037	53 823	93%	4 214	-
1231	Training	58 305	41 023	70%	17 282	-
1241	Medical Service	105 706	-	0%	105 706	-
1242	Mobility & social expenses for the Staff	283 043	101 333	36%	181 710	-
Title: 2 Infrastructure and operating expenses		1 353 008	740 567	55%	612 441	-
Chapter 21 – Building expenditure		945 200	436 264	46%	508 936	-
2111	Rental of building and associated expenses	945 200	436 264	46%	508 936	-
Chapter 22 – ICT expenses		307 962	259 336	84%	48 626	-
2211	ICT Purchases, Hard - and Software & Maintenances	36 376	25 181	69%	11 195	-
2212	ICT Services	271 586	234 155	86%	37 431	-
Chapter 23 – Movable property and current operating expenditure		99 846	44 967	45%	54 879	-
2311	Furniture, Technical Installations and associated expenses	22 577	1 362	6%	21 215	-
2312	Office Supplies, documentation & correspondence	14 469	125	1%	14 344	-
2313	Charges, insurances & other operating expenses	62 800	43 480	69%	19 320	-
Title: 3 Programme support expenditure		1 053 077	783 279	74%	269 797	-
Chapter 31 – Programme management expenditure		1 053 077	783 279	74%	269 797	-
3113	External Audits	425 588	212 690	50%	212 897	-
3114	Communication, Information and Linguistic services	402 898	348 032	86%	54 866	-
3116	Programme related IT expenses	224 591	222 557	99%	2 034	-
Total		3 058 675	1 824 659	60%	1 234 016	-

The carry forward 2020-2021 was EUR 3 058 675. The difference between commitments carried-forward from 2020 to 2021 and payments on those commitments totals to EUR 1 234 016 (2020: EUR 1 423 877) of which EUR 1 021 118 will be reimbursed to the Commission in 2022 (excluding transfer of C8 appropriations relating to external audits for LIFE and EMFF to CINEA – ToF exercise).

6. EVOLUTION OF COMMITMENTS OUTSTANDING

EUR

Budget Line	Commitment User Reference	Original fund source	FDI	Open amount RAL (C8 in 2022)
1141	INTERIM AGENTS	C1	31/12/2022	236 000
1141	TRAINEES	C1	31/12/2022	95 000
1221	PMO: EXPENSES FOR PROVIDED SERVICES	C1	31/12/2022	35 000
1231	TRAININGS PROVIDED BY COMMISSION SERVICES, EUROPEAN SCHOOL OF ADMINISTRATION & DG HR ANNUAL FEE	C1	31/12/2022	7 000
1231	EXTERNAL TRAININGS, TEAMBUILDINGS; TRAINING VIA EXTERNAL CONTRACTORS	C1	31/12/2022	17 000
1241	HR: MEDICAL EXPENSES FOR NEW RECRUITS AND STAFF	C1	31/12/2022	40 000
1242	EUROPEAN SCHOOL TRANSPORTS	C1	31/12/2022	3 002
1242	OIB: SOCIAL SERVICES CPE	C1	31/12/2022	146 293
1242	OIB: PUBLIC TRANSPORT AND SERVICE BIKES	C1	31/12/2022	1 580
1242	CYCLING CONTRIBUTION	C1	31/12/2022	4 500
1251	CATERING FOR INTERNAL MEETINGS, REPRESENTATION COSTS AND WATER SUPPLIES	C1	31/12/2022	10 000
2111	OIB: EXPENSES FOR PROVIDED SERVICES	C1	31/12/2022	488 600
2111	OIB: COV2 RENT OF ADDITIONAL FLOORS	C1	31/12/2022	195 484
2211	ORDER FORM EISMEA/21/047 - RED HAT ENTERPRISE LINUX SERVER STD, 1 YEAR RENEWAL - BECHTLE - FWC DI7720 (SIDE II)	C1	31/12/2022	699
2211	EISMEA/21/052 - PURCHASE OF DOLPHIN COMPUTER ACCESS SUPERNOVA SOFTWARE - FWC DI/07722 - INSIGHT	C1	31/12/2022	533
2212	EASME/21/006 SYSTEM ADMINISTRATION SERVICES - PAYAM TAHSI - EASME IT INFRASTRUCTURE - FWC EUSS DI/7810 LOT 1 GISIS	C1	31/12/2022	129 963
2212	EISMEA/21/031 - CC, CS019014, 2021-21130, NETWORK RESEARCH BELGIUM SA EORDER ALBERT PEREZ ANDRES - PROFILE: UX UI SPECIALIST (UIS) - (LEVEL OF EXPERTISE:LEVEL 1) -	C1	31/12/2022	46 860
2212	EISMEA/21/032 - CC, CS019015, 2021-21137, ARHS DEVELOPMENTS SA EORDER SAINTENOY JEAN-CHRISTOPHE - PROFILE: PROJECT MANAGER (PM) - (LEVEL OF EXPERTISE:LEVEL 5) -	C1	31/12/2022	80 514
2212	EASME/21/22 - CC07701, CS016459, 2021-3178, ARHS DEVELOPMENTS SA EORDER FWC DI/07701 (DIGIT-TM, LOT 1) - EURORA NOVA FALLISE MICHAEL - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 5) -	C1	31/12/2022	26 878
2212	EASME/21/019 - CC07711, CS016379, 2021-4717, CRONOS INTERNATIONAL SA EORDER FWC DI/07711 (DIGIT-TM, LOT 4) - BORN4ITS UMMAIR-ARIF AHMAD - PROFILE: WEB OPERATION MANAGER (WOM) - (LEVEL OF EXPERTISE:LEVEL 4) -	C1	31/12/2022	33 059
2311	ORDER FORM EASME/21/008 - PROVISION FOR MOVERS AND LOGISTIC SERVICES - FWC N° OIB.02/PO/2017/005/748/C0/L1 - MOZER	C1	31/12/2022	28 099
2311	ORDER FORM EISMEA/2021/042 - PURCHASE OF ELECTRICAL DESKS AND TABLE PARTITIONS - DROMEAS - FWC N° OIB.DR.2/PO/2014/055/622/C0/L1A	C1	31/12/2022	157 758
2311	ORDER FORM EISMEA/21/051 - PURCHASE OF 75 OFFICE CHAIRS FOR HOMEWORKING - INTERSTUHL - FWC N° OIB/2019/OP/0064/C0/L0/A	C1	31/12/2022	13 973
2311	ORDER FORM EISMEA/21/053 - PURCHASE OF 50 OFFICE CHAIRS - INTERSTUHL - FWC N° OIB/2019/OP/0064/C0/L0/A	C1	31/12/2022	9 769
2312	OIB: COSTS RELATED TO DHL SERVICES	C1	31/12/2022	7 000
2312	OIB: PURCHASE OF OFFICE SUPPLIES	C1	31/12/2022	10 000
2313	FINANCIAL EXPENSES	C1	31/12/2022	986
2313	EXPENSES RELATED TO DIFFERENT INSURANCES	C1	31/12/2022	20 000
2313	EASME/21/029 - OUTCOME OF THE PROCUREMENT PROCEDURE FOR ASSISTING EASME FOR THE CASE 654/20	C1	31/12/2022	25 000
2313	EISMEA/2021/034 - LAWYER CAMILLO VESPASIANI	C1	31/12/2022	4 204
3111	CATERING EXTERNAL CONTRACTORS	C1	31/12/2022	10 000
3111	INVITATION OF AN EXPERT (SPEAKER) TO THE DIGITAL LAUNCHING EVENT OF THE EIC WOMEN LEADERSHIP PROGRAMME ON 7 OCTOBER 2021	C1	31/12/2022	138
3112	MISSIONS	C1	31/12/2022	20 000
3113	EISMEA/2021/035 - CONTRACTOR DELOITTE REVISEURS D'ENTREPRISES - COSME BATCH 11 - SPECIFIC CONTRACT FOR EX-POST AUDITS IMPLEMENTING FRAMEWORK CONTRACT NO 2021-AUDFWC-01 DL (FW-00108871)	C1	31/12/2022	56 556
3113	EISMEA/2021/036 - CONTRACTOR DELOITTE REVISEURS D'ENTREPRISES - EEN BATCH 13 - SPECIFIC CONTRACT FOR EX-POST AUDITS IMPLEMENTING FRAMEWORK CONTRACT NO 2021-AUDFWC-01 DL (FW-00108871)	C1	31/12/2022	19 287
3113	EISMEA/2021/037 - CONTRACTOR DELOITTE REVISEURS D'ENTREPRISES - CP BATCH 15 - SPECIFIC CONTRACT FOR EX-POST AUDITS IMPLEMENTING FRAMEWORK CONTRACT NO 2021-AUDFWC-01 DL (FW-00108871)	C1	31/12/2022	68 872
3114	EXPENSES FOR TRANSLATION AND INTERPRETATION SERVICES	C1	31/12/2022	47 000
3114	EXPENSES FOR THE PRODUCTION, DISTRIBUTION AND STORAGE OF BROCHURES	C1	31/12/2022	1 341

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Budget Line	Commitment User Reference	Original fund source	FDI	Open amount RAL (C8 in 2022)
3114	EASME/EA/006 - HIRING OF AN INTRAMUROS CONSULTANT FOR COMMUNICATION - FWC PO 2016-20 A5 - 3 CONSULTANTS	C1	31/12/2022	82 950
3114	SPECIFIC CONTRACT NO EASME/EA/007 – HIRING OF AN INTRA MUROS CONSULTANT IN EXTERNAL COMMUNICATION -ONLINE WRITER (SENIOR) - IMPLEMENTING FRAMEWORK CONTRACT NO PO/2016-20/A5	C1	31/12/2022	77 500
3114	EISMEA/21/030 - VERY LOW VALUE CONTRACT - REQUEST FOR COMMITMENT - EUROPEAN INNOVATION COUNCIL PRESENCE AT TECHCHILL	C1	31/12/2022	3 000
3114	SPECIFIC CONTRACT NO COM0021/EISMEA/2021/012 – EISMEA COMMUNICATION TOOLS & SERVICES – IMPLEMENTING FRAMEWORK CONTRACT NO EASME/2019/OP/0021	C1	31/12/2022	42 733
3114	EUROPEAN INNOVATION COUNCIL (EIC) COMMUNICATION ACTIVITIES - PURCHASE OF FONT AND DESIGN OF MATERIALS	C1	31/12/2022	25 192
3114	SPECIFIC CONTRACT NO COM0021/EISMEA/2021/23-JOINT CLUSTER INITIATIVES (EUROCLUSTERS) FOR EUROPE’S RECOVERY INFO DAY - IMPLEMENTING FRAMEWORK CONTRACT NO EASME/2019/OP/0021	C1	31/12/2022	39 971
3114	SPECIFIC CONTRACT NO COM0021/EISMEA/2021/026 – EISMEA HIRING OF 3 INTRA-MUROS PROFILES – IMPLEMENTING FRAMEWORK CONTRACT NO EASME/2019/OP/0021	C1	31/12/2022	187 000
3114	SPECIFIC CONTRACT NO COM0021/EISMEA/2021/045 - BUDGET PROVISION FOR MEDIA BUYING - IMPLEMENTING FRAMEWORK CONTRACT N° EASME/2019/OP/0021	C1	31/12/2022	19 896
3114	SPECIFIC CONTRACT NO COM0021/EISMEA/2021/050 - USABILITY TESTING EIC WEB AND THE DATAHUBS - IMPLEMENTING FRAMEWORK CONTRACT N° EASME/2019/OP/0021	C1	31/12/2022	49 500
3116	EIC-ITT-2021-001 - IT CONSULTANT - FWC DI/07722 - INSIGHT	C1	31/12/2022	73 316
TOTAL	PAYMENTS APPROPRIATIONS CARRIED OVER TO 2021	C8		2 699 006

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Budget Line	Commitment User Reference	Original fund source	FDI	Open amount RAL (C8 in 2021)	Payments (C8 in 2021)
1141	INTERIM AGENTS	C8	31/12/2021	147 500	(104 634)
1221	PMO: EXPENSES FOR PROVIDED SERVICES	C8	31/12/2021	42 742	(39 323)
1221	HR: FEES RELATED TO SPECIFIC SERVICES	C8	31/12/2021	15 295	(14 500)
1231	TRAININGS PROVIDED BY COMMISSION SERVICES, EUROPEAN SCHOOL OF ADMINISTRATION & DG HR ANNUAL FEE	C8	31/12/2021	5 099	(4 036)
1231	EXTERNAL TRAININGS, TEAMBUILDINGS; TRAINING VIA EXTERNAL CONTRACTORS	C8	31/12/2021	53 206	(36 986)
1241	HR: MEDICAL EXPENSES FOR NEW RECRUITS AND STAFF	C8	31/12/2021	105 706	-
1242	OIB: SOCIAL SERVICES CPE	C8	31/12/2021	152 585	(29 333)
1242	OIB: PUBLIC TRANSPORT AND SERVICE BIKES	C8	31/12/2021	2 500	-
1242	CYCLING CONTRIBUTION	C8	31/12/2021	7 958	(3 407)
1242	CONTRIBUTION FOR SCREENS & CHAIRS	C8	31/12/2021	120 000	(68 593)
2111	OIB: EXPENSES FOR PROVIDED SERVICES	C8	31/12/2021	419 200	(136 683)
2111	OIB: COV2 RENT OF ADDITIONAL FLOORS	C8	31/12/2021	526 000	(299 582)
2211	PURCHASE, LEASING, MAINTENANCE OF HARDWARE AND SOFTWARE	C8	31/12/2021	4 558	-
2211	ORDER FORM EASME/20/069 - PROVISION FOR PRINTING COSTS 2020 - CANON - FWC DI/07560	C8	31/12/2021	2 408	(935)
2211	ORDER FORM - EASME/20/078 - RED HAT LICENCES FOR LOCAL SERVERS IN EASME- FWC DI/07720 - BECHTLE	C8	31/12/2021	699	(699)
2211	ORDER FORM EASME/20/073 - SOFTWARE: ELA VMWARE - BECHTLE - SIDE II - DI7720	C8	31/12/2021	857	(857)
2211	EASME/20/081 - PURCHASE OF A DEDICATED STUDY FOR MEETING ROOM COV2 00/152 - FWC AVC&2 SCIC-2016-S5-3471731 - TELMACO	C8	31/12/2021	5 790	(5 790)
2211	ORDER FORM EASME/20/086 - COLLECTION AND RECONDITIONING OF RETIRED FURNITURE AND IT HARDWARE - FWC N° OIB/2019/OP/0073/C0/L0 - OXFAM SOLIDARITE	C8	31/12/2021	4 527	(4 527)
2211	ORDER FORM EASME/20/088 - PURCHASE OF 100 ADAPTERS DVI>HDMI AND 150 MICE - FWC DI/7650 - BECHTLE	C8	31/12/2021	1 034	(1 034)
2211	EASME/20/091 - PURCHASE OF 101 KEYBOARDS - FWC DI/7650 - BECHTLE	C8	31/12/2021	1 513	(1 513)
2211	EASME/20/090 - PURCHASE OF 2 MAC BOOK PRO- FWC DI/7652 - ECONOCOM	C8	31/12/2021	6 883	(6 883)
2211	EASME/20/095 - TESTREACH 51 UNIT TESTS - FWC DI/07722 - INSIGHT	C8	31/12/2021	1 905	(1 905)
2211	EASME/20/96 - TESTREACH - SPECIFIC PRICE CONTRACT FOR SOFTWARE EASME	C8	31/12/2021	1 038	(1 038)
2211	EASME/20/097 LINKEDIN LEARNING LICENCES- FWC DI/07722 - INSIGHT	C8	31/12/2021	5 165	-
2212	SPECIFIC CONTRACT - EASME/20/019 - PROVISION FOR IT EQUIPMENT MOVE AND INVENTORY IN 2020 - FWC N° DI/007270 - GROUP GISIS (ITIC)	C8	31/12/2021	24 757	(6 857)
2212	SPECIFIC FIXED PRICE CONTRACT EASME/20/059 FOR SYSTEM ADMINISTRATION SERVICES FOR EASME IT INFRASTRUCTURE - FWC DI/7810 LOT 1 WITH ATOS	C8	31/12/2021	83 807	(83 807)
2212	EASME/20/027 - CC, CS010109, 2020-12212, ARHS DEVELOPMENTS SA EORDER SAINTENOY JEAN-CHRISTOPHE - PROFILE: PROJECT MANAGER (PM) - (LEVEL OF EXPERTISE:LEVEL 5) -	C8	31/12/2021	83 846	(77 448)
2212	EASME/20/034 - CC, CS010511, 2020-12456, TRASYS INTERNATIONAL GEIE EORDER RODAS ROMERO JUAN MIGUEL - PROFILE: UX UI SPECIALIST (UIS) - (LEVEL OF EXPERTISE:LEVEL 1) -	C8	31/12/2021	19 414	(19 414)
2212	CC07701, CS012059, 2020-19189, ARHS DEVELOPMENTS SA EORDER FWC DI/07701 (DIGIT-TM, LOT 1) - EURORA NOVA FALLISE MICHAEL - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 5) -	C8	31/12/2021	20 204	(7 071)
2212	EASME/20/067 - CC07711, CS012781, 2020-24142, CRONOS INTERNATIONAL SA EORDER FWC DI/07711 (DIGIT-TM, LOT 4) - BORN4ITS UMMAIR-ARIF AHMAD - PROFILE: WEB OPERATION MANAGER (WOM) - (LEVEL OF EXPERTISE:LEVEL 4) -	C8	31/12/2021	39 558	(39 558)
2311	ORDER FORM EASME/20/008 - PROVISION FOR MOVERS AND LOGISTIC SERVICES - FWC N° OIB.02/PO/2017/005/748/C0/L1 - MOZER	C8	31/12/2021	21 614	(399)
2311	ORDER FORM EASME/20/086 - COLLECTION AND RECONDITIONING OF RETIRED FURNITURE AND IT HARDWARE - FWC N° OIB/2019/OP/0073/C0/L0 - OXFAM SOLIDARITE	C8	31/12/2021	963	(963)
2312	OIB: COSTS RELATED TO DHL SERVICES	C8	31/12/2021	8 000	-
2312	OIB: PURCHASE OF OFFICE SUPPLIES	C8	31/12/2021	6 000	-
2312	EASME/2020/075 - PURCHASE OF NEWSPAPERS: FINANCIAL TIMES - LE MONDE - EL MUNDO (DIGITAL) - NEUE ZÜRCHERE ZEITUNG (PRINT) - HARVARD BUSINESS REVIEW - TIME MAGAZINE - DIE ZEIT	C8	31/12/2021	299	(125)
2312	EASME/20/085 - PURCHASE OF NEWSPAPER EL PAIS	C8	31/12/2021	169	-

Final Annual Accounts of the European Innovation Council and Small & Medium-sized Enterprises Executive Agency (EISMEA)
Financial year 2021

Budget Line	Commitment User Reference	Original fund source	FDI	Open amount RAL (C8 in 2021)	Payments (C8 in 2021)
2313	EXPENSES RELATED TO DIFFERENT INSURANCES	C8	31/12/2021	25 000	(19 386)
2313	EASME/20/044 / OUTCOME OF THE PROCUREMENT PROCEDURE FOR ASSISTING EASME IN CASES T-119/20 AND T-132/20	C8	31/12/2021	10 300	(5 744)
2313	COMMITMENT EASME/20/078/ OUTCOME OF THE PROCUREMENT PROCEDURE FOR ASSISTING EASME FOR THE DEBT RECOVERY INDICATED IN DEBIT NOTE NO 3241904288 -FREEWAY	C8	31/12/2021	6 500	(3 500)
2313	EASME/20/084/ OUTCOME OF THE PROCUREMENT PROCEDURE FOR ASSISTING EASME FOR THE CASE 457/20	C8	31/12/2021	21 000	(14 850)
3113	EASME/2020/006 CONTRACTOR PKF LITTLEJOHN LLP LIFE BATCH 4 OPERATING GRANTS - SPECIFIC CONTRACT FOR EX-POST AUDITS	C8	31/12/2021	59 425	(17 828)
3113	EASME/2020/007 CONTRACTOR PKF LITTLEJOHN LLP LIFE BATCH 5 ACTION GRANTS - SPECIFIC CONTRACT FOR EX-POST AUDITS	C8	31/12/2021	149 441	(50 021)
3113	EASME/2020/014 CONTRACTOR PKF LITTLEJOHN LLP EMFF BATCH 3 - SPECIFIC CONTRACT FOR EX-POST AUDITS	C8	31/12/2021	143 757	(71 879)
3113	EASME/2020/057 - CONTRACTOR PKF LITTLEJOHN LLP - COSME BATCH 10 - SPECIFIC CONTRACT FOR EX-POST AUDITS	C8	31/12/2021	60 562	(60 562)
3113	EASME/2020/058 - CONTRACTOR PKF LITTLEJOHN LLP - EEN BATCH 12 - SPECIFIC CONTRACT FOR EX-POST AUDITS	C8	31/12/2021	12 402	(12 402)
3114	EXPENSES FOR TRANSLATION AND INTERPRETATION SERVICES	C8	31/12/2021	30 000	(26 256)
3114	EXPENSES FOR THE PRODUCTION, DISTRIBUTION AND STORAGE OF BROCHURES	C8	31/12/2021	4 403	(533)
3114	EASME/EA/003 - HIRING OF AN INTRAMUROS CONSULTANT FOR COSME COMMUNICATION - FWC PO 2016-20 A5	C8	31/12/2021	84 000	(81 000)
3114	EASME/2015/001/LOT 1 - EASME/COMM/2020/167- ICF-NEXT-SOCIAL MEDIA EXPERTS 2020 (INTRAMUROS)	C8	31/12/2021	92 644	(72 192)
3114	EASME/2020/077 MAINTENANCE OF THE MANAGENERGY WEBSITE AND RELATED COMMUNICATION ACTIVITIES	C8	31/12/2021	6 000	(6 000)
3114	EASME/EA/004 - HIRING OF AN INTRAMUROS CONSULTANT FOR COMMUNICATION - FWC PO 2016-20 A5 - 4 CONSULTANTS	C8	31/12/2021	133 000	(109 200)
3114	COSME RESULTS 2014-2020 CAMPAIGN	C8	31/12/2021	52 850	(52 850)
3116	EASME/20/041- LPD UPGRADE EXPERTS FOR LIFE - BECHTLE - SIDE II - DI7720	C8	31/12/2021	16 466	(16 466)
3116	EASME/20/053 - CC07712, CS011903, 2020-19106, UNISYS BELGIUM EORDER FWC DI/07712 (DIGIT-TM, LOT 4) - EXXEL4EUS VERHAEGEN GILLES - PROFILE: IS SUPPORT MANAGER (SPM) - (LEVEL OF EXPERTISE:LEVEL 3) -	C8	31/12/2021	41 903	(39 867)
3116	CC07701, CS011905, 2020-19148, ARHS DEVELOPMENTS SA EORDER FWC DI/07701 (DIGIT-TM, LOT 1) - EURORA NOVA MAZZOLA GIUSEPP - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 4) -	C8	31/12/2021	50 510	(50 510)
3116	EASME/20/062 - CC07701, CS012181, 2020-20234, ARHS DEVELOPMENTS SA EORDER FWC DI/07701 (DIGIT-TM, LOT 1) - EURORA NOVA IORDACHE CATALIN - PROFILE: TECHNOLOGY EXPERT (TEX) - (LEVEL OF EXPERTISE:LEVEL 4) -	C8	31/12/2021	55 102	(55 102)
3116	EASME/20/060 - CC07701, CS012162, 2020-22773, ARHS DEVELOPMENTS SA EORDER FWC DI/07701 (DIGIT-TM, LOT 1) - EURORA NOVA MITITELU STEFAN - PROFILE: PROJECT MANAGER (PM) - (LEVEL OF EXPERTISE:LEVEL 5) -	C8	31/12/2021	60 611	(60 611)
TOTAL				3 058 675	(1 824 659)
	UNUSED PAYMENT APPROPRIATIONS TO BE REIMBURSED TO THE COMMISSION				1 234 016

ANNEX TO THE BUDGET ACCOUNTS

Term	Definition
ABAC	This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.
Accounting	The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.
Administrative appropriations	Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).
Adjustment	Amending budget or transfer of funds from one budget item to another.
Adopted budget	Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority. Cf. Budget.
Agencies	EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.
Amending budget	Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.
Annuality	The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.
Appropriations	Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.
Appropriations	Dedicated revenue received to finance specific items of expenditure. Main sources of external assigned revenue are <i>financial contributions from third countries to programmes financed by the Union</i> . <i>Main sources of internal assigned revenue is revenue from third parties in respect of goods, services or work supplied at their request; (c) revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.</i> The complete list of items constituting assigned revenue is given in the Financial Regulation Art. 21(2).
Authorising Officer	The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.
C1	Current Appropriations = Initial Budget + Amending Budget + Transfers
C2/C3	Appropriations non automatically carried over – carried over on Decision of the College
C4	Appropriations non automatically carried over – carried over on Decision of the College
C5	Appropriations arising from Internal Assigned Revenue cashed in the previous year and carried over to the current one
C8	Appropriations automatically carried forward from previous year to current year
IC1	Universal revenue voted in the budget
Budget	Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.
Budget result	The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for Agencies.
Budget implementation	Consumption of the budget through expenditure and revenue operations.
Budgetary authority	Institutions with decisional powers on budgetary matters: the European Parliament and the Council of Ministers.

Term	Definition
Budgetary commitment	A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.
Cancellation of appropriations	Unused appropriations that may no longer be used.
Carryover of appropriations	Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.
Commitment appropriations	Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Art. 7 FR: <i>Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.</i>
De-commitment	Cancellation of a reservation of appropriations.
Differentiated appropriations	Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Art. 7 FR: <i>Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.</i>
Earmarked revenue	Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)
Economic result	Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.
Entitlements established	Entitlements are recovery orders that the European Union must establish for collecting income.
Exchange rate difference	The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.
Expenditure	Term used to describe spending the budget from all types of funds sources.
Financial regulation (FR)	Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union. (OJ L 298, 26.10.2012, p. 1)
Funds Source	Type of appropriations (e.g.: C1, C2, etc.)
Grants	Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.
Implementation	Cf. Budget implementation
Income	Cf. Revenue
Joint Undertakings (JUs)	A legal EU-body established under the TFEU. The term can be used to describe any collaborative structure proposed for the " <i>efficient execution of Union research, technological development and demonstration programmes</i> ".
Lapsing appropriations	Unused appropriations to be cancelled at the end of the financial year. <i>Lapsing</i> means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.
Legal base (basic act)	The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.
Legal commitment	A legal commitment establishes a legal obligation towards third parties.
Non-differentiated appropriations	Non-differentiated appropriations are for operations of an annual nature. (Art. 9 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments.
Operational appropriations	Operational appropriations finance the different policies, mainly in the form of grants or procurement.

Term	Definition
Outstanding commitment	Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.
Outturn	Cf. Budget result
Payment	A payment is a cash disbursement to honour legal obligations.
Payment appropriations	Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Art. 7 FR).
RAL	Sum of outstanding commitments. Outstanding commitments (or RAL, from the French ' <i>reste à liquider</i> ') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations. (Cf. <i>Outstanding commitments</i>)
Recovery	The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.
Result	Cf. Outturn
Revenue	Term used to describe income from all sources financing the budget.
Rules of application	Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.
Surplus	Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.
Transfer	Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.