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Annual accounts

CINEA

Financial statements
Budgetary implementation reports

Financial year 2022

European Commission

European Climate, Infrastructure and Environment Executive Agency

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Certification

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Climate, Infrastructure and Environment Executive Agency (CINEA) 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 CINEA for the year 2022 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 CINEA'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 CINEA.

Qualified electronic signature by:
MILENA DIMITROVA CHAKAROVA
Date: 2023-06-06 14:55:49 +02:00

Brussels, 6 Jun 2023

Milena Chakarova

Accounting Officer of CINEA

Introduction

LEGAL BASIS

The 2022 financial statements of the European Climate, Infrastructure and Environment Executive Agency (CINEA) and its reports on budget implementation for 2022 were prepared in conformity with:

- Commission Regulation 1653/2004, of 21 September 2004, on a standard financial regulation for the executive agencies pursuant to Council Regulation 58/2003 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;

- The Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 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 Accounting Rules adopted by the Accounting Officer of the Commission. These rules were initially adopted on 28 December 2004 and modified and developed subsequently;

- The European Commission's consolidation manuals for the 2022 closure exercise.

BACKGROUND INFORMATION

Executive Agencies are established by the Commission in accordance with Council Regulation (EC) No 58/2003[1], with the purpose of delegating certain tasks relating to the management of EU 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 Climate, Infrastructure and Environment Executive Agency (CINEA)** started its mandate on 1 April 2021 with an overall budget of €58.3 billion under the new multiannual financial framework (MFF) 2021-2027. CINEA is the successor of the Innovation and Networks Executive Agency.

The Agency is entrusted with the implementation of seven EU programmes (see chart below) contributing to the European Green Deal.

CINEA is responsible for the following tasks:

- ✓ Selection for funding of the best proposals following the principles of transparency, objectivity and equal treatment;
- ✓ Close monitoring of the project portfolio, including mitigation of potential risks;
- ✓ Dissemination of project results, success stories and funding opportunities;
- ✓ Identification of potential synergies between sectors and programmes;
- ✓ Feedback to policy through the provision of timely and comprehensive information to the Commission's services in support of their policy – making activities.

[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).

Through the sound and cost-efficient management of its portfolio of projects, CINEA contributes to achieving its parent DGs' specific objectives and ultimately to transforming the EU into a fair and prosperous society, with a modern, sustainable, resource-efficient and competitive economy. CINEA has seven parent DGs – DG CLIMA, DG ENER, DG ENV, DG MARE, DG MOVE (lead parent DG), DG REGIO and DG R&I. They define the policy objectives and priorities and supervise the Agency through a Steering Committee.

The Agency has its own legal personality and operating budget for which the Director acts as Authorising Officer by delegation. He has overall responsibility for implementing CINEA's revenue and expenditure in accordance with the principles of sound financial management as defined in the Financial Regulation applicable to the general budget of the Union. The Agency is structured in four departments and is based in Brussels. At the end of 2022, CINEA had a multi-national team of 516 statutory staff members. They include specialists in finance, project management, transport, energy, ICT, engineering, human resources, legal affairs, etc.

CINEA's status as an executive agency means it has two fundamental features. *Autonomy* because it has its own legal personality and can adopt legal acts, as well as its own administrative budget for operating costs. *Dependence* because it can only perform tasks delegated by the Commission, and all financial operations must comply with the Financial Regulation (FR) and Rules of Application.

The Agency's annual accounts are audited by the European Court of Auditors (ECA). The ECA's task is to conduct an external, independent audit of CINEA's annual accounts. It produces a report on the activities financed from the general budget, detailing any observations on the annual accounts and underlying transactions. The ECA issues an opinion based on the audit and presented in the form of a statement of assurance on the reliability of the accounts and the legality and regularity of the underlying transactions.

The final step of the budget lifecycle is the discharge of the budget for the given financial year. The European Parliament is the discharge authority within the EU. 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 as part of the Commission's budget.

INTRODUCTION OF SUMMA FINANCIAL SYSTEM

SUMMA is the European Commission's new integrated financial system. This next generation corporate financial system rationalises and standardises EU's financial business processes. SUMMA contributes to the modernisation of the EU administration and to a sound EC corporate IT landscape, in line with the EU's Digital Strategy. It is based on a commercial off-the-shelf software, namely SAP S/4HANA, taking into account the specific needs of the European Institutions. As of 2024, it will replace ABAC, the current central accounting, budgetary and treasury system for the European Commission and from 2025 for around 50 other EU entities.

The system is owned by the European Commission and managed by the Directorate-General for Budget (DG BUDG). Its governance is organised in different levels, which include the following Boards:

- Supervisory Board
- Steering Committee
- Management Board
- Solution Progress Board.

SUMMA has been developed around several functional modules:

SUMMA was released in January 2022 for three pilot EU Agencies: CINEA, the European Union Agency for Railways (ERA) and the European Union Agency for Criminal Justice Cooperation (EUROJUST).

In October 2022, the Accounting Officer of the European Commission, as project owner, started an assurance exercise on the approval process for the go-live of SUMMA in the three pilot agencies. The exercise was finalised in the second quarter of 2023. Despite the fact that the SUMMA system was not validated by the European Commission, the exercise provided a quality assessment of the system and assurance to the Accounting Officer of CINEA.

The Accounting Officer of CINEA finalised her own the validation of the system, as provided in art.30 of the standard Financial Regulation for the executive agencies, and hereby relying upon the work done by the European Commission.

At the moment of the release, not all legacy data had been migrated and some functionalities had not yet been fully developed. This led to delays in the processing of financial transactions at the agency and most notably, affected payment times with only 91% of payments of invoices and cost claims executed on time.

Financial statements

BALANCE SHEET

EUR

	Note	31/12/2022	31/12/2021
NON-CURRENT ASSETS		**555,780**	**320,702**
Intangible assets	2.1	**89,711**	**61,911**
Tangible assets	2.2	**341,069**	**133,791**
Plant and equipment		8,072	11,946
Computer hardware		96,317	106,853
Furniture and vehicles		4,782	7,013
Other fixtures and fittings		231,898	7,979
Assets under financial lease		0	0
Long-term receivables and recoverables	2.3	**125,000**	**125,000**
Long-term receivables and recoverables		125,000	125,000
CURRENT ASSETS		**7,167,838**	**5,204,424**
Prefinancing with consolidates entities	2.4	**0**	**356,500**
Receivables and recoverables	2.5	**509,259**	**166,011**
Current receivables		0	0
Current receivables with consolidated entities		247,825	0
Sundry receivables		50,796	14,961
Deferred charges		210,638	151,050
Cash and cash equivalents	2.6	**6,658,579**	**4,681,913**
TOTAL ASSETS		**7,723,618**	**5,525,126**
NON-CURRENT LIABILITIES		**0**	**0**
CURRENT LIABILITIES		**(6,083,129)**	**(4,111,569)**
Short-term provisions		**0**	**0**
Payables	2.7	**(3,256,690)**	**(2,011,018)**
Current payables		0	0
Sundry payables		(57,379)	0
Accounts payable to consolidated EU entities		(3,199,311)	(2,011,018)
Accrued charges and deferred income		**(2,826,439)**	**(2,100,551)**
Accrued charges with non-consolidated entities	2.8	(1,793,026)	(1,387,474)
Accrued charges with consolidated entities	2.9	(1,033,413)	(713,077)
TOTAL LIABILITIES		**(6,083,129)**	**(4,111,569)**
NET ASSETS		**1,640,489**	**1,413,557**
Accumulated surplus/deficit		**1,413,557**	**644,522**
Economic result of the year		**226,932**	**769,035**

STATEMENT OF FINANCIAL PERFORMANCE

EUR

	Note	2022	2021
OPERATING REVENUE		**52,879,216**	**43,321,294**
Non-exchange revenue	3.1	**52,850,689**	**43,270,191**
European Union contributions		52,850,689	43,270,191
Exchange revenue	3.2	**28,527**	**51,103**
Income from non-consolidated entities		239	924
Income from consolidated entities		28,244	50,058
Gains from exchange rate differences		44	121
OPERATING EXPENSES	3.3	**(52,652,284)**	**(42,552,259)**
Staff expenses		(44,115,161)	(34,556,555)
Fixed assets related expenses		(121,970)	(118,709)
Building expenses with non-consolidated entities		(2,423,633)	(2,545,939)
Building expenses with consolidated entities		(857,001)	(634,715)
Other administrative expenses with non-consolidated entities		(3,363,279)	(2,496,715)
Other administrative expenses with consolidated entities		(1,771,042)	(2,198,691)
Provisions		0	0
Losses from exchange rate differences		(198)	(935)
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		**226,932**	**769,035**
FINANCIAL REVENUE		**0**	**0**
Interest income		0	0
FINANCIAL EXPENSES		**0**	**0**
Bank charges		0	0
Other financial expenses		0	0
SURPLUS/(DEFICIT) FROM NON-OPERATING ACTIVITIES		**0**	**0**
ECONOMIC RESULT OF THE YEAR		**226,932**	**769,035**

CASH FLOW STATEMENT

EUR

	Note	2022	2021
Economic result of the year		**226,932**	**769,035**
Operating activities	4.1		
Amortisation		20,300	21,226
Depreciation		101,670	97,268
(Increase)/Decrease in receivables and recoverables		(95,423)	(48,513)
(Increase)/Decrease in receivables from consolidated EU entities		(247,825)	0
Increase/(Decrease) in provisions		0	(7,500)
Increase/(Decrease) in other liabilities		886,787	900,106
Increase/(Decrease) in payables		0	0
Increase/(Decrease) in liabilities to consolidated EU entities		1,188,294	1,605,054
(Gains)/losses on sale of property, plant and equipment		0	215
Net cash-flow from operating activities		**1,853,803**	**2,567,856**
Investing activities	4.2		
Purchase of intangible assets and property, plant and equipment		(104,069)	(516,317)
Net cash flow from investing activities		**(104,069)**	**(516,317)**
Net increase/(decrease) in cash and cash equivalents		1,976,666	2,820,574
Cash and cash equivalents at the beginning of the year		4,681,913	1,861,339
Cash and cash equivalents at year-end		**6,658,579**	**4,681,913**

STATEMENT OF CHANGES IN NET ASSETS

EUR

	Accumulated Surplus/Deficit	Economic result of the year	Net Assets (Total)
Balance at 31 December 2021	**644,522**	**769,035**	**1,413,557**
Changes in accounting policies			
Balance at 1 January 2022	**644,522**	**769,035**	**1,413,557**
Allocation of the economic result of previous year	769,035	(769,035)	0
Economic result of the year		226,932	226,932
Balance at 31 December 2022	**1,413,557**	**226,932**	**1,640,489**

Notes to the financial statements

A complete set of financial statements is used to give readers an overview of the financial results and the financial situation of the entity. The financial statements of CINEA are comprised of four reports, which are as follows:

- *Balance sheet*. Presents the assets, liabilities, and equity of the Agency as of the reporting date. It also provides information about the liquidity and the capitalisation of the organisation.
- *Statement of financial performance*. Presents the revenue, expenses, and profits/loss generated during the reporting period. The report gives information about the operating results of the Agency.
- *Cash flow statement*. Presents the cash inflows and outflows that occurred during the reporting period. It can provide a useful comparison to the statement of financial performance, especially when the amount of profit or loss reported does not reflect the cash flows generated during the year.
- *Statement of changes in net assets*. Presents changes in equity during the reporting period.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. LEGAL BASIS AND ACCOUNTING RULES

The accounts are kept in accordance with Commission Regulation (EC) N° 1653/2004 of 21 September 2004[2] 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 executive agencies shall also apply the Financial Regulation applicable to the general budget of the European Communities *(Regulation (EU, Euratom) N° 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union)*.

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

The accounting system of the Agency is comprised of general accounts and budget accounts. These accounts are kept in euro and based on a calendar year. The budget accounts give a detailed picture of the implementation of the budget, and are based on the modified cash accounting principle.[3] The general accounts allow for the preparation of the financial statements as they show all expenditure and income for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

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.

[2] Amended by Commission Regulation (EC) No 651/2008 of 9th July 2008
[3] This differs from cash-based accounting because of elements such as carryovers.

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 should be made. Financial statements should 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.

Principle of prudence

The principle of prudence means that assets and income should not be overstated and liabilities and charges should 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:

- In the event of a significant change in the nature of the entity's operations
- 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 should 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 should be made comparable and reclassified. Where it is impossible to reclassify items, this should 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, should be taken into account in the financial statements. Materiality should be assessed in particular by reference to the nature of the transaction or the amount.
Transactions may be aggregated where:

- The transactions are identical in nature, even if the amounts are large
- The amounts are negligible
- 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, save where charges and income derive from the same transaction, from similar transactions or from hedging operations and provided that they are not individually material.

Principle of reality over appearance

The principle of reality over appearance means that accounting events recorded in the financial statements should 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.

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 Euro (€), 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 euro 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.

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, might be different from these estimates. Changes in estimates are reflected in the period in which they become known.

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

There are no new or amended EAR in 2022.

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. Fixed assets

Intangible fixed assets are valued at their acquisition price, with the exception of assets acquired free of charge that are valued at their market value. Tangible and intangible fixed assets are valued at their historic cost converted into Euro at the rate applying when they were purchased. The book value of a fixed asset is equal to its acquisition price or production cost, adjusted with revaluations, depreciation and other amounts written off.

Subsequent costs are recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

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.

1.4.2. Depreciation rates

Type of asset	Straight line depreciation rate
Intangible assets	25%
Plant, machinery and equipment	12.5-25%
Furniture	10-25%
Fixtures and fittings	12.5-25%
Computer hardware	25%

1.4.3. Financial assets

The Agency has as financial assets its receivables and cash and cash equivalents. 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 note 7 below for more information.

1.4.4. Receivables and recoverables

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

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured at amortised cost. The Agency recognises and measures an impairment loss for expected credit losses on financial assets that are measured at amortised cost.

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

1.4.5. Cash and cash equivalents

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

1.4.6. 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 than not 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 expenditure expected to be required to settle the present obligation at the reporting date.

1.4.7. 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 point 1.4.8 below.

1.4.8. Payables

Significant amounts of payables are related to the purchase of goods or services and are recognised at the fair value as at the date of the acquisition. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the Agency.

1.4.9. 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 the 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 might include bank interest received or interest calculated on a delayed payment by a debtor.

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 carried at the fair value as at the date of the acquisition.

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. Alternatively, this present obligation arising from past events but not recognised because either 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.

1.6.3. Consolidation

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

2. NOTES TO THE BALANCE SHEET

NON-CURRENT ASSETS

The Agency uses SUMMA for its inventory management. The non-current intangible and tangible (property, plant and equipment) assets are also called fixed assets.

2.1. INTANGIBLE ASSETS

Intangible fixed assets are identifiable non-monetary assets without physical substance. To be entered in the financial inventory on the assets side of the balance sheet, they must be controlled by the Agency and generate future economic benefits for the Agency. Additionally, they should have a purchase price above €700.
For internally developed intangible assets, the Agency applied the threshold of €500,000. For more information about IT developments see point 3.3.4.

In 2022, CINEA acquired and classified as intangible assets a video animation for the Innovation Fund programme. The disposals consist of licences that were no longer in use; there were no impairments of intangible assets. The existing assets were depreciated monthly with an annual depreciation rate of 25%.

The variation of the intangible fixed assets in 2022 is composed of:

2022	Computer Software	Other Intangible Assets	Total EUR
Gross carrying amounts 01/01/2022	**55,058.46**	**117,850.07**	**172,908.53**
Additions		48,100.00	48,100.00
Disposals	(18,657.36)		(18,657.36)
Gross carrying amounts 31/12/2022	**36,401.10**	**165,950.07**	**202,351.17**
Accumulated amortisation and impairment 01/01/2022	**(28,415.46)**	**(82,582.07)**	**(110,997.53)**
Amortisation	(6,987.90)	(13,311.98)	(20,299.88)
Disposals	18,657.36		18,657.36
Accumulated amortisation and impairment 31/12/2022	**(16,746.00)**	**(95,894.05)**	**(112,640.05)**
Net carrying amounts 31/12/2022	**19,655.10**	**70,056.02**	**89,711.12**

2.2. TANGIBLE ASSETS

Tangible fixed assets are identifiable non-monetary assets with physical substance. To be entered in the financial inventory on the assets side of the balance sheet, they must be controlled by the Agency and generate future economic benefits or increase the service potential of the Agency. Additionally, they should have a purchase price above €700. Items with lower value, such as desktop computers, digital cameras and monitors are treated as expenses of the year, but they are registered in the physical inventory. Repairs and maintenance are charged to the economic period in which they have occurred.

The tangible assets on 31 December 2022 amount to €341,069.46. The acquisitions of tangible assets in 2022 comprised IT, telecommunications and exhibition equipment.

Assets	Quantity	Total acquisition value
Printer copier & plotter equipment	5	22,846.62
Unity AFA 3.84TB SSD 25X2.5 UPG	4	23,387.20
Apple iPhone 13 Pro 256 GB Graphite	10	9,735.20
Video-conference system for hybrid meetings	23	252,979.99
Total		**308,949.01**

The tangible assets are depreciated monthly with the annual rates set in the assets catalogue of DG DIGIT and listed in point 1.4.2.

During the year, the Agency retired IT, communications and office equipment for €95,661.71 that was either damaged or obsolete.

The variation of the tangible fixed assets in 2022 is composed of:

2022	Plant and equipment	Computer hardware	Furniture and vehicles	Other fixtures and fittings	Total EUR
Gross carrying amounts 01/01/2022	**39,414.93**	**416,834.31**	**74,284.71**	**140,620.20**	**671,154.15**
Additions		55,969.02		252,979,99	**308,949.01**
Disposals		(91,303.83)		(4,357.88)	**(95,661.71)**
Gross carrying amounts 31/12/2022	**39,414.93**	**381,499.50**	**74,284.71**	**389,242.31**	**884,441.45**
Accumulated depreciation and impairment 01/01/2022	**(27,468.93)**	**(309,981.31)**	**(67,271.71)**	**(132,641.20)**	**(537,363.15)**
Depreciation	(3,874.38)	(66,504.95)	(2,230.65)	(29,060.57)	**(101,670.55)**
Disposals		91,303.83		4,357.88	**95,661.71**
Accumulated depreciation and impairment 31/12/2022	**(31,343.31)**	**(285,182.43)**	**(69,502.36)**	**(157,343.89)**	**(543,371.99)**
Net carrying amounts 31/12/2022	**8,071.62**	**96,317.07**	**4,782.35**	**231,898.42**	**341,069.46**

2.3. LONG-TERM RECEIVABLES AND RECOVERABLES

In 2016, the Agency signed an amendment to its rental contract for the office premises until 31 December 2020. CINEA paid a rental guarantee to the building owner for €125,000.00. The figures under this heading represent the amount of the guarantee obligation according to the office rental contract.

At the end of 2020, the Agency signed an extension to the rental contract until 31 December 2024.

Item	Amount
Guarantee, part of the rental contract of the W910 office premises	125,000.00
Total	**125,000.00**

CURRENT ASSETS

2.4. PREFINANCING WITH CONSOLIDATED ENTITIES

In 2021, the Agency signed a service level agreement with DG SCIC for the delivery and installation of audio-visual equipment for remote meetings. The agreement required a 100% pre-financing for €356,500.00. The assets were delivered in September 2022 and the pre-financing was cleared.

2.5. RECEIVABLES AND RECOVERABLES

Item	2022	2021
Customer receivables with cons. entities	247,825.45	0
Sundry receivables	50,796.06	14,961.38
Deferred charges *(see below)*	210,637.32	151,049.47
Total	**509,258.83**	**166,010.85**

The customer receivables with consolidated entities for €247,825.45 concerns two debit notes issued to European Commission Directorates. They were cashed in January 2023.

The sundry receivables for €50,796.06 consist of monthly salary regularisations linked to payroll, and to be received either from staff or from the Commission and other EU bodies. The amounts will be regularised with those counterparts.

The deferred charges are comprised of expenses for the years 2023-2027, recorded in the accounts in 2022 or previous years and deferred to the appropriate financial periods. Their split is as follows:

Item	2022	2021
Subscriptions for media services and to professional organisations	405.40	6,807.83
Staff transport contribution	2,619.22	29,681.70
Licences and maintenance of IT and office equipment	152,720.94	106,507.14
Licences for applications used by the HR services	18,166.95	7,912.79
School busses II trimester 2022-2023	31,213.00	0.00
Staff missions I quarter 2023	5,159.93	0.00
Staff, building, IT and fire insurance	351.88	140.01
Total	**210,637.32**	**151,049.47**

2.6. CASH AND CASH EQUIVALENTS

The amount of €6,658,578.84 corresponds to the cash balance held on 31 December 2022 in its bank account at ING Belgium. The Agency does not hold petty cash.

The bank account is held with ING Belgium SA. The specific contract results from the procedure ERCEA/CAO/PN/2019/32, which CINEA joined. It runs from 1 January 2020 until 31 December 2024.

NON-CURRENT LIABILITIES

The Agency does not have non-current liabilities on 31 December 2022.

CURRENT LIABILITIES

2.7. PAYABLES

Item	2022	2021
Current payables	0	0
Sundry payables	57,378.61	0
Accounts payable to consolidated entities	3,199,311.29	2,011,017.53
Total	**3,256,689.90**	**2,011,017.53**

Sundry payables for €57,378.61 consist of amounts for goods and services received in 2022 and for which delivery documents have been established.

Accounts payable to consolidated entities for €3,199,311.29 represent the balance of the budgetary outturn account at the end of 2022. This amount should be reimbursed to the European Commission.
For more details, please refer to the reports on budget implementation.

2.8. ACCRUED CHARGES WITH NON-CONSOLIDATED ENTITIES

Accruals for goods and services

This amount represents goods and services received in 2022 but not yet recorded as supplier payables on 31 December 2022. The expenses are of two types:

- Invoices to be received, which correspond exactly to the amounts accrued.
- Provisions set aside to pay for services or goods received in 2022. As the exact amount was not known when finalising the accounts, estimation was made based on the contractual or other information.

Accruals	Amount	Estimation method
Charges for office premises	155,000.00	Contract with the supplier, budget follow-up tool
Office supplies, IT maintenance and subscriptions	10,727.51	Invoices from January 2023, contracts with the suppliers, budget follow-up tool
Beneficiary audits by external audit companies	206,850.95	Contracts with the suppliers, budget follow-up tool
Missions	69,583.26	budget follow-up tool
Communication expenses	16,768.82	Invoices from January 2023, budget follow-up tool
Representation expenses and meetings	500.00	budget follow-up tool
IT services	290,904.53	Invoices from January 2023, contracts with the suppliers, budget follow-up tool
Interim staff	62,766.12	Invoices from January 2023, budget follow-up tool
Trainings	3,816.86	Invoices from January 2023, budget follow-up tool
Removal services	404.80	Invoices from January 2023, budget follow-up tool
Staff perquisites and social activities	1,115.53	Invoices from January 2023, budget follow-up tool
Legal services	6,750.00	Budget follow-up tool
Total accruals with non-consolidated entities:	**825,188.38**	

Accruals for staff expenses

Accruals	Amount	Estimation method
Untaken leave	966,805.51	3,941 days of untaken annual leave of the staff for 2022, which will be used in 2023
Salary expenses	1,032.08	December salary to a staff member
Total staff accruals	**967,837.59**	

2.9. ACCRUED CHARGES WITH CONSOLIDATED ENTITIES

This amount represents goods and services received in 2022 but not booked as suppliers payables on 31 December 2022. The accruals are based on the Service Level Agreements signed with Commission Directorates or other EU bodies.

Accruals	Amount	Estimation method
DG HR (Human Resources)	122,285.00	Budget follow-up tool
PMO (Pay Master Office)	15,000.00	Budget follow-up tool
OIB (Office for the Infrastructure and Buildings)	849,949.31	Budget follow-up tool
DG EAC (Education and Culture)	46,179.00	Budget follow-up tool
Total accrued expenses	**1,033,413.31**	

NET ASSETS

The net assets amount to €1,640,489.07 and comprise the total of the economic result of previous years for the amount of €1,413,557.14 and the economic result of the current year – a profit for the amount of €226,931.93.

The economic result of the year is different from the budgetary result due to the differences between the general and budgetary accounts. 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. NON-EXCHANGE REVENUE

The non-exchange revenue for €52,850,688.71 represents the European Union contribution (subsidy) received from the Commission. For the exact calculation of the budgetary outturn, please refer to point Budget result on page 31.

3.2. EXCHANGE REVENUE

Item	2022	2021
Revenue from non-consolidated entities:		
Recovery of expenses from previous years	239.09	923.71
Revenue from consolidated entities:		
Recovery of expenses from previous years	28,243.83	50,057.98

Gains from exchange rate differences	44.04	121.61
Total	**28,526.96**	**51,103.30**

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

3.3. OPERATING EXPENSES

3.3.1. Staff expenditure

Staff expenditure comprises total gross salaries and allowances, social and pension contributions, and other welfare expenses (including the contribution to the school transport and the reimbursement of the staff public transportation costs). The item also includes the accrual for untaken holidays. The total expenditure for 2022 is €44,115,161.28.

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

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. PMO provides these services to other EU institutions and agencies as well. 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. PMO also manages the pension fund and pays the pensions of retired staff members. PMO is audited by the European Court of Auditors.

The Agency is responsible for the communication to PMO of reliable information allowing the calculation of the staff costs. It is also responsible to check that this information has been correctly reflected in the monthly payroll report used for accounting payroll costs. The responsibility for the calculation of the payroll costs is charged with PMO.

3.3.2. Fixed assets related expenses

The item is for €121,970.43 and comprises the depreciation and the amortisation of the long-term assets in possession of the Agency.

3.3.3. Building expenses

The two items for building expenses with consolidated and non-consolidated entities are for the total of €3,280,633.32. They comprise the expenses for the rent, maintenance, taxes, utilities, security and various other services for the upkeep of the building during the year.

Item	2022	2021
Rent of the office premises (with a non-consolidated entity)	2,178,344.09	1,741,665.63
Building expenses with non-consolidated entities	245,288.45	804,273.36
Building expenses with consolidated entities	857,000.78	634,715.13
Total	**3,280,633.32**	**3,180,654.12**

3.3.4. Other administrative expenses

Item	2022	2021
Office supplies and maintenance	228,243.30	447,936.60
Communication and publication expenses	305,788.32	106,286.13
Recruitment costs	55,620.94	14,845.22
Training costs	70,399.16	82,732.90
Missions of staff	361,204.65	63,539.80
Experts and related expenditure	0,00	2,133.37
Legal and insurance expenses	30,865.65	23,582.40
IT external developers *(see paragraph below)*	1,184,094.51	951,405.26
Business advisory services *(see table below)*	1,127,062.76	804,253.43
Total	**3,363,279.29**	**2,496,715.11**

IT developments

CINEA applies a threshold of €500,000 for IT developments by the Agency to consider them as intangible assets. IT developments with value above the threshold are recorded in the inventory as intangible assets. Developments for lower value are booked as expenses for the period.

In 2022, CINEA started the development of a new project management application: CB RES - Management of Cross-border projects in the field of renewable energy. It has been developed in agreement with DG ENER and contributes to the management of the CEF Energy programme. The overall financing of the development is financed by the operational budget of CEF Energy and the ownership of the application remains with the European Commission. CINEA staff members supervised the project development. The relevant costs have been recorded as IT development costs.

Staff member	Total cost based on time sheets
Head of Sector IT and GIS	3,071.84
IT Development Adviser	9,100.00
GIS Adviser	6,615.08
Total	**18,786.92**

The Agency also maintains and updates the applications TENtec, Transparency Portal and LIFE that are used for the management of some of the operational programmes delegated to CINEA. These project management applications are owned by European Commission Directorates. They are into their operational phase with an ongoing maintenance, keeping up-to-date and adding new features. No new modules have been planned for development.

Business advisory services

Item	2022	2021
Beneficiary audits by external contractors	608,867.70	237,197.90
Interim staff	596,866.65	354,138.30
Staff-related services (reversal)	(30,000.00)	100,000.00
Organisation of events	0.00	997.10
Translation costs (reversal)	(1,914.00)	(10,997.05)

Trainees (reversal)	(46,757.59)	92,936.59
Internal removal services	0.00	22,805.59
Methodology advisory service	0.00	7,175.00
Total	**1,127,062.76**	**804,253.43**

3.3.5. Other administrative expenses with consolidated entities

The total of €1,771,041.47 comprises of:

Item	2022	2021
Staff-related services provided by PMO and DG HR	525,048.47	566,935.05
Staff trainings	96,794.00	62,340.00
Trainees	141,263.76	32,862.31
Furniture and other non-building services	143,523.87	91,086.31
Translations	87,297.00	20,479.05
Medical services for staff	67,882.00	90,662.00
IT related services	587,669.98	635,183.63
Childcare facilities	110,861.00	695,950.00
Communications expenses	10,701.39	3,192.22
Total	**1,771,041.47**	**2,198,690.57**

3.3.6. Losses from exchange rate differences

The losses from exchange rate differences for € 197.92 arose from payments in currencies other than euro.

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 arising from the usual business of the Agency. These are the majority of the activities performed and their associated cash flows.

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 / LIABILITIES

There are no contingent assets or liabilities to disclose for the year ended 31 December 2022.

6. COMMITMENTS FOR FUTURE FUNDING

Commitments for future funding	31/12/2022	31/12/2021
RAL - Commitments against appropriations not yet consumed	1,634,236.76	1,195,081.86
Operating lease	4,819,869.00	6,535,092.24
Contractual commitments (for which budget commitments have not yet been made)	1,682.58	9,596.66
TOTAL	**6,455,788.34**	**7,739,770.76**

Commitments for future funding are off balance sheet obligations arising from obligations contracted by the Agency in 2022 or earlier and concerning goods and services to be rendered after the closure date.

The RAL, commitments against appropriations not yet consumed, is estimated as the difference between the commitments carried over to 2023 for €3,760,854.38 and:

1) the accrued charges (staff expenses excluded), booked in 2022 (€1,858,601.69)
2) the deferred charges at year-end (€210,637.32)
3) the adjustment with the validated expenses not paid yet for €57,378.61.

The operating lease represents the rent due for the office premises until the end of the contract on 31 December 2024.

The contractual commitments without budgetary commitments represent the amount resulting from long-term contracts for IT maintenance and insurance.

7. FINANCIAL INSTRUMENTS

Financial instruments comprise cash, current and long-term receivables and recoverable, current and long-term payables, and amounts due to and from consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks. Information about them, and how they are managed, is set out below.

The carrying amounts of financial instruments are as follows:

Item	2022	2021
Financial assets		
Long-term recoverables	125,000.00	125,000.00
Current receivables with consolidated entities	247,825.45	0
Other receivables	50,796.06	14,961.38
Cash and deposits	6,658,578.84	4,681,913.08

Total financial assets	**7,082,200.35**	**4,821,874.46**
Financial liabilities		
Long-term liabilities	0	0
Current and sundry payables	(57,378.61)	0
Current payables with consolidated entities	(3,199,311.29)	(2,011,017.53)
Total financial liabilities	**(3,256,689.90)**	**(2,011,017.53)**
Total net financial instruments	**3,825,510.45**	**2,810,856.93**

Liquidity risk

Liquidity risk is the risk that arises from the difficulty of selling an asset, such as 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 with the help of the budgetary execution tables. Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk.

As at 31 Dec 2022	On demand	< 3 months	3 – 12 months	1 – 2 years	> 2 years	Total
Assets	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Long-term recoverables				125,000		125,000
Current receivables cons. entities		247,825				247,825
Other receivables		16,482	34,314			50,796
Cash and deposits	6,658,579					6,658,579
Liabilities						
Current and sundry payables		57,379				57,379
Current payables cons. entities			(3,199,311)			(3,199,311)
Cumulative liquidity gap	**6,658,579**	**321,686**	**(3,164,997)**	**125,000**	**0**	**3,940,268**

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 to meet its contractual obligation in due time. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy. Mitigation measures put in place on receivables are regular monitoring, reminders, etc.

Treasury resources are kept with commercial banks. The EU contribution was requested four times a year based on cash forecasts.

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

- The commercial bank is 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 bank, in which the Agency has accounts, is reviewed on regular basis.

None of the CINEA's financial assets is past due or impaired. The maximum exposure to credit risk is:

	2022			2021		
31 December	Receivables non-cons. entities	Receivables cons. entities	Bank accounts	Receivables non-cons. entities	Receivables cons. entities	Bank accounts
Counterparties with external credit rating:						
Prime and high grade						
Upper medium grade	125,000		6,658,579	125,000		4,681,913
Lower medium grade						
Non-investment grade						
Counterparties without external credit rating:						
Debtors who never defaulted	50,796	247,825		14,961		
Debtors who defaulted in the past						
	175,796	**247,825**	**6,658,579**	**139,961**		**4,681,913**

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

Year	Moody's	Standard&Poors	Fitch	Overall
2021	Aa3	A+	AA-	High/upper medium grade
2022	A1	A+	AA-	High/upper medium grade

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 as the balance on the bank account. Mitigating measures have been implemented in order to avoid paying negative interest rates.

The Agency's treasury does not borrow any money; consequently, it is not exposed to interest rate risk.

Foreign currency risk

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

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

Fair value

The estimated fair values of all financial instruments of the Agency are equal to their book values at 31 December 2022 and 31 December 2021. All financial assets and liabilities are receivable or repayable according to the contractual obligations within four years.

8. CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies for the financial year 2022.

9. RELATED PARTY DISCLOSURES

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.

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

The highest ranked civil servant of CINEA is the Director, who executes the role of the Authorising Officer by delegation.

Highest grade description	Grade	Number of persons in this grade
Director	AD 15	1

10. EVENTS AFTER THE BALANCE SHEET DATE AND DISCLOSURES

Transfer of IT equipment from CINEA to DIGIT on 01/01/2023

In 2023, CINEA joins the DIGIT's DWP (Digital Work Place) services as provided under the Service Level Agreement SLA DIGIT-042-00 Appendix A-12 DWP, signed between the two entities. All IT equipment, registered in the CINEA inventory on 31 December 2022 (assets and non-assets) and identified to support the DWP Services, has been transferred to DIGIT with effect on 1 January 2023.

Description		Gross carrying amounts 31/12/2022	Accumulated amortisation 31/12/2022	Net carrying amounts 31/12/2022
Computers and other IT hardware and software	Assets (financial inventory) – 44 items	92,732.74	(52,372.06)	40,360.68
	Non-assets (operational inventory) – 2 509 items	563,858.49		563,858.49
Total		**656,591.23**	**(52,372.06)**	**604,219.17**

Reports on the implementation of the budget

Budgetary structure and principles

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

Every year, the Agency estimates its annual revenue and expenditure and draws up a draft budget, which it proposes, to the Commission. The Commission then sends it to the budgetary authority. Based on this draft budget, the Council draws its position, which is then the subject of negotiations. 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 (i.e. complying with the principle of annuality).

Origin and composition 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 voted in Year N-1.
- Final budget appropriations = initial budget appropriations + amending budget appropriations + transfers within chapters + additional appropriations.
- Additional (payment) appropriations = carried over from previous year.

Budgetary principles

The budget of the Agency has been established in compliance with the budgetary principles as set out in the Financial Regulation of the Agency:

- **Unity and budget accuracy**: all expenditure and revenue must be incorporated in a single budget document, must be booked on a budget line and the expenditure must not exceed the authorised appropriation
- **Annuality**: the appropriation 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 appropriation)
- **Unit of account**: the budget is drawn up and implemented in euro (EUR) and the accounts are presented in euro
- **Universality**: this principle comprises 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); and the gross budget rule, meaning that revenue and expenditure are entered in full in the budget without any adjustment against each other

- **Specification**: each appropriation is assigned to a specific purpose and a specific objective
- **Sound financial management**: budget appropriation are used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness
- **Transparency**: the budget 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 CINEA

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 only. The cancellation of unused payment appropriations carried over from the previous year shows the cancellations on appropriations also carried over automatically.

Main facts on the implementation of the budget

	Amount	% implementation
Revenue	56,078,482.92	100% collected
Commitments	53,569,614.40	95.57% committed
Payments on 2022 commitments	49,808,760.02	92.98% paid
Payments on 2021 commitments	1,996,870.51	74.30% paid

The 2022 operating budget of the Agency, referred to as administrative budget, was adopted by the Steering Committee on 16 December 2021 and it amounted to € 56,895,000.

During the year, an amending budget was adopted by the Steering Committee. It decreased the initial amount to a final budget of € 56,050,000. This reduction was mainly due to the reassessment of CINEA's needs that lead to a decrease of ICT expenditure and technical installations, and a decrease of programme support expenditure.

Budget result

BUDGET OUTTURN ACCOUNT	2022	2021
REVENUE		
Commission subsidy (for the operating budget -Titles 1,2 and 3 - of the Agency)	56,050,000.00	45,300,000.29
Other revenue	28,482.92	55,477.47
TOTAL REVENUE (a)	**56,078,482.92**	**45,355,477.76**
EXPENDITURE		
Title I: Staff		
Payments in 2022	44,575,861.27	36,024,428.84
Appropriations carried over to 2023	1,567,936.58	734,556.30
Title II: Administrative Expenses		
Payments in 2022	3,967,279.10	4,170,507.97
Appropriations carried over to 2023	500,061.74	812,591.91
Title III: Operating Expenditure		
Payments in 2022	1,265,619.65	869,856.09
Appropriations carried over to 2023	1,692,856.06	1,140,318.95
TOTAL EXPENDITURE (b)	**53,569,614.40**	**43,752,260.06**
OUTTURN FOR THE FINANCIAL YEAR (a-b)	**2,508,868.52**	**1,603,217.70**
Cancellation of unused payment appropriations carried over from previous year	690,596.65	427,404.59
Exchange differences for the year (gain +/loss -)	(153.88)	(813.26)
Result used for determining amounts in general accounting	**3,199,311.29**	**2,029,809.03**
Commission subsidy – the Agency registers accrued revenue and the Commission accrued expense	**52,850,688.71**	**43,270,191.26**
Pre-financing remaining open to be reimbursed by the Agency to the Commission in year 2023	**3,199,311.29**	**2,029,809.03**

Reconciliation of economic result with budget result

The financial result for the year presented on page 8 is calculated on the basis of accrual accounting principles. The budget outturn, however, is based on modified cash accounting rules, in accordance with the Financial Regulation. As both are the result of the same underlying transactions, it is a useful control to ensure that they are reconcilable. The table below shows this reconciliation, highlighting the key reconciling amounts, split between revenue and expenditure items.

	EUR
ECONOMIC RESULT	**226,932**
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	
Adjustments for accrual cut off (reversal 31 December 2021)	(2,103,251)
Adjustments for accrual cut off (cut off 31 December 2022)	2,830,496
Unpaid invoices at year-end but recorded as expenditure in 2022	57,379
Depreciation of intangible and tangible fixed assets	121,970
Pre-financing given in previous year and cleared in the year	212,314
Payments made from carry-over of payment appropriations	1,996,870
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	
Asset acquisitions (less unpaid amounts)	(104,069)
Charges paid in 2022 and deferred to the following years	(168,382)
New pre-financing received in the year 2022 and remaining open at 31 December 2022	3,199,311
Payment appropriations carried over to 2023	(3,760,854)
Cancellation of unused carried over payment appropriations from previous year	690,597
Others	(2)
Total	**3,199,311**
BUDGETARY RESULT	**3,199,311**
Unexplained discrepancy	0

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, i.e. eligible expenses for goods delivered and services received but not yet invoiced to the Agency. 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 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 invoices. 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 following 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.

Other reconciling amounts are comprised of different elements such as asset depreciation, asset acquisitions, capital lease payments and financial transactions for which the budgetary and accrual accounting treatments differ.

The following tables give a detailed picture of the budget implementation during 2022. Detailed information and qualitative description of the financial situation and the events that had a significant influence on the activities during the year can be found in the Report on budgetary and financial management.

Budget revenue

EUR '000

Item		Income appropriations		Entitlements established			Revenue				Outstand.
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
INCOME BUDGET 2022											
2 0 0 0	EU Budget Subsidy	56,895	56,050	56,050	0	56,050	56,050	0	56,050	100%	0
9 0 0 0	Miscellaneous revenue	0	0	28	0	28	28	0	28	100%	0
TOTAL		**56,895**	**56,050**	**56,078**	**0**	**56,078**	**56,078**	**0**	**56,078**	**100%**	**0**

Budget expenditure

Breakdown & changes in commitment appropriations

EUR '000

Item			Budget appropriations				Additional appropriations			Total appropr. available
			Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
			1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1 1	1 1 1 1	Temporary agents	17.000	250	0	17.250	0	0	0	17.250
	1 1 2 1	Contract agents	26.900	(740)	0	26.160	0	0	0	26.160
	1 1 3 1	Interim and trainees	900	(90)	0	810	0	0	0	810
	Total chapter 1 1		**44.800**	**(580)**	**0**	**44.220**	**0**	**0**	**0**	**44.220**
1 2	1 2 1 1	Medical services	330	0	0	330	0	0	0	330
	1 2 2 1	Training	480	(40)	0	440	0	0	0	440
	1 2 3 1	Administration of staff	790	(40)	0	750	0	0	0	750
	1 2 4 1	Recruitment	70	10	0	80	0	0	0	80
	1 2 5 1	Representation & internal meetings	20	(10)	0	10	0	0	0	10
	1 2 6 1	Other social expenditure	1.010	710	0	1.720	0	0	0	1.720
	Total chapter 1 2		**2.700**	**630**	**0**	**3.330**	**0**	**0**	**0**	**3.330**
	Total title 1		**47.500**	**50**	**0**	**47.550**	**0**	**0**	**0**	**47.550**
2 1	2 1 1 1	Rental of building	2.160	0	18	2.178	0	0	0	2.178
	2 1 2 1	Charges of the building	1.495	(51)	(18)	1.426	0	0	0	1.426
	Total chapter 2 1		**3.655**	**(51)**	**0**	**3.604**	**0**	**0**	**0**	**3.604**

2 2	2 2 1 1	Hardware and software	650	(152)	0	498	0	0	0	498
	2 2 2 1	ICT Services	1.180	(255)	0	925	0	0	0	925
	Total chapter 2 2		**1.830**	**(407)**	**0**	**1.423**	**0**	**0**	**0**	**1.423**
2 3	2 3 1 1	Furniture, technical installations, handling & removal	190	(50)	0	140	0	0	0	140
	2 3 2 1	Office supplies, archive, subscription & correspondence	160	0	0	160	0	0	0	160
	2 3 3 1	Other expenditure related to work environment	50	0	0	50	0	0	0	50
	Total chapter 2 3		**400**	**(50)**	**0**	**350**	**0**	**0**	**0**	**350**
	Total title 2		**5.885**	**(508)**	**0**	**5.377**	**0**	**0**	**0**	**5.377**
3 1	3 1 1 1	Missions and related expenditure	495	0	0	495	0	0	0	495
	3 1 2 1	Audit	600	(127)	(60)	413	0	0	0	413
	3 1 3 1	Operational related IT expenditure	1.355	5	(55)	1.305	0	0	0	1.305
	3 1 4 1	Communication, events & other Programme support expenditure	1.060	(265)	115	910	0	0	0	910
	Total chapter 3 1		3.510	(387)	0	3.123	0	0	0	3.123
	Total title 3		**3.510**	**(387)**	**0**	**3.123**	**0**	**0**	**0**	**3.123**
GRAND TOTAL			**56.895**	**(845)**	**0**	**56.050**	**0**	**0**	**0**	**56.050**

Breakdown & changes in payment appropriations

EUR '000

Item			Budget appropriations				Additional appropriations			Total appropr. available
			Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
			1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1 1	1 1 1 1	Temporary agents	17.000	250	0	17.250	0	0	0	17.250
	1 1 2 1	Contract agents	26.900	(740)	0	26.160	0	0	0	26.160
	1 1 3 1	Interim and trainees	900	(90)	0	810	242	0	242	1.052
	Total chapter 1 1		**44.800**	**(580)**	**0**	**44.220**	**242**	**0**	**242**	**44.462**
1 2	1 2 1 1	Medical services	330	0	0	330	115	0	115	445
	1 2 2 1	Training	480	(40)	0	440	121	0	121	561
	1 2 3 1	Administration of staff	790	(40)	0	750	113	0	113	863
	1 2 4 1	Recruitment	70	10	0	80	11	0	11	91
	1 2 5 1	Representation & internal meetings	20	(10)	0	10	0	0	0	10
	1 2 6 1	Other social expenditure	1.010	710	0	1.720	133	0	133	1.853
	Total chapter 1 2		**2.700**	**630**	**0**	**3.330**	**493**	**0**	**493**	**3.823**
	Total title 1		**47.500**	**50**	**0**	**47.550**	**735**	**0**	**735**	**48.285**
2 1	2 1 1 1	Rental of building	2.160	0	18	2.178	0	0	0	2.178
	2 1 2 1	Charges of the building	1.495	(51)	(18)	1.426	400	0	400	1.826
	Total chapter 2 1		**3.655**	**(51)**	**0**	**3.604**	**400**	**0**	**400**	**4.004**
2 2	2 2 1 1	Hardware and software	650	(152)	0	498	199	0	199	697

	2 2 2 1	ICT Services	1.180	(255)	0	925	0	0	0	925
	Total chapter 2 2		**1.830**	**(407)**	**0**	**1.423**	**199**	**0**	**199**	**1.622**
2 3	2 3 1 1	Furniture technical installations handling & removal	190	(50)	0	140	179	0	179	319
	2 3 2 1	Office supplies archive subscription & correspondence	160	0	0	160	25	0	25	185
	2 3 3 1	Other expenditure related to work environment	50	0	0	50	10	0	10	60
	Total chapter 2 3		**400**	**(50)**	**0**	**350**	**214**	**0**	**214**	**564**
	Total title 2		**5.885**	**(508)**	**0**	**5.377**	**813**	**0**	**813**	**6.190**
3 1	3 1 1 1	Missions and related expenditure	495	0	0	495	20	0	20	515
	3 1 2 1	Audit	600	(127)	(60)	413	483	0	483	896
	3 1 3 1	Operational related IT expenditure	1.355	5	(55)	1.305	487	0	487	1.792
	3 1 4 1	Communication events & other Programme support expenditure	1.060	(265)	115	910	150	0	150	1.060
	Total chapter 3 1		**3.510**	**(387)**	**0**	**3.123**	**1.140**	**0**	**1.140**	**4.263**
	Total title 3		**3.510**	**(387)**	**0**	**3.123**	**1.140**	**0**	**1.140**	**4.263**
GRAND TOTAL			**56.895**	**(845)**	**0**	**56.050**	**2.687**	**0**	**2.687**	**58.737**

Implementation of commitment appropriations

EUR '000

Item			Total appropriations available	Commitments made					Appropriations carried over to 2023			Appropriations lapsing			
				from final adopt. budget	from carry-overs	from assigned revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assigned revenue	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1 1	1 1 1 1	Temporary agents	17.250	16.886	0	0	16.886	97,89%	0	0	0	364	0	0	364
	1 1 2 1	Contract agents	26.160	25.953	0	0	25.953	99,21%	0	0	0	207	0	0	207
	1 1 3 1	Interim and trainees	810	805	0	0	805	99,35%	0	0	0	5	0	0	5
	Total chapter 1 1		**44.220**	**43.644**	**0**	**0**	**43.644**	**98,70%**	**0**	**0**	**0**	**576**	**0**	**0**	**576**
1 2	1 2 1 1	Medical services	330	318	0	0	318	96,33%	0	0	0	12	0	0	12
	1 2 2 1	Training	440	259	0	0	259	58,90%	0	0	0	181	0	0	181
	1 2 3 1	Administration of staff	750	730	0	0	730	97,38%	0	0	0	20	0	0	20
	1 2 4 1	Recruitment	80	64	0	0	64	79,97%	0	0	0	16	0	0	16
	1 2 5 1	Representation & internal meetings	10	2	0	0	2	22,44%	0	0	0	8	0	0	8
	1 2 6 1	Other social expenditure	1.720	1.127	0	0	1.127	65,50%	0	0	0	593	0	0	593
	Total chapter 1 2		**3.330**	**2.500**	**0**	**0**	**2.500**	**75,08%**	**0**	**0**	**0**	**830**	**0**	**0**	**830**
	Total title 1		**47.550**	**46.144**	**0**	**0**	**46.144**	**97,04%**	**0**	**0**	**0**	**1.406**	**0**	**0**	**1.406**
2	2 1	Rental of	2.178	2.178	0	0	2.178	100,00	0	0	0	0	0	0	0

1	1 1	building						%							
	2 1 2 1	Charges of the building	1.426	1.426	0	0	1.426	100,00 %	0	0	0	0	0	0	0
	Total chapter 2 1		**3.604**	**3.604**	**0**	**0**	**3.604**	**100,00 %**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2 2	2 2 1 1	Hardware and software	498	118	0	0	118	23,65%	0	0	0	380	0	0	380
	2 2 2 1	ICT Services	925	502	0	0	502	54,28%	0	0	0	423	0	0	423
	Total chapter 2 2		**1.423**	**620**	**0**	**0**	**620**	**43,56%**	**0**	**0**	**0**	**803**	**0**	**0**	**803**
2 3	2 3 1 1	Furniture technical installations handling & removal	140	74	0	0	74	52,68%	0	0	0	66	0	0	66
	2 3 2 1	Office supplies archive subscription & correspond.	160	127	0	0	127	79,60%	0	0	0	33	0	0	33
	2 3 3 1	Other expenditure related to work environment	50	42	0	0	42	84,69%	0	0	0	8	0	0	8
	Total chapter 2 3		**350**	**243**	**0**	**0**	**243**	**69,56%**	**0**	**0**	**0**	**107**	**0**	**0**	**107**
	Total title 2		**5.377**	**4.467**	**0**	**0**	**4.467**	**83,08%**	**0**	**0**	**0**	**910**	**0**	**0**	**910**
3 1	3 1 1 1	Missions and related expenditure	495	440	0	0	440	88,89%	0	0	0	55	0	0	55
	3 1 2 1	Audit	413	413	0	0	413	99,95%	0	0	0	0	0	0	0
	3 1 3 1	Operational related IT expenditure	1.305	1.305	0	0	1.305	100,00 %	0	0	0	0	0	0	0
	3 1 4 1	Communication events & other Programme support expenditure	910	801	0	0	801	87,99%	0	0	0	109	0	0	109
	Total chapter 3 1		**3.123**	**2.958**	**0**	**0**	**2.958**	**94,73%**	**0**	**0**	**0**	**165**	**0**	**0**	**165**
	Total title 3		**3.123**	**2.958**	**0**	**0**	**2.958**	**94,73%**	**0**	**0**	**0**	**165**	**0**	**0**	**165**

TOTAL	**56.050**	**53.570**	**0**	**0**	**53.570**	**95,57%**	**0**	**0**	**0**	**2.480**	**0**	**0**	**2.480**

Implementation of payment appropriations

EUR '000

Item			Payments made					Appropriations carried over to 2023				Appropriations lapsing			
		Total approp. availab.	from final adopt. budget	from carry-overs	from assign. reven.	Total	%	Auto-matic carry-overs	By decis.	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. reven.	Total
		1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1 1 1 1	Temporary agents	17.250	16.886	0	0	16.886	97,89%	0	0	0	0	364	0	0	364
1 1 2 1	Contract agents	26.160	25.953	0	0	25.953	99,21%	0	0	0	0	207	0	0	207
1 1 3 1	Interim and trainees	1.052	520	222	0	743	70,61%	284	0	0	284	5	20	0	25

Total chapter 1 1		**44.462**	**43.359**	**222**	**0**	**43.582**	**98,02%**	**284**	**0**	**0**	**284**	**576**	**20**	**0**	**596**
1 2 1 1	Medical services	445	68	0	0	68	15,24%	250	0	0	250	12	115	0	127
1 2 2 1	Training	561	229	49	0	278	49,60%	30	0	0	30	181	72	0	253
1 2 3 1	Administration of staff	863	595	72	0	667	77,32%	136	0	0	136	20	40	0	60
1 2 4 1	Recruitment	91	39	0	0	39	43,06%	25	0	0	25	16	11	0	27
1 2 5 1	Representation & internal meetings	10	2	0	0	2	16,64%	1	0	0	1	8	0	0	8
1 2 6 1	Other social expenditure	1.853	284	111	0	395	21,29%	843	0	0	843	593	22	0	615
Total chapter 1 2		**3.823**	**1.217**	**232**	**0**	**1.448**	**37,89%**	**1.284**	**0**	**0**	**1.284**	**830**	**261**	**0**	**1.091**
Total title 1		**48.285**	**44.576**	**454**	**0**	**45.030**	**93,26%**	**1.568**	**0**	**0**	**1.568**	**1.406**	**281**	**0**	**1.687**
2 1 1 1	Rental of building	2.178	2.178	0	0	2.178	100,00 %	0	0	0	0	0	0	0	0
2 1 2 1	Charges of the building	1.826	1.092	168	0	1.260	69,04%	333	0	0	333	0	232	0	232
Total chapter 2 1		**4.004**	**3.271**	**168**	**0**	**3.439**	**85,88%**	**333**	**0**	**0**	**333**	**0**	**232**	**0**	**232**
2 2 1 1	Hardware and software	697	97	199	0	296	42,44%	21	0	0	21	380	0	0	380
2 2 2 1	ICT Services	925	437	0	0	437	47,26%	65	0	0	65	423	0	0	423
Total chapter 2 2		**1.622**	**534**	**199**	**0**	**733**	**45,19%**	**86**	**0**	**0**	**86**	**803**	**0**	**0**	**803**
2 3 1 1	Furniture technical installations handling & removal	319	39	112	0	152	47,52%	35	0	0	35	66	67	0	133
2 3 2 1	Office supplies archive subscription & correspond.	185	105	17	0	122	65,80%	23	0	0	23	33	8	0	41
2 3 3 1	Other expenditure related to work environment	60	19	6	0	24	40,89%	24	0	0	24	8	4	0	11
Total chapter 2 3		**564**	**163**	**135**	**0**	**298**	**52,83%**	**81**	**0**	**0**	**81**	**107**	**79**	**0**	**185**
Total title 2		**6.190**	**3.967**	**502**	**0**	**4.469**	**72,21%**	**500**	**0**	**0**	**500**	**910**	**310**	**0**	**1.220**
3 1 1 1	Missions and related expenditure	515	286	19	0	305	59,30%	154	0	0	154	55	0	0	55
3 1 2 1	Audit	896	0	402	0	402	44,87%	413	0	0	413	0	81	0	81
3 1 3 1	Operational related IT expenditure	1.792	732	480	0	1.212	67,63%	573	0	0	573	0	7	0	7
3 1 4 1	Communication events & other Programme support expenditure	1.060	248	139	0	387	36,50%	553	0	0	553	109	12	0	121
Total chapter 3 1		**4.263**	**1.266**	**1.041**	**0**	**2.306**	**54,10%**	**1.693**	**0**	**0**	**1.693**	**165**	**100**	**0**	**264**
Total title 3		**4.263**	**1.266**	**1.041**	**0**	**2.306**	**54,10%**	**1.693**	**0**	**0**	**1.693**	**165**	**100**	**0**	**264**

GRAND TOTAL	**58.737**	**49.809**	**1.997**	**0**	**51.806**	**88,20%**	**3.761**	**0**	**0**	**3.761**	**2.480**	**691**	**0**	**3.171**

Commitments outstanding per budget line

EUR '000

Item		Commitments outstanding at the end of previous year				Commitments of the year				Total commitm. out-standing at year-end
		Comm. carried forward from prev. year	Decom mit. Revalu ation Cancell at.	Payme nts	Total	Commitm. made during the year	Payment	Cancellati on of comm. which cannot be carried forward	Commit. out-standing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1 1 1 1	Temporary agents	0	0	0	0	16.886	16.886	0	0	0
1 1 2 1	Contract agents	0	0	0	0	25.953	25.953	0	0	0
1 1 3 1	Interim and trainees	242	(20)	222	0	805	520	0	284	284
Total chapter 1 1		**242**	**(20)**	**222**	**0**	**43.644**	**43.359**	**0**	**284**	**284**
1 2 1 1	Medical services	115	(115)	0	0	318	68	0	250	250
1 2 2 1	Training	121	(72)	49	0	259	229	0	30	30
1 2 3 1	Administration of staff	113	(40)	72	0	730	595	0	136	136
1 2 4 1	Recruitment	11	(11)	0	0	64	39	0	25	25
1 2 5 1	Representation & internal meetings	0	0	0	0	2	2	0	1	1
1 2 6 1	Other social expenditure	133	(22)	111	0	1.127	284	0	843	843
Total chapter 1 2		**493**	**(261)**	**232**	**0**	**2.500**	**1.217**	**0**	**1.284**	**1.284**
Total Title 1		**735**	**(281)**	**454**	**0**	**46.144**	**44.576**	**0**	**1.568**	**1.568**
2 1 1 1	Rental of building	0	0	0	0	2.178	2.178	0	0	0
2 1 2 1	Charges of the building	400	(232)	168	0	1.426	1.092	0	333	333
Total chapter 2 1		**400**	**(232)**	**168**	**0**	**3.604**	**3.271**	**0**	**333**	**333**
2 2 1 1	Hardware and software	199	0	199	0	118	97	0	21	21
2 2 2 1	ICT Services	0	0	0	0	502	437	0	65	65
Total chapter 2 2		**199**	**0**	**199**	**0**	**620**	**534**	**0**	**86**	**86**
2 3 1 1	Furniture technical installations handling & removal	179	(67)	112	0	74	39	0	35	35
2 3 2 1	Office supplies archive subscription & corresp.	25	(8)	17	0	127	105	0	23	23
2 3 3 1	Other expenditure related to work environment	10	(4)	6	0	42	19	0	24	24
Total chapter 2 3		**214**	**(79)**	**135**	**0**	**243**	**163**	**0**	**81**	**81**
Total Title 2		**813**	**(310)**	**502**	**0**	**4.467**	**3.967**	**0**	**500**	**500**
3 1 1 1	Missions and related expenditure	20	(1)	19	0	440	286	0	154	154
3 1 2 1	Audit	483	(81)	402	0	413	0	0	413	413
3 1 3 1	Operational related IT expenditure	487	(7)	480	0	1.305	732	0	573	573
3 1 4 1	Communication events & other Programme support expenditure	150	(11)	139	0	801	248	0	553	553
Total chapter 3 1		**1.140**	**(99)**	**1.041**	**0**	**2.958**	**1.266**	**0**	**1.693**	**1.693**
Total Title 3		**1.140**	**(99)**	**1.041**	**0**	**2.958**	**1.266**	**0**	**1.693**	**1.693**
GRAND TOTAL		**2.687**	**(691)**	**1.997**	**0**	**53.570**	**49.809**	**0**	**3.761**	**3.761**

Detailed list of commitments carried over from 2022 to 2023

Document type	Document Number	Document date	Commitment reference	Open Amount: RAL cf to 2023
PO	4500000486	03-02-2022	ARHS DEVELOPMENTS SA - SC 23463	29,277.60

PO	4500000503	03-02-2022	ARHS DEVELOPMENTS SA - SC 23461	33,852.22
PO	4500000505	04-02-2022	ARHS DEVELOPMENTS SA - SC 23464	38,426.85
PO	4500000507	07-02-2022	ARHS DEVELOPMENTS SA - SC 23460	20,433.31
PO	4500000508	07-02-2022	ARHS DEVELOPMENTS SA	32,715.50
PO	4500000509	08-02-2022	ARHS DEVELOPMENTS SA - SC 23462	27,508.94
PO	4500000510	08-02-2022	NETWORK RESEARCH BELGIUM SA	68,620.59
PO	4500000511	09-02-2022	ARHS DEVELOPMENTS SA - SC 23763	26,837.80
PO	4500000561	21-02-2022	RANDSTAD BELGIUM	0.02
PO	4500000687	01-04-2022	DELOITTE BEDRIJFSREVISOREN/REV	52,529.75
PO	4500000725	22-04-2022	RANDSTAD BELGIUM	4,178.67
PO	4500000732	26-04-2022	BDO LLP	16,500.00
PO	4500000735	27-04-2022	BDO LLP	150,000.00
PO	4500000736	27-04-2022	DELOITTE BEDRIJFSREVISOREN/REV	123,500.00
PO	4500000758	04-05-2022	DELOITTE BEDRIJFSREVISOREN/REV	17,676.50
PO	4500000763	05-05-2022	MOZER BELUX	4,508.86
PO	4500000800	06-05-2022	BDO LLP	21,000.00
PO	4500000808	11-05-2022	PKF LITTLEJOHN LLP	31,900.00
PO	4500000809	12-05-2022	RANDSTAD BELGIUM	4,636.97
PO	4500000852	30-05-2022	RANDSTAD BELGIUM	2,089.17
PO	4500000911	16-06-2022	NETCOMPANY-INTRASOFT SA	396.80
PO	4500000942	18-06-2022	CULLIGAN BELGIUM	915.57
PO	4500000973	27-06-2022	DFA STUDIO LEGALE ASSOCIATO	2,826.00
PO	4500000997	08-07-2022	THE GREENHOUSE GROUP	3,184.00
PO	4500001041	28-07-2022	RANDSTAD BELGIUM	22,649.37
PO	4500001114	11-08-2022	RANDSTAD BELGIUM	15,167.97
PO	4500001124	18-08-2022	BENCZE ES AMBRUS UGYVEDI IRODA	3,009.78
PO	4500001134	22-08-2022	RANDSTAD BELGIUM	17,871.55
PO	4500001143	25-08-2022	SOCIETE DES TRANSPORTS INTERCO	3,368.49
PO	4500001146	30-08-2022	SEIGAIHA LAW FIRM	12,000.00
PO	4500001166	06-09-2022	CREASET SA	579.03
PO	4500001226	26-09-2022	RANDSTAD BELGIUM	5,537.66
PO	4500001232	27-09-2022	INDRA SOLUCIONES TECNOLOGIAS D	58,771.00
PO	4500001296	05-10-2022	RANDSTAD BELGIUM	6,557.59
PO	4500001302	06-10-2022	CRONOS INTERNATIONAL SA	38,691.69
PO	4500001315	10-10-2022	CRONOS INTERNATIONAL SA	36,480.00
PO	4500001328	14-10-2022	ARHS DEVELOPMENTS SA	29,509.00
PO	4500001330	14-10-2022	RANDSTAD BELGIUM	5,537.66
PO	4500001336	17-10-2022	NETCOMPANY-INTRASOFT SA	24,232.48
PO	4500001353	24-10-2022	RANDSTAD BELGIUM	5,789.37
PO	4500001354	24-10-2022	ARHS DEVELOPMENTS SA - SC 2269	31,869.72
PO	4500001359	24-10-2022	CRONOS INTERNATIONAL SA	26,625.57
PO	4500001387	03-11-2022	INSIGHT DIRECT USA, INC.	643.35
PO	4500001397	08-11-2022	CANCOM PUBLIC BV	2,431.36
PO	4500001398	09-11-2022	CRONOS INTERNATIONAL SA	39,693.43
PO	4500001406	09-11-2022	NETWORK RESEARCH BELGIUM SA	32,429.67
PO	4500001442	15-11-2022	AMP SA	1,014.30
PO	4500001451	16-11-2022	NETWORK RESEARCH BELGIUM SA	21,105.16
PO	4500001480	23-11-2022	RANDSTAD BELGIUM	16,109.57
PO	4500001481	23-11-2022	RANDSTAD BELGIUM	3,278.79
PO	4500001482	23-11-2022	RANDSTAD BELGIUM	5,285.95
PO	4500001485	25-11-2022	ASHURST EUROPE	5,900.00
PO	4500001487	25-11-2022	NETCOMPANY-INTRASOFT SA	28,329.89
PO	4500001492	28-11-2022	CANCOM PUBLIC BV	680.00
PO	4500001500	30-11-2022	ACCENTURE SA	33,109.62
PO	4500001504	01-12-2022	NETCOMPANY-INTRASOFT SA	2,059.78
PO	4500001531	05-12-2022	CRONOS INTERNATIONAL SA	19,838.66
PO	4500001532	05-12-2022	NETCOMPANY-INTRASOFT SA	245,801.33
PO	4500001551	07-12-2022	NETWORK RESEARCH BELGIUM SA	22,613.14
PO	4500001556	07-12-2022	NETCOMPANY-INTRASOFT SA	144,613.95
PO	4500001571	09-12-2022	BECHTLE BRUSSELS	14,128.20
PO	4500001574	10-12-2022	RANDSTAD BELGIUM	10,784.48
PO	4500001575	10-12-2022	RANDSTAD BELGIUM	11,047.51

PO	4500001576	10-12-2022	RANDSTAD BELGIUM	3,113.72
PO	4500001577	10-12-2022	RANDSTAD BELGIUM	11,047.51
PO	4500001578	10-12-2022	RANDSTAD BELGIUM	13,077.62
FR	3100000112	n/a	Representation expenses and internal meetings	580.00
FR	3100000115	n/a	Public transport	6,000.00
FR	3100000117	n/a	Social expenses	1,335.78
FR	3100000118	n/a	Social support to staff	5,000.00
FR	3100000121	n/a	Missions and related expenditure	154,068.06
FR	3100000122	n/a	Trainees 2022	92,358.00
FR	3100000123	n/a	Trainings 2022	26,721.86
FR	3100000125	n/a	SLA DG HR Administration of staff	90,000.00
FR	3100000126	n/a	SLA PMO	45,500.00
FR	3100000127	n/a	Medical services 2022	250,000.00
FR	3100000128	n/a	SLA DG HR - DS Security	41,328.25
FR	3100000129	n/a	Recruitment 2022 - DG HR medical services	24,650.00
FR	3100000131	n/a	SLA OIB - CPE 2022	823,012.46
FR	3100000132	n/a	Hardware and software 2022	6,653.38
FR	3100000134	n/a	Building charges, taxes, insurance 2022	160,439.99
FR	3100000138	n/a	SLA OIB - Publications 2022	5,800.00
FR	3100000139	n/a	Communication Expenses 2022	1,704.31
FR	3100000141	n/a	SLA OIB 2022 - Charges of the building	131,710.00
FR	3100000141	n/a	SLA OIB 2022 - Furniture, technical installations, handling and removal	30,000.00
FR	3100000141	n/a	SLA OIB 2022 - Office supplies, archive, subscription and correspondence	2,440.00
FR	3100000141	n/a	SLA OIB 2022 - general charges	4,320.00
FR	3100000142	n/a	SLA BUDG 2022	65,000.00
FR	3100000146	n/a	Office supplies	18,187.41
FR	3100000857	n/a	Interim orders 2022 - indexation and rounding	28,144.84
			RAL carried forward to 2023	**3,760,854.38**

Payments on commitment appropriations carried over from 2021 to 2022

Budget Period	Fund Center	Budget line	Description	Open Amount: RAL 2021	Paid Amount in 2022
2021	A.A4.1	E.1131	Interim and trainees	241,714	222,185
2021	A.A4.1	E.1211	Medical services	115,355	0
2021	A.A4.1	E.1221	Training	120,673	48,833
2021	A.A4.1	E.1231	Administration of staff	112,551	72,080
2021	A.A4.1	E.1241	Recruitment	11,334	0
2021	A.A4.1	E.1261	Other social expenditure	132,929	110,943
2021	A.A4.3	E.2121	Charges of the building	400,106	168,321
2021	A.A4.2	E.2211	Hardware and software	198,744	198,744
2021	A.A4.3	E.2311	Furniture, technical installations, handling and rolling stocks	178,946	112,316
2021	A.A4.3	E.2321	Office supplies, archive, subscription and correspondence expenditure	25,245	17,084
2021	A.A2.1	E.2331	Other expenditure related to work environment	9,550	5,741
2021	A.A2.1	E.3111	Missions and related expenditure	19,733	19,326
2021	A.A2.1	E.3121	Audit	482,749	402,017
2021	A.A4.2	E.3131	Operational related IT expenditure	487,407	480,377
2021	A.A1.1	E.3141	Communication, events and other Programme support	150,431	138,904
PAYMENT APPROPRIATIONS CARRIED OVER TO 2022				**2,687,467**	**1,996,871**
UNUSED PAYMENT APPROPRIATIONS TO BE REIMBURSED TO THE COMMISSION					**690,597**

Human resources overview on 31 December 2022

At the end of the reporting period, CINEA had 516 statutory staff members out of the 566 foreseen in the Establishment plan for 2022. At the end of the reporting period, the vacancy rate was 8,8%.

The Agency also had external staff members, including interim staff, trainees and consultants.

Number of staff 2022	planned	actual	%
Seconded officials	33	28	85%
Temporary agents	109	106	97%
Contract agents	424	382	90%
Total	**566**	**516**	**91%**

Activity	planned	actual	%
Director and directly attached staff	9	9	100%
Department A - Programme support and resources	188	170	90%
Department B – Sustainable networks and investments	124	118	95%
Department C – Green research and innovation	141	122	87%
Department D – Natural resources, climate, sustainable blue economy and clean energy	104	97	93%
Total	**566**	**516**	**91%**

Establishment plan of 2022

ESTABLISHMENT PLAN OF 2022		
Category and Grade	**Number of posts**	**Actually filled on 31/12/2022**
AD15	1	1
AD14	9	9
AD13	12	12
AD12	18	18
AD11	19	19
AD10	12	11
AD9	20	20
AD8	18	17
AD7	16	14
AD6	2	1
AD5	2	0
TOTAL of AD	**129**	**122**
Of which Officials seconded by the Commission	33	
AST8	1	1
AST7	2	2
AST6	4	4
AST5	3	3
AST4	2	2
AST3	1	0
TOTAL of AST	**13**	**12**
TOTAL of staff into the establishment plan	**142**	**134**

PERSONS NOT INCLUDED INTO THE ESTABLISHMENT PLAN

CONTRACT AGENTS

Category and Grade	Number of persons	Actually filled on 31/12/2022
GF IV	272	230
GF III	116	117
GF II	36	35
GF I		
TOTAL of contract agents	**424**	**382**

Contracts in force in 2022

In 2022, the Agency managed more than a hundred contracts that provided the goods and services necessary to carry out its tasks. A list of all 2022 contracts with a value of more than €15,000 can be found on the Agency website: https://cinea.ec.europa.eu/about-us/key-documents/annual-list-contractors_en.

The Agency also concluded Service Level Agreements (SLA) and Memoranda of Understanding (MoU) with various European Commission Directorates, offices and agencies for the delivery of specific goods and services, as shown in the table below.

SLA Subject	Commission Directorate/service	Amount
Training, medical service, security, HR reclassification and reporting modules in SYSPER, legal affairs, Investigation & Disciplinary Office	DG HR	on request /committed €1,232,077/
Definition of the administrative and financial terms governing the implementation and usage of the SUMMA system	DG BUDG	free /pilot agency/
Translation services	Translation Centre for the bodies of EU	on request /committed €2,703/
Computer network, mailbox, licence SMT, hosting of the IT systems, tokens	DG DIGIT	€572,042
HAN (Hermes-Ares-NomCom)	DG SG	€109,064
Trainings of staff	European Administrative School	on request / committed €26,722/
Services related to the building maintenance, logistics, archiving, childcare facilities	Office for Infrastructure and Logistics – Brussels	on request / committed €1,509,491/
Publications	Publications Office	on request / committed €5,800/
Remunerations, insurance, social contributions	Pay Master Office	€373,845
Delivery, installation and maintenance of audio-visual conference equipment	DG SCIC	€103,520
Placement of trainees	DG EAC	on request / committed €153,301/

GLOSSARY

Administrative appropriations

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

Adopted budget

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

Amending budget

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

Appropriations

Budget funding

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

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

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

For agencies, the resulting amount will have to be reimbursed to the funding authority.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

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

Budgetary commitment

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

Cancellation of appropriations

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

Carryover of appropriations

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

Commitment appropriations

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

De-commitment

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

Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year.

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Grants

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

Lapsing appropriations

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

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

Legal basis / basic act

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

Legal commitment

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

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

Non-differentiated appropriations

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

Operational appropriations

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

Outstanding commitments

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

Payment appropriations

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

RAL (Reste à liquider)

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

Surplus

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

Transfer between budget lines

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification.