



**European Research Council**  
Executive Agency

Established by the European Commission

# **FINAL ANNUAL ACCOUNTS OF THE EUROPEAN RESEARCH COUNCIL EXECUTIVE AGENCY**

## **Financial Statements**

## **Reports on the implementation of the Budget**

## **Financial Year 2021**

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## CERTIFICATE AND STATEMENT OF THE DIRECTOR

### CERTIFICATE

I acknowledge my responsibility for the preparation and presentation of the final annual accounts of the European Research Council Executive Agency in accordance with art. 30 (b) of the Standard Financial Regulation for the Executive Agencies.

I hereby certify that the final annual accounts of the European Research Council Executive Agency for the year 2021 have been prepared 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 (Commission Regulation 1653/2004), the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the final accounts that show the European Research Council Executive Agency'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 the European Research Council Executive Agency.

Brussels,

Claire Levacher  
Accounting Officer

### STATEMENT OF THE DIRECTOR

I, the undersigned, Laurence Moreau, Director of the European Research Council Executive Agency, in my capacity as Authorising Officer,

- state that I have reasonable assurance that the resources assigned to the activities described in the final annual accounts have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. This reasonable assurance is based on my own judgment and on the information at my disposal,

- confirm that I am not aware of anything not reported in the annual accounts, which could harm the interests of the European Research Council Executive Agency.

Brussels,

Laurence Moreau  
Director

## INTRODUCTION

### LEGAL BASIS

The accounts of the European Research Council Executive Agency are kept in accordance with:

- The Commission Regulation (EC) n°1653/2004 of the Council of 21 September 2004 on a Standard Financial Regulation for the executive agencies pursuant to Council Regulation (EC) n° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, amended by Commission Regulation (EC) n°1821/2005 of 08 November 2005 and Commission Regulation (EC) n° 651/2008 of 09 July 2008.
- The accounting rules, methods and guidelines as adopted and provided by the Accountant of the Commission in December 2004 and last updated in December 2020.
- The Commission Regulation (EC) No 2909/2000 of 29 December 2000 on the accounting management of the European Communities' non-financial fixed assets.
- 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 (OJ-L 193/30.07.2018, p.1).

### BACKGROUND INFORMATION

The European Research Council (ERC) consists of a Scientific Council and a Dedicated Implementation Structure, the European Research Council Executive Agency (ERCEA).

The Scientific Council defines the scientific funding strategy and methodologies, whereas the Dedicated Implementation Structure implements and applies this strategy and methodologies in the management and operations of the ERC activities.

The ERCEA is the first European funding body set up to support investigator-driven frontier research following the relevant regulation and decisions:

- The Commission Implementing Decision (EU) 2021/173/EU of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU; The ERCEA succeeded the Executive Agency established by Commission Implementing Decision C(2013)9048 of 17 December 2013 establishing the European Research Executive Agency and repealing decision 2008/37/EC (2013/779/EU) and operated in accordance with 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, including budget implementation.

- The Commission Decision C/2021/950 of 12 February 2021 delegating powers to the European Research Council Executive Agency with a view to the performance of tasks linked to the implementation of Union programmes in the field of frontier research comprising, in particular, implementation of appropriations entered in the general budget of the Union.
- The Commission Decision C(2021)3402 of 12 May 2021 establishing the European Research Council for Horizon Europe – the Framework Programme for Research and innovation and repealing Decision C(2013)8915.
- The Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013.
- The Council Decision (EU) 2021/764 of 10 May 2021 establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing Decision 2013/743/EU.

Under the new 2021-2027 Multiannual Financial Framework, the Agency continues to manage the legacy of the following part of the Horizon 2020 Specific Programme – The Framework Programme for Research and Innovation (2014-2020): Part I 'Excellent science': 'Strengthening frontier research through the activities of the European Research Council' – and of the Specific Programme 'Ideas' implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013). Further to the adoption of the Commission Decision establishing and delegating powers to the ERCEA, the ERCEA also implements the programme Horizon Europe: Pillar I: the European Research Council (ERC).

The ERC complements other funding activities in Europe such as those of the national research funding agencies.

Its main aim is to stimulate scientific excellence by supporting and encouraging the very best, truly creative scientists, scholars and engineers to be adventurous and take risks in their research. The scientists are encouraged to go beyond established frontiers of knowledge and the boundaries of disciplines.

Being 'investigator-driven', or 'bottom-up', in nature, the ERC approach allows researchers to identify new opportunities and directions in any field of research, rather than being led by priorities set by politicians. This approach ensures that funds are channelled into new and promising areas of research with a greater degree of flexibility.

ERC grants are awarded through open competition to projects headed by starting (StG), consolidating (CoG) or established researchers (AdG) as well as group of researchers (SyG), irrespective of their origins, who are working or moving to work in Europe - the sole criterion for selection is scientific excellence. The aim of the three first type of grants is to recognise the best ideas, and retain and confer status and visibility to the best brains in Europe, while also attracting talents from abroad. The aim of Synergy grant (SyG) scheme is to promote substantial advances at the frontiers of knowledge, to cross-fertilize scientific fields and to encourage new productive lines of enquiry and new methods and techniques including unconventional approaches and investigations at the interface between established disciplines. Finally, the Proof of Concept instrument (PoC grant) aims at bridging the gap between research and social or commercial innovation.

The implementation by the ERCEA of the operational budget, covering mainly the evaluation and grants management, from the general budget of the Union is delegated to the Director of the ERCEA, who thereby assumes the role of Authorising Officer by delegation. The operational budget (in 2021 € 1.896.284.508<sup>1</sup>) is implemented under direct management. The related accounts are included in the European Commission annual accounts. The discharge in respect of the implementation of the operational appropriations is covered by the general discharge given to the Commission.

The ERCEA has its own legal personality. As a corollary, the Agency has its own operating budget. The budget covers its operating expenditure, mainly staff expenditure, office related costs, IT related costs and other services. Its revenue consists of an EU annual subsidy (in 2021, € 55.410.593,73). The ERCEA's Director is the Authorising Officer for this budget. He/she implements it under direct management. This operating budget is subject to a separate discharge by the Parliament.

The final annual accounts (financial statements and reports on the implementation of the budget of the ERCEA) covered by this document relate to the operating budget.

### External Audit

The European Court of Auditors is required to scrutinise the ERCEA's accounts in line with the requirements of Article 287 of the Treaty on the Functioning of the European Union<sup>2</sup>.

### Discharge

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

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<sup>1</sup> Commission Decision C(2021) 7519 final – of 22 October 2021 approving the Annual Work Programme 2021 of the European Research Council Executive Agency

<sup>2</sup> Art. 65 of the Commission Regulation (EC) n° 1653/2004 of 21 December 2004 on a standard regulation for the executive agencies pursuant to Council Regulation (EC) n° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes. The reference to Article 248 of the EC Treaty in the mentioned article of the Standard Regulation for EAs needs to be read as being made to the Article 287 of the Treaty on the Functioning of the European Union.

## **FINANCIAL STATEMENTS**

### **Financial Year 2021**

## BALANCE SHEET

In EUR	Note	31.12.2021	31.12.2020
<b>NON-CURRENT ASSETS</b>		<b>411.926,84</b>	<b>907.033,33</b>
<b>Intangible assets</b>	2.1.	<b>11.083,00</b>	<b>36.386,00</b>
<b>Property, Plant and Equipment</b>	2.2.	<b>400.843,84</b>	<b>870.647,33</b>
Land and buildings		0,00	0,00
Plant and equipment		0,00	0,00
Computer hardware		35.651,00	118.410,00
Furniture and vehicles		44.149,00	54.390,00
Other fixtures and fittings		321.043,84	697.847,33
<b>CURRENT ASSETS</b>		<b>6.830.043,30</b>	<b>17.151.671,78</b>
<b>Exchange Receivables</b>	2.3.	<b>3.567.178,97</b>	<b>3.024.357,26</b>
Current receivables		0,00	4.134,48
Current receivables from consolidated entities		235.211,08	0,00
Sundry receivables		20.388,52	22.303,94
Deferred charges		3.311.579,37	2.997.918,84
<b>Non-exchange Receivables</b>	2.4.	<b>0,00</b>	<b>4.134,66</b>
Accrued income		0,00	4.134,66
<b>Cash and cash equivalents</b>	2.5.	<b>3.262.864,33</b>	<b>14.123.179,86</b>
<b>TOTAL ASSETS</b>		<b>7.241.970,14</b>	<b>18.058.705,11</b>
<b>NON CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>		<b>4.202.773,98</b>	<b>15.090.695,17</b>
<b>Provisions for risks and liabilities</b>	2.6.	<b>0,00</b>	<b>0,00</b>
<b>Payables</b>	2.7.	<b>4.202.773,98</b>	<b>15.090.695,17</b>
Current payables		41.108,13	55.518,07
Sundry payables		6,81	0,82
Accrued charges and deferred income		3.718.943,39	2.683.800,09
Accounts payable to consolidated EU entities	2.8.	442.715,65	12.351.376,19
<b>TOTAL LIABILITIES</b>		<b>4.202.773,98</b>	<b>15.090.695,17</b>
<b>NET ASSETS</b>		<b>3.039.196,16</b>	<b>2.968.009,94</b>
<b>Accumulated surplus/deficit</b>		<b>2.968.009,94</b>	<b>4.107.461,55</b>
<b>Economic result of the year</b>		<b>71.186,22</b>	<b>(1.139.451,61)</b>



## STATEMENT OF FINANCIAL PERFORMANCE

In EUR	Note	2021	2020
<b>OPERATING REVENUE</b>	3.1.	<b>55.177.672,04</b>	<b>51.749.682,30</b>
<b>Non-exchange revenue</b>		<b>54.967.878,08</b>	<b>51.647.418,81</b>
European Union Contribution	3.1.1.	54.967.878,08	51.647.418,81
Other non-exchange revenue	3.1.2.	0,00	0,00
<b>Exchange revenue</b>	3.1.3.	<b>209.793,96</b>	<b>102.263,49</b>
<b>OPERATING EXPENSES</b>		<b>55.106.485,82</b>	<b>52.889.133,91</b>
<b>Administrative expenses</b>	3.2.	<b>55.106.485,82</b>	<b>52.889.133,91</b>
Staff expenses	3.2.1.	41.006.660,18	40.072.513,84
Property, plant and equipment related expenses	3.2.2.	7.790.850,86	6.862.876,42
Other expenses	3.2.3.	6.308.376,33	5.953.743,65
Financial expenses		598,45	0,00
<b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>		<b>71.186,22</b>	<b>(1.139.451,61)</b>
Financial revenue			
Financial expenses			
<b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>			
Extraordinary gains			
Extraordinary losses			
<b>SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS</b>			
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>71.186,22</b>	<b>(1.139.451,61)</b>

## CASH FLOW STATEMENT

In EUR	Note	2021	2020
Economic result of the year		<b>71.186,22</b>	<b>(1.139.451,61)</b>
<b>Operating activities</b>			
Amortisation		25.303,00	137.480,00
Depreciation		500.752,21	587.531,47
(Increase)/decrease in exchange receivables and non-exchange recoverables		(538.687,05)	(67.110,67)
Increase/(Decrease) in provisions		0,00	0,00
Increase/(Decrease) in payables		(11.923.064,49)	11.896.940,21
Increase/(decrease) in accrued charges and deferred income		1.035.143,30	(754.562,33)
<b>Net cash-flow from operating activities</b>	4.1.	<b>(10.900.553,03)</b>	<b>11.800.278,68</b>
<b>Investing activities</b>			
(Increase)/Decrease in intangible assets and property, plant and equipment		(30.948,72)	(7.734,98)
<b>Net cash-flow from investing activities</b>	4.2.	<b>(30.948,72)</b>	<b>(7.734,98)</b>
<b>Net cash-flow</b>		<b>(10.860.315,53)</b>	<b>10.653.092,09</b>
Net increase/(decrease) in cash and cash equivalents		(10.860.315,53)	10.653.092,09
Cash and cash equivalents at the beginning of the year		14.123.179,86	3.470.087,77
<b>Cash and cash equivalents at year-end</b>		<b>3.262.864,33</b>	<b>14.123.179,86</b>

## STATEMENT OF CHANGES IN NET ASSETS

In EUR	Accumulated Surplus/Deficit	Economic result of the year	Net Assets (Total)
<b>Balance as at 31 December 2020</b>	<b>4.107.461,55</b>	<b>(1.139.451,61)</b>	<b>2.968.009,94</b>
Changes in accounting policies			
<b>Balance as at 1 January 2021</b>	<b>4.107.461,55</b>	<b>(1.139.451,61)</b>	<b>2.968.009,94</b>
Allocation of the economic result of previous year	(1.139.451,61)		
Economic result of the year		71.186,22	
<b>Balance as at 31 December 2021</b>	<b>2.968.009,94</b>	<b>71.186,22</b>	<b>3.039.196,16</b>

## NOTES TO THE FINANCIAL STATEMENTS

These financial statements cover the period from 1 January 2021 until 31 December 2021.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1. Legal basis and Accounting rules

In accordance with the legal basis described above the following annual accounts together with the reports on implementation of the budget of the ERCEA have been drawn up.

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

The accounting system of the ERCEA comprises general accounts and budget accounts. These accounts are kept in Euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.<sup>3</sup> The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

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

#### 1.2. Accounting principles

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

Article 53 of the Standard Financial Regulation for the executive agencies<sup>4</sup> sets out the accounting principles to be applied in drawing up the financial statements: going concern basis, prudence, consistent accounting methods, comparability of information, materiality, no netting, reality over appearance, and accrual-based accounting.

#### Going-concern principle

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

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<sup>3</sup> This differs from cash-based accounting because of elements such as carry-overs.

<sup>4</sup> Commission Regulation (EC) n°1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes amended by Commission Regulation (EC) n° 1821/2005 of 08 November 2005 and Commission Regulation (EC) n° 651/2008 of 09 July 2008.

### **Principle of prudence**

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

### **Principle of consistent accounting methods**

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

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

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

Where such exception apply, the impact of the change in accounting method shall be duly disclosed in the notes to the financial statements.

### **Principle of comparability of information**

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

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

### **Principle of materiality**

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

Transactions may be aggregated where:

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

### **Principle of no netting**

The no-netting principle means that receivables and debts may not be offset against each other, nor may charges and income, 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 shall be presented by reference to their economic nature.

### **Accrual-based accounting principle**

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

### **Exception to the accounting principles**

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

In parallel, the overall considerations (or accounting principles) to be followed when preparing the financial statements are also laid down in EU Accounting Rule 2 and are the same as those described in IPSAS 1<sup>5</sup> that is: fair presentation, accrual basis, going-concern basis, consistency of presentation, aggregation, offsetting and comparative information.

#### **1.3. Basis of preparation**

##### **1.3.1. Currency and basis for conversion**

#### **Functional and reporting currency**

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

#### **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 ERCEA follows the structure of the chart of Accounts of the European Commission (PCUE).

#### **Use of estimates**

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

#### **1.4. Balance Sheet**

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

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<sup>5</sup> International Public Sector Accounting Standards

#### 1.4.1. Intangible assets

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

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

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

Internally developed intangible assets are capitalised when the relevant criteria of the EU Accounting rules are met. The costs capitalisable include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

#### 1.4.2. Property, plant and equipment

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

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

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

The depreciation is calculated using the straight-line method with the following rates and *pro-rata temporis* from the month of purchase of the asset:

Type of asset	Straight line depreciation rate
Leasehold improvement (works, fitting out)	10%
Plant and equipment	12% - 25%
Computer hardware	25%
Furniture	10% - 25%
Telecommunication and audio-visual equipment	25%

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

### **1.4.3. Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

### **1.4.4. Financial assets**

The ERCEA has as financial assets its receivables and current bank accounts. Receivables arise when the ERCEA provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities more than 12 months of the balance sheet date. See notes 1.4.4 and 1.4.5 below for more information.

### **1.4.5. Receivables**

The EU accounting rules require a separate presentation of exchange and non-exchange transactions (i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange).

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly.

Current receivables (whose maturity is of less than 12 months at the balance sheet date) are included under current assets in the balance sheet.

Receivables are carried at their original value less an eventual write-down for impairment. A receivable write-down is accounted for when there is an objective risk that the receivable will be only partially or will not (at all) be collected at the date it becomes due or later. The amount of the write-down is calculated as the difference between the asset's book value and the expected recoverable amount. The write-down is recognised in the Statement of financial performance.

### **1.4.6. Cash and cash equivalents**

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

### **1.4.7. Provisions**

Provisions are recognised when the ERCEA 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 expenditures expected to be required to settle the present obligation at the reporting date.

### **1.4.8. Financial liabilities**

The ERCEA has as financial liabilities its payables. They are classified as current liabilities, except for maturities more than 12 months after the balance sheet date. See note 1.4.8 below for more information.



#### 1.4.9. Payables

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

#### 1.4.10. Accrued and deferred income and charges

In accordance with the EU Accounting Rules, which aim at ensuring that the financial statements reflect a true and fair view of the Agency's operations, transactions and events are recognised in the financial statements in the period they relate to.

Therefore, at period-end, an accrued revenue will be recognised in the financial statements if an invoice is not yet issued but the service has been rendered, or the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract). In addition, at period-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

### 1.5. Statement of financial performance

#### 1.5.1. Revenue

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

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

Interest income consists of received bank interest.

#### 1.5.2. Expenses

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the related goods/services are delivered and accepted by the entity.

Non-exchange expenses relate to transfers to beneficiaries and can be of 3 types mainly: entitlements, transfers under agreement and discretionary grants, contributions and donations

Transfers to beneficiaries are recognised as expenses when (i.e. in the accounting period during which) the event giving rise to the transfer occurred under the condition that:

- the nature of the transfer is allowed by a regulation (Financial, Staff, other Regulations) and/or the transfer has been made according to a contract signed with the beneficiary;
- all eligibility criteria have been met by the beneficiary for the transfer to be made.

When a request for payment or cost claim is received and meets the above mentioned recognition criteria, it is expensed for the eligible amount. At the end of the accounting period, incurred eligible expenses (due to the beneficiaries but) not yet requested/claimed 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 ERCEA. 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 ERCEA; or a present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability.

## **1.7. Consolidation**

According to article 57 of the Standard Financial Regulation for the executive agencies, the ERCEA's annual accounts are consolidated with the European Commission's annual accounts.

## **2. NOTES TO THE BALANCE SHEET**

### **NON-CURRENT ASSETS**

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

### **2.1. Intangible fixed assets**

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

The ERCEA's individual threshold for capitalisation of internally generated intangible assets is € 100.000,00.

The intangible fixed assets at the ERCEA consist of computer software and the development cost of the intangible assets under construction.

Intangible Fixed Assets (in EUR)	Internally generated Computer Software and other Computer Software	Intangible assets under construction	Total
<b>Gross carrying amounts 01.01.2021</b>	<b>7.523.832,41</b>		<b>7.523.832,41</b>
Additions			
Disposals	(100.558,76)		(100.558,76)
Transfer between headings			
Other changes			
<b>Gross carrying amounts 31.12.2021</b>	<b>7.423.273,65</b>		<b>7.423.273,65</b>
<b>Accumulated amortization and impairment 01.01.2021</b>	<b>(7.487.446,41)</b>		<b>(7.487.446,41)</b>
Amortization	(25.303,00)		(25.303,00)
Disposals	100.558,76		100.558,76
<b>Accumulated amortization and impairment 31.12.2021</b>	<b>(7.412.190,65)</b>		<b>(7.412.190,65)</b>
<b>Net carrying amounts 31.12.2021</b>	<b>11.083,00</b>		<b>11.083,00</b>

The internally generated intangible assets represent an important part of the fixed assets and consist mainly in IT tools for the management of the Agency's operational programmes, namely for Grants and Evaluations and to a lesser extent for the administrative management of the Agency, as detailed in the table below:

Intangible assets	Acquisition value	Cumulative depreciation	Net value
Internally developed assets by RTD/DIGIT/Agencies	5.237.716,01	(5.237.716,01)	0,00
Internally developed assets by ERCEA	2.062.030,59	(2.062.030,59)	0,00
Other intangible assets	123.527,05	(112.444,05)	11.083,00
<b>Total net amount 31.12.2021</b>	<b>7.423.273,65</b>	<b>(7.412.190,65)</b>	<b>11.083,00</b>

The internally developed IT software for the management of the Agency's operational programmes carried out by and for various Directorates-General in the Commission and executive agencies was completely depreciated at year end 2018. These IT tools were developed until 2013 and mostly capitalized over three years.

In 2014, the Service Level Agreement for the provision of FP7 information systems and services and the Common Evaluation Platform by 31 December 2013 was terminated. The European Commission set up the Common Support Center (CSC) in DG RTD, responsible for the implementation and support of IT systems for Horizon 2020 and all common FP7 applications and implemented the new partnership agreement between the CSC, representing the Research family DGs, and the DG for Informatics (DIGIT). Under this partnership, the CSC, having been renamed CIC (Common Implementation Center) is developing several IT tools (such as COMPASS, SYGMA, etc.). The developments costs of these tools are shared among DGs. No development costs are activated since 2014 in the ERCEA annual accounts regarding these tools.

The net value of the internally developed IT software carried out by the Agency is equal to € 0,00 (€ 7.954,00 in 2020).

The disposals (€ 100.558,76, fully amortised) correspond to the decommissioning of software licenses that are no longer being used and that have reached the retirement age of 4 years.

## 2.2. Property, plant and equipment

Tangible (fixed) assets at the ERCEA consist of leasehold improvements (fitting out), technical equipment, furniture, kitchen and cafeteria equipment, computer hardware, telecommunication and audio-visual equipment.

As a general rule, the Agency books as fixed tangible assets only items whose purchase price is above € 700. Items with lower value are treated as expenses of the year and are registered in the physical inventory when the value is between € 100 and € 700.

Details of the property, plant and equipment's depreciation can be found in the table below (in EUR):

Tangible Fixed Assets	Buildings	Plant and Equipment	Furniture and vehicles	Computer hardware	Other Fixtures and Fittings	Total
<b>Gross carrying amounts 01.01.20201</b>	<b>6.155,41</b>	<b>17.608,50</b>	<b>371.497,84</b>	<b>1.217.233,79</b>	<b>8.084.438,07</b>	<b>9.696.933,61</b>
Additions			5.332,93	1.623,30	23.992,49	30.948,72
Disposals		(14.848,05)		(504.116,61)	(4.320,00)	(523.284,66)
Others						
<b>Gross carrying amounts 31.12.2021</b>	<b>6.155,41</b>	<b>2.760,45</b>	<b>376.830,77</b>	<b>714.740,48</b>	<b>8.104.110,56</b>	<b>9.204.597,67</b>
<b>Accumulated depreciation and impairment 01.01.2021</b>	<b>(6.155,41)</b>	<b>(17.608,50)</b>	<b>(317.107,84)</b>	<b>(1.098.823,79)</b>	<b>(7.386.590,74)</b>	<b>(8.826.286,28)</b>
Depreciation			(15.573,93)	(54.957,30)	(400.795,98)	(471.327,21)
Disposals		14.848,05		474.691,61	4.320,00	493.859,66
Others						
<b>Accumulated depreciation and impairment 31.12.2021</b>	<b>(6.155,41)</b>	<b>(2.760,45)</b>	<b>(332.681,77)</b>	<b>(679.089,48)</b>	<b>(7.783.066,72)</b>	<b>(8.803.753,83)</b>
<b>Net carrying amounts 31.12.2021</b>	<b>0,00</b>	<b>0,00</b>	<b>44.149,00</b>	<b>35.651,00</b>	<b>321.043,84</b>	<b>400.843,84</b>

The heading "other fixtures and fittings" represents the largest amount of the tangible assets. It corresponds to:

Description	Note	Gross carrying amounts 31.12.2021	Accumulated amortization and impairment 31.12.2021	Net carrying amounts 31.12.2021
Fitting out of the building COV2	1	5.876.386,47	(5.870.840,47)	5.546,00
Canteen	2	650.144,86	(585.129,86)	65.015,00
Audio visual equipment	3	1.385.311,08	(1.177.436,08)	207.875,00
Open space 20 <sup>th</sup> floor	4	128.873,77	(100.235,15)	28.638,62
Other	5	63.394,38	(49.425,16)	13.969,22
<b>Total</b>		<b>8.104.110,56</b>	<b>(7.783.066,72)</b>	<b>321.043,84</b>

1. The fitting out of the building COV2 (€ 5.876.386,47) is represented by the works made for the initial fitting out of the building occupied by the Agency (COV) through a 15-year duration usufruct contract (€ 5.543.448,65) and the value of subsequent works for the fitting out (€ 332.937,82). The works have been capitalized over a useful life of 10 years.
2. The amount for the canteen, created in 2012 for the benefit of the staff of the different organisations established in the building where the Agency has its premises, corresponds to the participation of the Agency to the canteen building costs (€ 650.144,86). The delivery of the canteen took place in January 2013 and it started to be used beginning February 2013. The works have been capitalized over a useful life of 10 years starting from February 2013.
3. The telecommunication and audio-visual equipment represents an amount to € 1.385.311,08 and are capitalized under this heading. It is depreciated over a useful life of 4 years. This includes the installation of telecommunication and audio-visual equipment in the 7<sup>th</sup> floor of the COVE Building for the evaluation facilities which represents an amount equal to € 1.011.365.
4. The costs for an amount equal to € 128.873,77 relates to the works carried out to create an open space for offices, replacing the former cafeteria in the 20<sup>th</sup> floor of the COV2 building. The delivery of the open space took place in May 2017. The costs are depreciated over the remaining duration of the usufruct contract (September 2023).
5. The other fittings are mainly:
  - The participation for an amount equal to € 16.427,44 of the creation of a new cafeteria on the 1<sup>st</sup> floor of the COV2 building for the benefit of the staff of the different organisations established in this building. The delivery of the cafeteria took place in May 2017. The costs have been fully depreciated end of 2018 considering the closing of the cafeteria end of October 2018.
  - The fitting out of the 7<sup>th</sup> floor of COVE building through the SLA with OIB for an amount equal to € 38.892,65. The delivery of the works took place on 1 September 2018. The costs are depreciated over the remaining duration of the usufruct contract (September 2023).

The disposals correspond to:

Description	Note	Gross amounts	Accumulated amortization	Net amounts Write off
IT equipment transferred to DIGIT	1	446.942,79	(417.517,79)	29.425,00
Network and audio visual equipment	2	76.341,87	(76.341,87)	0,00
<b>Total</b>		<b>523.284,66</b>	<b>(493.859,66)</b>	<b>29.425,00</b>

1. In the context of the integration of the DIGIT's Digital Workplace (DWP) services for the ERCEA as provided under the Service Level Agreement SLA DIGIT-041-05 Appendix A-7 DWP<sup>6</sup> signed on 6 January 2021, all IT equipment and licences, registered in the ERCEA inventory on 31 December 2020, identified to support the DWP Services, have been transferred in 2021 from the ERCEA to DIGIT with effect on 1 January 2021<sup>7</sup>.
2. As part of the network lifecycle management, DIGIT replaced the network equipment in the COV2 building that became obsolete (services included in the SLA with DIGIT). The old equipment was collected by DIGIT for evacuation.

## CURRENT ASSETS

### 2.3. Exchange receivables

In EUR	2021	2020
Deferred charges	3.311.579,37	2.997.918,84
Sundry receivables	20.388,52	22.303,94
Current receivables	235.211,08	4.134,48
<b>Total</b>	<b>3.567.178,97</b>	<b>3.024.357,26</b>

The balance of the deferred charges (€ 3.311.579,37) corresponds mainly to:

- deferred charges related to the rent of the building where the ERCEA has established its headquarters, each yearly instalment starting at the end of September (€ 2.819.079,27);
- deferred charges related to IT maintenance or licences expenses (€ 66.287,12);
- deferred charges related to the installation in 2022 of audio-visual equipment in meeting rooms (€ 404.800,00).

Sundry receivables amount to € 20.388,52. They consist in :

- salary advances (€ 2.560,00 in comparison to € 2.733,99 in 2020);
- monthly salary regularisations concerning staff members and other balances linked to payroll paid to staff on behalf of the Commission and other institutions (€ 15.203,52 in comparison to € 13.194,95 in 2020);
- an amount receivable corresponding to the costs of proceeding to be reimbursed to the ERCEA following the decision of the Court of Justice (case T-493/17) (€ 2.625, initially € 9.000 to be reimbursed into 24 instalments).

On 31 December 2021, the current receivable for an amount of € 235.211,08 corresponds to the re-invoicing to the REA of the part already paid by the ERCEA to the contractor for the renting of a part of the 19<sup>th</sup> floor of COV2 building and for the period from 1 January 2022 to 23 September 2022. Therefore, this amount has been recognised as deferred income (see point 2.7 Payables).

Like in 2020, there is no due receivable. No write-offs and no provision were made during the year.

<sup>6</sup> Ares(2021)112938 of 6 January 2021

<sup>7</sup> Ares(2021)1128615 of 9 February 2021

The maximum exposure to credit risk is equal to the carrying amount (see point 6. Financial instruments).

#### 2.4. Non-exchange receivables

There is no non-exchange receivables in 2021. In 2020, this amount related mainly to the reimbursement of software maintenance expenses unduly paid for € 4.093,23 (accrued income).

#### 2.5. Cash and cash equivalents

	EUR	
	2021	2020
Bank account	3.262.864,33	14.123.179,86

The bank account is held with ING Belgium SA.

As a result of the procedure ERCEA/CAO/PN/2019/32, the ERCEA decided to request the extension of the bank account at ING Belgium SA/NV as from 1 January 2020 for the entire duration of the service contract (31 December 2024).

The decrease of the bank account balance of € 3.262.864,33 in comparison to € 14.123.179,86 in 2020 is mainly explained by the first instalment of the 2021 subsidy received from the Commission on 30 December 2020 for € 11.800.000,00.

### CURRENT LIABILITIES

#### 2.6. Current provisions/short-term provisions for risks and liabilities

There is no provision for risks and liabilities on 31 December 2021 as on 31 December 2020.

#### 2.7. Payables

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

	EUR	
	2021	2020
Current payables	41.108,13	55.518,07
Sundry payables	6,81	0,82
Accrued charges	3.718.943,39	2.683.800,09
Incl. Staff holiday accrual	1.098.586,20	1.236.657,55
Accounts payable to consolidated EU entities (see note 2.8)	442.715,65	12.351.376,19
<b>Total</b>	<b>4.202.773,98</b>	<b>15.090.695,17</b>

The current payables in 2021 correspond to the outstanding commercial invoices (€ 41.108,13) with suppliers of goods and services (€ 52.144,80 in 2020). In 2020, they included also the regularisations linked to the payroll and still to be settled with other EU institutions (€ 3.373,27).

Accrued charges are expenses related to goods or services provided to the Agency that have been incurred but not yet paid. The estimated amount of € 3.718.943,39 to accrue as charges is mainly composed of:



- € 892.997,15 related to the municipality tax on office space (COV2 building and 7<sup>th</sup> floor of COVE building).

The municipality of Saint-Josse-ten-Noode amended its office tax regulation and extended the concept of taxpayer. Based on which, the Municipality has invoiced in 2020 its tax on office space for the 2019 fiscal year to the bare owner of the Covent Garden building. The bare owner lodged a complaint against this decision. Based on Art. 17.2 of the usufruct contract, the bare owner could claim from the ERCEA to reimburse the tax. Given that the risk and probability for the Agency to have to pay this tax was considered as low by the legal service of OIB, the ERCEA decided to disclose a contingent liability in its 2020 annual accounts (€ 471.002,40, divided as follows: € 235.501,20 for fiscal year 2019 and same amount estimated for 2020 - see the note 5.1. Contingent Liabilities in the 2020 annual accounts).

In 2021, the Collège of the Municipality rejected the contestation from the bare owner. Therefore, based on Art. 17.2 of the usufruct contract signed by the ERCEA and the one signed with OIB, the bare owner has claimed on 9 December 2021 from the ERCEA and OIB the reimbursement of the tax paid to the Municipality for the COV2 building and COVE building and for fiscal years 2019, 2020 and 2021. Considering that the ERCEA and OIB will have to pay the tax claimed, the ERCEA decided to change its estimate and accrued in its 2021 annual accounts as expenses:

- € 803.554,65 regarding the municipality tax on office space for the COV2 building for the 2019, 2020 and 2021 fiscal years following the invoicing of these taxes by the Municipality of Saint-Josse to the bare owner. The corresponding invoice was received on 21 January 2022 and paid on 1 February 2022.
- € 89.442,50 for the re-invoicing by OIB to the Agency of the municipality tax on office space for the 7<sup>th</sup> floor of COVE building for the 2019, 2020 and 2021 fiscal years, taxes invoiced by the bare owner of the Covent Garden building to OIB, following the invoicing of these taxes by the Municipality of Saint-Josse to the bare owner.

Therefore, the contingent liability disclosed in the 2020 annual accounts on this matter (see 5.1. Contingent Liabilities in the 2020 annual accounts) is no longer necessary and has been withdrawn from the 2021 annual accounts (see 5.1 Contingent liabilities in the present document).

As the bare owner undertakes to pursue the (legal) procedure started in contestation of the tax, he might have to refund the sums that would appear to have been unduly reimbursed, should he finally win the case against the municipality. A specific paragraph on this matter has been disclosed in the 2021 annual accounts (see 5.3 Other significant disclosures in the present document).

- € 834.106,78 for goods or services delivered in 2021 by other agencies and/or by the Commission's Directorates General in the frame of the Service level Agreements signed with the Agency (against € 740.372,24 in 2020). The increase is mainly explained by the costs for Crèche and Garderie for 2021 that were not fully invoiced by OIB although it was the case in 2020 leading to accrued charges estimated to € 147.374,00 for 2021.
- € 548.598,17 for invoices for goods or services delivered but not yet invoiced (IT consultants, interim workers, communication costs, etc. against € 546.066,81 in 2020).



- the calculated amount of holiday compensation staff (€ 1.098.586,20). According to the EU Staff Regulations, Annex V: Leave, Article 4, Commission Decision on leave (C(2013) 9051 final), if the person at the time of leaving the service has not used up their annual leave, they shall be paid compensation equal to one thirtieth of their monthly remuneration for each leave's day due to them (against € 1.236.657,55 in 2020); the number of leave days not taken on 31 December 2021 decreased by an average of 1.1 days per person.
- the staff entitlements for 2021 but paid in 2022 (€ 38.353,99 against € 90.864,08 in 2020);
- and the deferred income (€ 306.301,05) covering the period from 1 January 2022 to 23 September 2023 of the re-invoicing :
  - o to the EASME of the part already paid by the ERCEA to the contractor for the renting of the COV2 ground floor rooms (€ 71.089,97 against € 69.356,07 in 2020) and
  - o to the REA of the part already paid by the ERCEA to the contractor for the renting of a part of the COV2 19<sup>th</sup> floor (€ 235.211,08).

## 2.8. Accounts payable to consolidated EU entities

EUR

	2021	2020
Repayable positive budgetary result	442.715,65	12.351.376,19

The amount of € 442.715,65 consists in the part of the 2021 subsidy to be reimbursed to the Commission as a result of 2021 budgetary management (See reports on the implementation of the budget point 2. Budget result).

In 2020, the Accounts payable to consolidated EU entities consisted mainly in the part of the 2020 subsidy reimbursed in 2021 to the Commission (€ 531.076,19) and in the first instalment of the 2021 subsidy received from the Commission on 30 December 2020 for € 11.800.000,00.

## 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

### 3.1. Revenue

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

#### 3.1.1. Union contribution

EUR

	2021	2020
Union contribution	55.410.593,73 <sup>8</sup>	52.178.495,00 <sup>9</sup>
Subsidy to be reimbursed – budgetary outturn	(442.715,65)	(531.076,19)
<b>Total</b>	<b>54.967.878,08</b>	<b>51.647.418,81</b>

The EU subsidy amount is the part of the EC subsidy, incremented by the recovery of costs from previous years, justified by the expenditure supported during the exercise, the outstanding payment obligations of the Agency (called RAL or *Reste à Liquider*), and adjusted by the Budgetary result of the previous year - See reports on the implementation of the budget.

<sup>8</sup> Funded by the European Commission from C1 voted credits (€ 54.217.000,00), EFTA (€ 1.193.594,00) and third countries contributions (€ 0)

<sup>9</sup> Funded by the European Commission from C1 voted credits (€ 51.319.000,00), EFTA (€ 859.495,00) and third countries contributions (€ 0)

This method of revenue determination is cash-principle based as it is drawn from the budget outturn, while for the expenditure, accrual principles applied (hence the RAL taken into account). The amount of the subsidy so defined is € 54.967.878,08.

### 3.1.2. Other non-exchange revenue

In 2021 like in 2020, there are no other non-exchange revenue.

### 3.1.3. Exchange revenue

EUR

	2021	2020
Miscellaneous recoveries	209.706,28	101.547,95
Bank interest and exchange rate gains	87,68	715,54
<b>Total</b>	<b>209.793,96</b>	<b>102.263,49</b>

The miscellaneous recoveries correspond to:

EUR

	2021	2020
Reimbursement of charges under Service Level Agreement with Directorates General of the European Commission	108.917,40	0,00
Re-invoicing of the rental of ERCEA COV2 ground floor rooms to the EASME	95.814,37	101.363,15
Others	4.974,51	184,80
<b>Total</b>	<b>209.706,28</b>	<b>101.547,95</b>

The reimbursement of charges for € 108.917,40 under Service Level Agreements concerns undue expenses invoiced in 2020 by:

	In EUR
HR	49.728,13
OIB (mainly for Crèche and Garderie)	58.189,27
BUDG	1.000,00
<b>Total</b>	<b>108.917,40</b>

## 3.2. Administrative Expenses

### 3.2.1. Staff expenses

Staff expenses (€ 41.006.660,18 against € 40.072.513,84 in 2020) contain personnel related expenses:

	2021	2020
Salaries, allowances, social and pension contributions and an accrual for untaken holidays and other staff costs	39.854.103,33	39.007.268,00
Allowances for SNE	913.446,60	776.053,16
Employer's contribution to the school transport, contribution to staff public transport passes and other staff perquisites	239.110,25	289.192,68
<b>Total</b>	<b>41.006.660,18</b>	<b>40.072.513,84</b>

Compared to last year, staff costs have increased by approximately € 0.9 million (+2.3%). This is mainly explained by the the indexation, seniority progression and reclassifications although the number of positions occupied in 2021 slightly decreased in comparison to 2020 (500 in 2021, including 16 SNE compared to 515 including 15 SNE in 2020).

All salary calculations are externalized to the Office for administration and payment of individual entitlements (also known as the Paymaster's Office –PMO<sup>10</sup>) which is a central office of the European Commission. These calculations add up as staff expenses and are included with the same title in the Statement of financial performance of the Agency.

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

The staff perquisites expenses have decreased mainly due to the reduction of request from staff for contribution to public transport.

### 3.2.2. Property, plant and equipment related expenses

Property, plant and equipment related expenses contain the charged amortisation and depreciation of respectively intangible and tangible assets, the rental of buildings, the maintenance, security and insurance of the premises:

	2021	2020
Building expenses	7.264.795,65	6.137.864,95
<i>With third parties</i>	4.726.390,49	3.323.647,87
<i>With consolidated entities</i>	2.538.405,16	2.814.217,08
Fixed Assets Expenses	526.055,21	725.011,47
<b>Property, plant and equipment related expenses</b>	<b>7.790.850,86</b>	<b>6.862.876,42</b>

The building expenses with third parties correspond to the rental of the building occupied by the Agency (COV) through a 15-years duration usufruct contract starting in September 2008, amended on 21 September 2020. The amendment relates to the addition of the rental of 19<sup>th</sup> floor as from the 24 September 2020, previously rented to REA (see below). It explains the increase of these building expenses for about M€ 0,5. The increase is also due to the municipality tax on office space (COV2 building) for the 2019, 2020 and 2021 fiscal years registered in 2021 for € 803.554,65 (see point 2.7. Payables).

The building expenses with consolidated entities correspond to the services linked to the building and provided by DG HR (caretaking costs, technical and security controls of the building, badges to the staff, etc.) and by OIB (maintenance, cleaning, participation to the Covent Garden canteen costs, renting). The ERCEA rented as from mid 2019 the 7<sup>th</sup> floor of the COVE building to OIB and since 19 November 2019, it rented to the REA the 19<sup>th</sup> floor of COV2 building until 23 September 2020. It explains the decrease of these building expenses for about M€ 0,5. This is partially compensated by the re-invoicing by OIB to the Agency of the municipality tax on office space for the 7<sup>th</sup> floor of COVE building for the 2019, 2020 and 2021 fiscal years for € 89.442,50 (see point 2.7. Payables).

<sup>10</sup> The PMO's mission is to manage the financial rights of permanent, temporary and contractual staff working at the Commission, to calculate and to pay their salaries and other financial entitlements. The PMO provides these services to other EU institutions and agencies as well. The PMO is also responsible for managing the health insurance fund of the Institutions, together with processing and paying the claims of reimbursement from staff members. The PMO also manages the pension fund and pays the pensions of retired staff members. PMO is also audited by the European Court of Auditors.

The other fixed assets relate to the amortisation and depreciation charges of the Agency's intangible and tangible assets, respectively € 25.303,00 and € 471.327,21 (in comparison to € 137.480,00 and € 584.621,47 in 2020). In addition, there is a loss on the disposal of tangible fixed assets of € 29.425,00 (in comparison to € 2.910,00 in 2020) (see point 2.2. Property, plant and equipment). Depreciation expenses decreased from 2020 as some equipment is fully depreciated and very few equipment with an impact on assets were purchased in 2021 (see point 2.1. Intangible fixed assets and 2.2. Property, plant and equipment).

### 3.2.3. Other expenses

The other administrative expenses (€ 6.308.376,33 against € 5.953.743,65 in 2020) contain:

- the other expenses with consolidated entities (€ 3.848.564,94 in comparison to € 3.517.717,62 in 2020) which regroup different types of expenses mainly for service level agreement (SLAs with DGs such as BUDG, DIGIT, PMO, OIB and HR); the increase is mainly due to the impact of the integration of the DIGIT's DWP services under the SLA with DIGIT (see also point 2.2. Property, plant and equipment).
- and the administrative expenses with non-consolidated entities (€ 2.459.811,39 against € 2.436.026,03 in 2020) which includes the following expenditure related to services and goods provided by external contractors (in EUR):

	2021	2020
IT expenses, services and supplies (a)	1.262.718,58	1.139.027,30
Office Supplies and material (b)	224.228,11	396.978,43
Missions (c)	7.085,45	13.608,55
Training (c)	178.733,48	195.919,92
Communications (c)	71.998,64	124.607,10
Reimbursement of experts (c)	500,00	21.069,02
Recruitment costs (c)	501,83	6.600,00
Legal expenses (d)	0,00	38.591,00
Other expenditure (e)	712.487,85	498.372,11
Exchange rate losses	1.557,45	1.252,60
<b>Other expenses</b>	<b>2.459.811,39</b>	<b>2.436.026,03</b>

- In 2021, 11 IT consultants were present during the year in comparison to 10 in 2020.
- The decrease of the office supplies costs is mainly due to the implementation of the SLA with DIGIT given that as from January 2021 the purchase of IT equipment for the DWP is included in the services provided under this SLA.
- The COVID-19 pandemic led to the suspension of all physical presence meetings with experts or panels with candidates and the reduction of staff missions to the essential in light of the obligations flowing from the duty of care and the travelling restrictions imposed around the globe. It mainly explains the decrease of the reimbursements of experts, the missions, the recruitment costs and the costs for communication and training activities.
- In 2021 there are no legal expenses. In 2020, the legal expenses included :
  - The payment of other party's legal costs for € 24.591,00 following the negative outcome for the ERCEA of the case C-280/19 P;
  - The payment of lawyer's fees for € 14.000,00.

- e) The increase in other expenditure relates mainly to the increase in the number of interim agents.

#### 4. NOTES TO THE CASH-FLOW STATEMENT

Cash flow information is used to provide a basis for assessing the ability of the ERCEA 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 statement of financial performance 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 ERCEA does not have financing activities).

##### 4.1. Operating activities

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

##### 4.2. Investing activities

Investing activities are the acquisition and disposal 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 ERCEA.

#### 5. CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

##### 5.1. Contingent Assets

There are no contingent assets to be reported in the 2021 annual accounts.

##### 5.2. Contingent Liabilities

The 2020 contingent liability for € 471.002,40, aiming to disclose the low probability for the Agency to have to reimburse the Municipality tax to the bare owner of the Covent Garden Building for fiscal years 2019 and 2020, has been derecognised. Instead, accrued charges have been booked in the 2021 annual accounts as explained in detail in the note 2.7 Payables.

There are no other contingent liabilities to be reported in the 2021 annual accounts.

##### 5.3. Other significant disclosures

###### - Outstanding commitments not yet expensed (Carry-overs)

In EUR	2021	2020
<b>Automatic carry-overs C1</b>	2.848.896,48	1.818.504,42
<b>Accrued expenses</b>	(2.084.664,53)	(1.346.886,59)
<b>Outstanding commitments not yet expensed</b>	<b>764.231,95</b>	<b>471.617,83</b>

The amount disclosed above is the budgetary RAL (*Reste à Liquider*) less related amounts that have been included as expenses in the 2021 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made.

- **Significant legal commitments**

In EUR	2021	2020
Future commitments on existing contracts	<b>3.903.488,31</b>	<b>7.771.773,77</b>

The future commitment on existing contract results from the usufruct contract for the building starting in September 2008 for a duration of 15 years, amended on 21 September 2020 to add the rental of the 19<sup>th</sup> floor. The Agency occupies 7 floors of COV2, part of COVE and parking space of Covent Garden Building at place Rogier – 1210 Saint Josse.

The period covered runs until 23 September 2023.

The future charges for the building amount to € 3.903.488,31 and are broken down by maturity as follows:

Description	Minimum lease payments			Total of minimum lease payments
	<1yr	1-5 yrs	>5 yrs	
building - usufruct contract	3.903.488,31			3.903.488,31

- **Other disclosures**

**COVID-19**

The coronavirus outbreak that started in 2020 continued to impact the EU economy in 2021. Despite the challenges faced at the beginning of the pandemic, the ERCEA managed to quickly adapt its processes and way of working in 2020. Like in the previous years and despite the COVID-19 pandemic, the ERCEA delivered on its objectives in 2021. Based on the information available at the date of the signature of these annual accounts, the main financial effects of the coronavirus outbreak on the Agency's activities have been described in points 1.1. and 5.1. of the reports on the implementation of the budget of the ERCEA and in the notes to the financial statements.

The prolonged impact of the pandemic was a predominant reason as to why the Agency had to reduce its 2021 budget and to introduce additional budget transfers. All the detailed credit operations and reasons, addressed in due time to the ERCEA Steering Committee for approval, are explained under point 5.1. of the reports on the implementation of the budget of the ERCEA.

With respect to the statement of financial performance, compared to the 2020 annual accounts, some expenses decreased due to the pandemic, even though the impact of the latter cannot be assessed precisely. The detailed explanation is available in the notes related to the statement of financial performance (under point 3.2. Administrative expenses).

**Municipality Tax**

The municipality of Saint-Josse-ten-Noode amended its office tax regulation and extended the concept of taxpayer, based on which the tax assessment notice for fiscal years 2019, 2020 and 2021 has been addressed to the bare owner of the Covent Garden building.

Based on Art. 17.2 of the usufruct contract signed by the ERCEA, the bare owner has claimed from the ERCEA reimbursement of the tax paid to the Municipality for an amount of € 803.554,65 for the COV2 building. Similarly, based on the usufruct contract signed with OIB, the bare owner has claimed from OIB reimbursement of the municipality tax on office space for the fiscal years 2019, 2020 and 2021 for the COVE building. The ERCEA has been renting the 7<sup>th</sup> floor of the COVE building from OIB since mid-2019, and the OIB will re-invoice the Agency the related municipality tax for an amount estimated to be € 89.442,50 (See also point 2.7. Payables).

OIB and the ERCEA will reimburse the bare owner 'without any prejudicial recognition and with reservation of rights', to be understood as:

- The bare owner undertakes to pursue the (legal) procedure to challenge the tax and will have to keep the usufructuary (i.e. OIB and the executives agencies concerned) closely informed;
- The usufructuary will reserve the right, at any time, to complete the argumentation and/or to intervene in the proceedings;
- The bare owner will in any case have to refund the sums that would appear to have been unduly reimbursed, should he finally win the case with the municipality.

Therefore, in case of a successful litigation, based on the usufruct contract, the bare owner would have to reimburse the ERCEA for the amount paid, i.e. € 803.554,65. Similarly, OIB, which would be reimbursed by the bare owner based on their usufruct contract, would have to reimburse the ERCEA for the amount paid, i.e. € 89.442,50.

## **6. FINANCIAL RISK MANAGEMENT**

Market risk is the risk that the fair value or future cash-flows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the ERCEA has neither significant interest rate risk nor other price risk).

(1) Currency risk is the risk that the entity's operations will be affected by changes in exchange rates. This risk arises from the change in the price of one currency against another.

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

Credit risk is the risk of loss due to a debtor's non-payment or other failure to meet a contractual obligation. The default events include a delay in repayments, and bankruptcy.

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

### **Currency risk**

As only very few transactions are in other currency and amounts are not significant, the ERCEA has no material foreign currency risk.

### **Interest rate risk**

The entity does not have any securities thus it is not exposed to the interest rate risk.



## Credit risk

The analysis of the credit quality of financial assets is as follows: the maximum exposure to credit risk is:

31 December 2021	Cash and cash equivalent
Counterparties with external credit rating	3.262.864,33
Prime and high grade	3.262.864,33

In accordance to European Accounting rule (EAR) 11, the analysis of the age of receivables is as follows:

31 December 2021	Not past due	Past due 0-30 days	Past due 31-90 days	Past due 91 days - 1 year	Past due > 1 year	Total
Receivables gross carrying amount	255.599,60					255.599,60
Impairment (-)*						0,00
Net receivables	255.599,60	0,00	0,00	0,00	0,00	255.599,60

Based on past experience and expected future events the ERCEA has no reason to recognise a loss.

## Liquidity risk

Maturity analysis of financial liabilities by remaining contractual maturity :

The financial liabilities are mainly composed of accounts payable (€ 483.830,59 out of which € 442.715,65 vis-à-vis consolidated entities). All the accounts payable have remaining contractual maturity of less than one year.

## 7. CHANGES IN ACCOUNTING POLICIES

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

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

### Changes from the application of the revised EAR 11

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



## 8. RELATED PARTY DISCLOSURES

### Related Parties

The related parties of the ERCEA are the EU consolidated entities and the senior management of these entities. Transactions between these entities take place as part of the normal operations of the Agency and no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

### Key Management Entitlements

Further information on related party transactions concerning the senior management, is presented below:

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

They are remunerated in accordance with the Staff Regulations of the EU that are published on the Europa website, which is the official document describing the rights and the obligations of all officials of the EU.

## 9. EVENTS AFTER THE BALANCE SHEET DATE

Except for the event reported below, at the date of the signature of these accounts no material issues had come or were reported to the Accounting Officer of the ERCEA that would require separate disclosure under that section. The accounts and related notes were prepared using the most recently available information. This is reflected in the information presented.

In accordance with EU accounting rule 19, Events after Reporting Date, the war in Ukraine that began in February 2022 is a non-adjusting event, thus not requiring any adjustments to the figures reported in these financial statements at 31 December 2021. For subsequent reporting periods, the war may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, there is no financial impact.

**REPORTS ON THE IMPLEMENTATION OF THE BUDGET  
OF THE EUROPEAN RESEARCH COUNCIL  
EXECUTIVE AGENCY**

**Financial Year 2021**

## 1. Introduction

### 1.1. ERCEA budget and its implementation

Budget	. 55.410.594 €
Commitments	. 100 % of implementation of commitments appropriations of the current year . 5,1 % of appropriations to be carried-forward to 2022
Payments	. 94,86 % of implementation of payments appropriations of the current year . 87,7 % of implementation on appropriations carried-forward from 2020

Due to the COVID-19 pandemic that started in March 2020, ERCEA's activities swiftly transitioned to the new remote working modalities. Despite the Agency's prompt reaction, the prolonged pandemic with its uncertain and unforeseeable circumstances challenged once again the execution of the administrative budget in 2021. In spite of the prevailing circumstances, the Agency managed to maintain a high rate of implementation in both commitment and payment appropriations.

### 1.2. Budgetary structure and principles

#### 1.2.1. Budgetary structure

The budgetary accounts are kept in accordance with the Financial Regulation applicable to the general budget of the EU and in accordance with the Standard Financial Regulation for the executive agencies.

The budget is the instrument, which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the implementation of the Agency's activities.

Every year, the ERCEA estimates its revenue and expenditure for the year and draws up a draft budget, which it sends to the Commission. The Commission then incorporates the ERCEA's budget in the general budget and sends it to the Budgetary Authority. Based on this draft budget, the Council draws its position, which is then the subject of negotiations between the two arms of the Budgetary Authority. The President of the Parliament declares that the joint draft has been finally adopted, thus making the budget enforceable.

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

The appropriations are split into commitment and payment appropriations:

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

The main source of appropriations is:

- the budget for the current year, which corresponds to the adopted budget for the current year and amending and transfer budgets (fund source C1);
- and the non-differentiated payment appropriations which may be carried over automatically for one financial year only (fund source C8).

The 2021 budget is distributed in the following budget titles:

EUR

Budget Title	2021 commitments appropriations (C1)	Payments appropriations carried-forward from 2020 (RAL C8)	Total 2021 budget
Title I - Staff expenditure	43.689.289,76	352.730,23	<b>44.042.019,99</b>
Title 2 - Infrastructure and operating expenditure	10.301.886,33	907.590,89	<b>11.209.477,22</b>
Title 3 - Programme support expenditure	1.419.417,64	558.183,30	<b>1.977.600,94</b>
<b>Total</b>	<b>55.410.593,73</b>	<b>1.818.504,42</b>	<b>57.229.098,15</b>

### 1.2.2. Budgetary principles

The budget of the ERCEA has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in the Standard Financial Regulation for the executive agencies.

#### *Principle of unity and budgetary accuracy*

The budget shall be the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the Agency.

#### *Principle of annuality*

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

Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December.

Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the Accounting Officer by 31 December of that year at the latest.

#### *Principle of equilibrium*

The Agency's budget revenue and payment appropriations must be in balance.

Commitment appropriations may not exceed the amount of the Community subsidy, plus own revenue and any other revenue.

The Agency may not raise loans.

### *Principle of unit of account*

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro. However, for cash-flow purposes, the Accounting Officer and, in the case of imprest accounts, imprest administrators shall be authorised to carry out operations in national currencies.

### *Principle of universality*

Total revenue shall cover all expenditure. All revenue and expenditure shall be entered in full without any adjustment against each other.

### *Principle of specification*

The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items.

### *Principle of sound financial management*

Budget appropriations shall be used in accordance with the principle of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness.

The principle of economy requires that the resources used by the Agency for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency is concerned with the best relationship between resources employed and results achieved.

The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

### *Principle of transparency*

The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency. The budget, as finally adopted, shall be published in the Official Journal of the European Union and amending budgets shall be published in an appropriate way within two months of their adoption.

## **2. Budget result**

### **2.1. Calculation of the budget result**

The budgetary outturn account was prepared in accordance with the requirements of 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, repealing Regulation (EU, Euratom) No 966/2012 (OJ-L 193/30.07.2018 (art 244: Budget implementation reports), and in accordance with the requirements of the Standard Financial Regulation for the executive agencies, Article 56.

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 mean 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 year and any payments,
- the balance of exchange-rate gains and losses recorded during the year.

Payment appropriations carried over include automatic carry-overs only. The cancellation of unused payment appropriations carried over from the previous year shows the cancellations on appropriations carried over automatically.

## 2.2. Budget outturn table

	EUR	
	2021	2020
<b>REVENUE</b>		
Union contribution, cashed	55.410.593,73 <sup>11</sup>	52.178.495,00 <sup>12</sup>
Other revenue, cashed	219.324,66	101.772,24
<b>TOTAL REVENUE (a)</b>	<b>55.629.918,39</b>	<b>52.280.267,24</b>
<b>EXPENDITURE</b>		
<b>Budget Title 1: Staff</b>		
Payments current year	43.132.281,45	41.653.643,72
Appropriations carried over to next year	556.214,87	352.730,23
<b>Budget Title 2: Administrative</b>		
Payments current year	8.621.636,20	7.667.697,39
Appropriations carried over to next year	1.680.247,23	907.590,89
<b>Budget Title 3: Operational</b>		
Payments current year	806.982,64	898.116,92
Appropriations carried over to next year	612.434,38	558.183,30
<b>TOTAL EXPENDITURE (b)</b>	<b>55.409.796,77</b>	<b>52.037.962,45</b>
<b>OUTTURN FOR THE FINANCIAL YEAR (a-b)</b>	<b>220.121,62</b>	<b>242.304,79</b>
Cancellation of unused payment appropriations carried over from the previous year	224.063,80	289.308,46
Exchange rate differences	(1.469,77)	(537,06)
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>	<b>442.715,65</b>	<b>531.076,19</b>

The budget result for 2021 amounts to € 442.715,65 and is comprised of:

- € 796,96 – unused appropriations of the current year,
- € 224.063,80 – unused payment appropriations carried forward from 2020,
- € 219.324,66 – other income due to amounts to be reimbursed (mainly on SLAs) or to the rental of meeting rooms,
- € (1.469,77) – exchange rate differences.

<sup>11</sup> Funded by the European Commission from C1 voted credits (€ 54.217.000,00), EFTA (€ 1.193.593,73) and third countries contributions (€ 0,00)

<sup>12</sup> Funded by the European Commission from C1 voted credits (€ 51.319.000,00), EFTA (€ 859.495,00) and third countries contributions (€ 0,00)

### 3. Reconciliation of the economic result with the budget result

EUR

	2021	2020
<b>Statement of Financial Performance (economic result)</b>	71.186,22	(1.139.451,61)
<b>Adjustments for accrual items (items included in the Statement of Financial Performance but not in the Budgetary Outturn)</b>		
Adjustments for accrual cut-off (reversal previous year)	(2.723.464,29)	(3.432.240,26)
Adjustments for accrual cut-off (cut-off current year )	3.738.113,99	2.723.464,29
Unpaid invoices at year end but booked in charges	21.937,48	20.300,00
Depreciation of intangible and tangible assets	526.055,21	725.011,47
Provisions		
Recovery Orders issued in the year on revenue accounts and not yet cashed	(235.211,08)	(10.509,48)
Pre-financing received in previous year and cleared in the year		
Payments made from carry overs of payment appropriations	1.594.440,62	2.748.164,61
Adjustments for deferred charges (cut-off)	(3.301.596,61)	(2.967.387,87)
Adjustments for deferred charges previous year (reversal)	2.976.657,09	2.870.411,96
Others	78,29	
<b>Adjustments for budgetary items (items included in the Budgetary Outturn but not in the Statement of Financial Performance)</b>		
Asset acquisitions (less unpaid amounts)	(30.948,72)	(7.734,98)
New pre-financing received in the year and remaining open as at 31.12	442.715,65	531.076,19
Budgetary recovery orders issued before the year and cashed in the year	7.884,48	
Payment appropriations carried over to next year	(2.848.896,48)	(1.818.504,42)
Cancellation of unused carried over payment appropriations from previous year	224.063,80	289.308,46
Adjustment for carry over from the previous year of appropriations available at 31.12 arising from assigned revenue		
Payments on open invoices from previous year booked in charges		
Other	(20.300)	(832,16)
<b>Total</b>	<b>442.715,65</b>	<b>531.076,19</b>
<b>Budgetary result (+ for surplus)</b>	<b>442.715,65</b>	<b>531.076,19</b>
<b>Unexplained discrepancy</b>	<b>0,00</b>	<b>0,00</b>

The financial statements of the year are prepared on the basis of accrual accounting principles by which transactions are recorded in the period to which they incurred. The result for the year using the accrual basis is indicated in the Statement of Financial Performance. However, the budget result is based on modified cash accounting rules. In the latter, only payments made and revenue cashed in the period as well as carry-over of appropriations are recorded. The economic result and the budget result both cover the same underlying transactions; therefore, it is a useful control to ensure that they are reconcilable.

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

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

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

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

#### 4. Budget revenue

							EUR
Income budget line	Type of revenue	Draft budget	Amendment	Final Budget	Entitlements established	Revenue received	Outstanding at the end of the year
200	Commission subsidy	51.319.000,00	4.091.593,73	55.410.593,73	55.410.593,73	55.410.593,73	0,00
910	Recuperation of expenses				118.026,39	118.026,39	0,00
920	Miscellaneous revenue	pm	pm	pm	339.134,35	101.298,27	237.836,08
<b>TOTAL</b>		<b>51.319.000,00</b>	<b>4.091.593,73</b>	<b>55.410.593,73</b>	<b>55.867.754,47</b>	<b>55.629.918,39</b>	<b>237.836,08</b>

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

The balancing subsidy paid by DG RTD in 2021 amounts to € 55.410.593,73 out of which:

- € 54.217.000,00 from C1 voted appropriations,
- € 1.193.593,73 from EFTA appropriations
- € 0,00 from third country appropriations

The other revenues received (€ 219.324,66, income budget lines 910 and 920) consist mainly in:

- the recovery of amounts overpaid to contractors € 9.067,56;
- the recovery of amounts overpaid to the European Commission for the services provided to the Agency by DGs through SLAs (Service level Agreement) € 108.917,40;
- the recovery of € 3.750,00 out of the € 9.000,00 of costs of proceeding to be reimbursed to the ERCEA following the decision of the Court of Justice (case T-493/17) (to be reimbursed into 24 instalments, € 2.625 received in 2020, 3.750 received in 2021, € 2.625 still to receive);
- the re-invoicing to the EISMEA of the part already paid by the ERCEA to the contractor for the renting of the COV2 ground floor rooms (4 meeting rooms and 1 secretary room) and for the period from 24 September 2021 to 23 September 2022 (€ 97.548,27).



The amount still to be received (€ 237.836,08) corresponds to:

- the € 2.625 still to receive regarding the costs of proceeding as described above;
- the re-invoicing to the REA of the part already paid by the ERCEA to the contractor for the renting of a part of the 19<sup>th</sup> floor of COV2 building and for the period from 1 January 2022 to 23 September 2022 (€ 235.211,08).

## 5. Budget expenditure

### 5.1. Overview of commitment and payment appropriations of the current budget - Fund source C1

Budget Line / Title	Description	Draft Budget	Budget Amendments	Transfers	Final Budget
1111	Temporary agents	16.101.991	2.963.009	(1.146.920)	17.918.080
1112	Contract Agents	19.871.992	3.368.008	(1.115.506)	22.124.494
1121	Seconded National Experts	1.130.000	(210.000)	(10.260)	909.740
1122	Interimaires & stagiaires	720.000	(15.000)	49.763	754.763
1211	Recruitment, entering and leaving the service, transfer costs	16.200	(11.200)	(4.455)	545
1221	Restaurant, Canteens	144.615	(44.615)	8.000	108.000
1231	Medical service	106.000	20.000	(16.000)	110.000
1241	Training	384.402	(15.732)	(8.061)	360.609
1251	Mobility and Public transportation	91.369	(31.969)	(21.602)	37.798
1261	Social service and other interventions	1.046.500	(4.950)	(106.077)	935.473
1271	External services (PMO)	433.354	496	(6.678)	427.172
1281	Internal meetings, events and reception	30.000	(23.400)	(3.984)	2.616
1291	Missions (administrative)	0	0	0	0
<b>Title 1</b>	<b>Staff expenditure</b>	<b>40.076.423</b>	<b>5.994.647</b>	<b>(2.381.780)</b>	<b>43.689.290</b>
2111	Rental of building and associated costs	6.559.379	(242.020)	780.444	7.097.804
2121	Fitting out	0	0	0	0
2211	Hardware, software and linked expenses	351.980	132.500	413.612	898.092
2221	ICT services	2.277.500	55.500	(249.849)	2.083.151
2311	Furniture, Material and Technical installations	160.080	(43.580)	25.602	142.102
2321	Works of handling and removal of services	4.400	(2.000)	0	2.400
2331	Paper mill, office supplies	12.000	(6.000)	3.000	9.000
2341	Correspondence stamping and carriage costs	58.000	(10.500)	10.500	58.000
2351	Acquisition of information	8.000	0	(6.252)	1.748
2361	Other current expenses (financial, legal, assurance,...)	40.650	(500)	(30.559)	9.591
<b>Title 2</b>	<b>Infrastructure and operating expenditure</b>	<b>9.471.989</b>	<b>(116.600)</b>	<b>946.497</b>	<b>10.301.886</b>
3111	Experts, studies, representation and external meeting expenses	105.000	(1.943.000)	1.838.773	773
3121	Missions and related costs	104.700	(28.050)	(69.130)	7.520
3131	Audit expenses	0	0	0	0
3141	Expenses of Information, Publications and Communication	292.388	62.598	(60.505)	294.482
3151	Expenses of translation	68.500	(28.002)	(35.530)	4.969
3161	Conferences, seminars, trainings and other specific expenditure	0	0	0	0
3171	Operational related IT costs	1.200.000	150.000	(238.326)	1.111.674
<b>Title 3</b>	<b>Programme support expenditure</b>	<b>1.770.588</b>	<b>(1.786.454)</b>	<b>1.435.283</b>	<b>1.419.418</b>
<b>TOTAL BUDGET</b>		<b>51.319.000</b>	<b>4.091.594</b>	<b>0</b>	<b>55.410.594</b>

On basis of the draft budget presented to the Budgetary Authority, the ERCEA Steering Committee adopted on 26 February 2020 the ERCEA draft annual budget 2021 for € 56.106.600.

Further to the delayed adoption of new MFF, the ERCEA initial budget 2021 adopted by the ERCEA Steering Committee on 20 December 2020 for € 51.319.000 has been calculated solely based on the subsidy for the Horizon 2020 legacy and in line with the Amending Letter of the General EU Budget (COM(2020)748 of 13 November 2020).

Following the formal approval of the new MFF and the adoption of the Horizon Europe Programme, a thorough analysis of the changed expense patterns and of the impact in 2021 of COVID-19 pandemic related developments resulted in an increase of € 4.091.593,73 on the administrative budget, which was amended accordingly by decision of the Steering Committee on 25 June 2021. The final adopted administrative budget for 2021 amounts to € 55.410.593,73.

In view of optimizing the administrative budget execution, the Agency has proceeded to transfers between items, chapters and budget lines. Five transfers were adopted by the Steering Committee on 25 February 2021, 17 September 2021, 18 November 2021, 6 December 2021 and 17 December 2021.

The main reasons explaining the amendment and transfers described in this section are summarised hereunder:

- On Title 1, the amendment included an increase in salaries corresponding to the additional part of the subsidy and EFTA funds needed in order to fully cover the salary payments and the recruitment schedule. Then these expenses declined due to delays in the recruitment processes and a high turn over of staff. The reduction of planned social activities (e.g. internal meetings, recruitment, Crèches et Petite Enfance etc.), as a result of the pursuing COVID-19 pandemic privileging the remote and teleworking modalities also explains a decrease in this title. The current situation led also to the reduction of the staff mobility and transportation costs.

On Title 2, the main increase relates to the investments in ICT infrastructures in order to facilitate and improve the increasing number of remote activities. These costs mainly relate to the video-conferencing installation for hybrid meeting rooms, the upgrade of all the big rooms on the 7<sup>th</sup> floor of COVE building with videoconferencing and the refurbishment of the auditorium on the 25<sup>th</sup> floor and certain rooms of COV2 building. The ICT services relating to Home equipment provided in DIGIT's reimbursement scheme to the staff also explains an increase in this title. Additionally, a payment claim in relation to the municipal tax on office space for the fiscal years 2019, 2020 and 2021 was made by the bare owner of the Covent Garden building.

- Title 3 contains the main activities where usually physical presence is required like missions, experts, communication activities etc. Due to the COVID-19 pandemic, those activities were suspended and therefore the budget was reduced substantially. Furthermore, the difficulties in contracting consultants under the IT support expenditure and several early contract terminations have considerably affected the consumption of this title.

As described in detail in point 2.7 "Payables of the Financial Statements", the ERCEA was informed by the bare owner of the Covent Garden building that the Municipality of Saint-Josse amended its office tax regulation and extended the concept of taxpayer, based on which the tax assessment notice for fiscal years 2019, 2020 and 2021 has been addressed to the bare owner of the Covent Garden building. Until 9 December 2021, the bare owner put on hold its request for reimbursement of the tax by the ERCEA. On 9 December 2021, the bare owner submitted its request for reimbursement for an amount of € 725.095,80. In anticipation of the possibility of paying these taxes on basis of informal exchanges with the different stakeholders, the ERCEA reallocated on 6 December 2021 (see below 4<sup>th</sup> transfer) all available funds from several lines and gathered all unneeded funds in order to support this unforeseen

and uncertain expenditure. The common approach recommended by OIB to pay the claimed taxes was given on 16 December 2021. However, taking into account the part to be re-invoiced by OIB for the 7<sup>th</sup> floor of the COVE building (i.e. € 89.442,50) and after having checked the calculation of the taxes due, the latter finally amounted to € 892.997,15. Therefore, an additional transfer (see below 5<sup>th</sup> transfer) was adopted by the Steering Committee on 17 December 2021 to reallocate all possible remaining unneeded funds to the concerned budget line. Nevertheless only € 670.330,39 could be committed under the 2021 budget given the other needs on this budget line. As the 2021 budget was insufficient to cover the full amount of taxes to be paid, the remaining amount (i.e. € 222.666,76) will be committed under the 2022 budget.

#### Amendment

Date		Impact on commitment and payment appropriations in €	Main subject - description
1	25 June 2021	Title 1: 5.994.647	Increase explained: a) by the reinstatement from Title 3 of the € 1.880.000 needed for the 2021 StG call evaluation commitment under Title 3 (see below first transfer on 25 February 2021) b) with the additional part of the subsidy and EFTA funds needed in order to fully cover the salary payments and the recruitment schedule.
		Title 2: (116.600) Chapter 21 – rental of building: (242.020)	Reduction due to the updated information received from OIB and HR concerning the overall building expenditure under the relevant SLAs (service level agreement).
		Chapter 22 – ICT: 188.000	Increase due to video-conferencing installation needs for hybrid meeting rooms
		Chapter 23 – Furniture and other : (62.580)	Adjustment on staff protection material budget needed
		Title 3: (1.786.454) Experts: (1.943.000) Missions: (28.050) Communication: 62.598 Translation: (28.002) Operational related IT costs: 150.000	This chapter contains the main activities where usually physical presence is required like missions, experts, communication activities etc. Due to the COVID-19 pandemic, those activities were suspended and therefore the budget reduced (missions for € 28.050 and experts for € 63.000). Reduction also on the Experts item: a) due to the de-commitment of the budgetary commitment temporary created under the administrative budget to cover the contracts for experts participating to the ERC 2021 StG call given that the adoption of the HE Framework Programme was delayed and thus the operational credits not available (see first transfer below), and b) following the reinstatement of this amount to Title 1 (see above)

#### List of transfers

Date		Impact on commitment and payment appropriations in €	Main subject - description
1	25 February 2021	Chapter 11 – Remunerations: (1.880.000) Chapter 31 – Programme management expenditure: 1.880.000	Due to the delay in the adoption of the HE Framework Programme and constraints coming from the call calendar for the ERC 2021 StG, a temporary budgetary commitment needed to be created under the ERCEA administrative budget as an exceptional solution in order to cover the generation of the contracts for the experts participating in this call. The total estimated amount to cover the ERC 2021 StG call Step 1 and the Initial Panel Chair Meeting was taken from the chapter 11 and transferred to item 3111 under which the budgetary commitment for € 1.880.000 € was exceptionally created.

2	17 September 2021	Chapter 11 – Remunerations: 10.100	
		Chapter 12 - Professional development and Social expenditure: 86.900	Increase due to the rise in SLA PMO charges.
		Chapter 22 – ICT: 50.000	Increase due to the ICT services related to Home equipment provided in the DIGIT reimbursement scheme to the staff.
		Chapter 23 – Furniture, Material and Technical installations: (2.000)	Decrease due to the reduction of the OIB costs for office supplies
		Chapter 31 - Programme management expenditure: (145.000)	This chapter contains the main activities where usually physical presence is required like missions, experts, communication activities etc. Due to the COVID-19 pandemic, those activities were suspended and therefore the budget reduced.
3	18 November 2021	Chapter 11 - Remunerations: 136.900	Revision of the salaries calculation (indexation rate equal to 3,5% instead of previously 2,6%)
		Chapter 12 - Professional development: (65.288)	Decrease mainly of the CPE costs (Crèches et Petite Enfance) and SLA HR IDOC
		Chapter 21- Building expenditure: 35.000	Increase due to the rise in SLA OIB charges.
		Chapter 22 - ICT: (2.405)	Decrease due to the revision of the MoU's costs and increase due to the needs of audiovisual equipment and of new servers.
		Chapter 23 - Movable property expenditure: 3.248	Increase relates to extra needs identified for removals and office supplies in view of offices rearrangements.
		Chapter 31 - Programme management expenditure: (107.455)	Supplementary optimisation of this chapter impacted by the COVID-19 pandemic, as the main activities under this chapter are usually performed with physical presence (missions, experts and communication activities)
4	6 December 2021	Chapter 11 - Remunerations: (475.202)	Decrease due to the low occupancy rate of staff (numerous resignations during the last quarter) and the salary indexation, which was finally set at 1.9% instead of the 3.5% previously forecasted,
		Chapter 21- Building expenditure: 718.641	Increase related mainly to the municipality tax paid by the owner of the building (Immobilière Royal Rogier) and claimed for reimbursement by the real estate manager Cushman and Wakefield.
		Chapter 22 - ICT: 117.475	Increase related to the upgrade of all big rooms on the 7 <sup>th</sup> floor of COVE building with videoconferencing, the refurbishment of the auditorium on the 25 <sup>th</sup> floor and a couple of rooms of COV2 building, and in addition the replacement of some servers and the backup devices in the local IT infrastructure.
		Chapter 23 - Movable property expenditure: 5.589	Increase due to extra needs for some additional furniture.
		Chapter 31 - Programme management expenditure: (205.575)	Reduction linked mainly to: a) the difficulties in contracting consultants under the IT support expenditure (and also to several early contract terminations). b) The pandemic effect on missions, communication translation and expert's management
5	17 December 2021	Chapter 11 - Remunerations: (14.721)	After the final payment of the salaries and additional costs, the remaining amount was de-committed and transferred to other chapters.
		Chapter 12 – Professional development: (20.542)	Decrease due to unused funds for CPE (Crèche et Petite Enfance).
		Chapter 21- Building expenditure: 26.804	Additional amount needed for the municipality tax paid by the owner of the building (Immobilière Royal Rogier) and claimed for reimbursement by the real estate manager Cushman and Wakefield.
		Chapter 23 - Movable property expenditure: (3.546)	Decrease due to unused funds under removal costs and correspondence.
		Chapter 31 - Programme management expenditure: 13.314	Increase mainly due to one contract renewal for digital media services and to missions

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The partial slowdown of the activities due to the COVID-19 crisis affected also the number of the invoices received and the payments made, respectively 715 in 2021 compared to 760 in 2020 and 987 in 2019 and 856 in 2021 compared to 966 in 2020 and 1558 in 2019.

## 5.2. Implementation of commitment and payment appropriations of the current budget

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

**Fund Source: C1**

Budget line	Official Budget Item Desc (Fr)	Appropriation (1)	Committed Amount (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Total unused appropriations current year (1-2)	Appropriations to carry forward to 2020 (2-3)
<b>Title 1</b>	<b>Staff expenditure</b>	<b>43.689.289,76</b>	<b>43.688.496,32</b>	<b>100,00%</b>	<b>43.132.281,45</b>	<b>98,73%</b>	<b>793,44</b>	<b>556.214,87</b>
<b>Chapter 11 - Remunerations, Allowances and Charges</b>		<b>41.707.077,18</b>	<b>41.706.285,90</b>	<b>100,00%</b>	<b>41.474.853,58</b>	<b>99,44%</b>	<b>791,28</b>	<b>231.432,32</b>
1 1 1 1	Temporary agents	17.918.079,97	17.918.079,97	100,00%	17.918.079,97	99,92%	0,00	0,00
1 1 1 2	Contract Agents	22.124.494,21	22.124.494,21	100,00%	22.124.494,21	99,98%	0,00	0,00
1 1 2 1	Seconded National Experts	909.740,00	908.948,84	99,91%	908.761,50	98,99%	791,16	187,34
1 1 2 2	Interimaires & stagiaires	754.763,00	754.762,88	100,00%	523.517,90	73,65%	0,12	231.244,98
<b>Chapter 12 - Professional Development and Social expenditure</b>		<b>1.982.212,58</b>	<b>1.982.210,42</b>	<b>100,00%</b>	<b>1.657.427,87</b>	<b>83,62%</b>	<b>2,16</b>	<b>324.782,55</b>
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	544,59	544,59	100,00%	544,59	93,71%	0,00	0,00
1 2 2 1	Restaurant Canteens	108.000,00	108.000,00	100,00%	72.000,00	90,82%	0,00	36.000,00
1 2 3 1	Medical service	110.000,00	110.000,00	100,00%	79.319,00	59,85%	0,00	30.681,00
1 2 4 1	Training	360.608,84	360.607,73	100,00%	330.773,73	62,51%	1,11	29.834,00
1 2 5 1	Mobility and Public transportation	37.797,86	37.797,86	100,00%	30.797,86	80,90%	0,00	7.000,00
1 2 6 1	Social service and other interventions	935.472,87	935.472,68	100,00%	725.864,39	99,98%	0,19	209.608,29
1 2 7 1	External services (PMO)	427.172,00	427.172,00	100,00%	415.512,74	94,51%	0,00	11.659,26
1 2 8 1	Internal meetings events and reception	2.616,42	2.615,56	99,97%	2.615,56	78,92%	0,86	0,00
<b>Title 2</b>	<b>Infrastructure</b>	<b>10.301.886,33</b>	<b>10.301.883,43</b>	<b>100,00%</b>	<b>8.621.636,20</b>	<b>83,69%</b>	<b>2,90</b>	<b>1.680.247,23</b>
<b>Chapter 21 - Building expenditure</b>		<b>7.097.803,55</b>	<b>7.097.803,55</b>	<b>100,00%</b>	<b>5.918.425,75</b>	<b>83,38%</b>	<b>0,00</b>	<b>1.179.377,80</b>
2 1 1 1	Rental of building and associated costs	7.097.803,55	7.097.803,55	100,00%	5.918.425,75	88,67%	0,00	1.179.377,80
<b>Chapter 22 - ICT</b>		<b>2.981.242,56</b>	<b>2.981.240,16</b>	<b>100,00%</b>	<b>2.588.826,73</b>	<b>86,84%</b>	<b>2,40</b>	<b>392.413,43</b>
2 2 1 1	Hardware software and linked expenses	898.091,56	898.090,82	100,00%	512.617,39	74,42%	0,74	385.473,43
2 2 2 1	ICT services	2.083.151,00	2.083.149,34	100,00%	2.076.209,34	99,04%	1,66	6.940,00
<b>Chapter 23 - Movable property and Current Operating expenditure</b>		<b>222.840,22</b>	<b>222.839,72</b>	<b>100,00%</b>	<b>114.383,72</b>	<b>51,33%</b>	<b>0,50</b>	<b>108.456,00</b>
2 3 1 1	Furniture Material and Technical installations	142.101,52	142.101,02	100,00%	74.746,78	87,25%	0,50	67.354,24
2 3 2 1	Works of handling and removal of services	2.400,00	2.400,00	100,00%	1.098,24	86,60%	0,00	1.301,76
2 3 3 1	Paper mill office supplies	9.000,00	9.000,00	100,00%	0,00	90,00%	0,00	9.000,00
2 3 4 1	Correspondence stamping and carriage costs	58.000,00	58.000,00	100,00%	27.200,00	87,30%	0,00	30.800,00
2 3 5 1	Acquisition of information	1.747,70	1.747,70	100,00%	1.747,70	187,30%	0,00	0,00
2 3 6 1	Other current expenses (financial legal assurance)	9.591,00	9.591,00	100,00%	9.591,00	87,30%	0,00	0,00
<b>Title 3</b>	<b>Programme Support expenditure</b>	<b>1.419.417,64</b>	<b>1.419.417,02</b>	<b>100,00%</b>	<b>806.982,64</b>	<b>56,85%</b>	<b>0,62</b>	<b>612.434,38</b>
<b>Chapter 31 - Programme Management expenditure</b>		<b>1.419.417,64</b>	<b>1.419.417,02</b>	<b>100,00%</b>	<b>806.982,64</b>	<b>56,85%</b>	<b>0,62</b>	<b>612.434,38</b>
3 1 1 1	Experts, studies, representation and external meeting expenses	773,27	773,27	100,00%	273,27	74,63%	0,00	500,00
3 1 2 1	Missions and related costs	7.520,00	7.520,00	100,00%	4.187,52	91,37%	0,00	3.332,48
3 1 4 1	Expenses of Information, Publications and Communication	294.481,87	294.481,87	100,00%	148.255,60	39,44%	0,00	146.226,27
3 1 5 1	Expenses of translation	4.968,50	4.968,00	99,99%	4.225,50	96,90%	0,50	742,50
3 1 7 1	Operational related IT costs	1.111.674,00	1.111.673,88	100,00%	650.040,75	67,83%	0,12	461.633,13
<b>TOTAL</b>		<b>55.410.593,73</b>	<b>55.409.796,77</b>	<b>100,00%</b>	<b>52.560.900,29</b>	<b>94,86%</b>	<b>796,96</b>	<b>2.848.896,48</b>

The implementation of the final budget appropriations, fund source C1, is at a level of 100 % for commitments (2020: 99,73 %) and 94,86 % for payments (2020: 96,25 %).

The cancellation of commitment and payment appropriations totalled € 796,96 which represents 0,001 % of the budget (0,3 % in 2020).

5,1% (€ 2.848.896,48) of the undifferentiated commitment and payment appropriations are carried forward to 2022 to cover the payment of services/goods delivered in 2021 but not invoiced at the end of December 2021 or to be delivered in 2022.

As regards Title 1 - Staff expenditure, end 2021, 126 temporary agents, 358 contracts agents, 16 Seconded National Experts (in total 500 agents against 515 in 2020), were employed explaining the execution on chapters 11 and 12<sup>13</sup> (+4% in comparison to 2020).

The breakdown by type of expenditure shows that the total staff expenditure (excluding the interim agents and trainees) accounts for about 73,9 % of total commitments (in comparison to 75,6 % in 2020).

93,7% of the amount committed covers the remuneration, allowances and charges of the staff (interim agents and trainees excluded). 4,5 % of the committed amount is related to professional development and social expenditure. The remaining balance concerns the "interimaires" costs (1,7%).

As regards Title 2 - Infrastructure and operating expenditure, the main post is the rental and charges of the building (chapter 21) which is 68,9 % of the amount committed under this title (73,5 % in 2020). Building charges come from the services provided by DG HR (caretaking costs, technical and security controls of the building, badges to the staff, etc.) and by OIB (maintenance, cleaning, participation to the Covent Garden canteen costs, renting). The rest consists mainly in the purchases of IT equipment and IT services (28,9 % against 23,9 % in 2020).

The Title 3 - Programme support expenditure, that represents 2,6 % of the total commitments (2,8 % in 2020), consists mainly in the IT consultants costs with 78,3 % (76.2% in 2020), the rest consists in external experts meetings, the missions and the communication budget (21,7 % against 23,8% in 2021).

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<sup>13</sup> Chapter 11 concerns salaries and allowances and Chapter 12 concerns removal expenditures, installation costs, change of personnel and recruitment costs incurred by the Agency from the launch of a selection procedure to the effective recruitment of the selected candidates, pre-recruitment medical visits and annual medical visits and training costs.

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Fund Source: C8

Budget line	Official Budget Item Desc (Fr)	C8 Appropriations (1)	Committed Amount (2)	% Committed (2/1)	Paid (2)	% Paid (2/1)	Total unused (de-committed) appropriations (1-2)	Appropriations to carry forward to 2020 (2-3)
<b>Title 1</b>	<b>Staff expenditure</b>	<b>352.730,23</b>	<b>243.017,01</b>	<b>68,90%</b>	<b>243.017,01</b>	<b>68,90%</b>	<b>109.713,22</b>	<b>0,00</b>
<b>Chapter 11 - Remunerations, Allowances and Charges</b>		<b>67.841,60</b>	<b>61.978,26</b>	<b>91,36%</b>	<b>61.978,26</b>	<b>91,36%</b>	<b>5.863,34</b>	<b>0,00</b>
1 1 2 1	Seconded National Experts	95,34	95,34	100,00%	95,34	100,00%	0,00	0,00
1 1 2 2	Interimaires & stagiaires	67.746,26	61.882,92	91,35%	61.882,92	91,35%	5.863,34	0,00
<b>Chapter 12 - Professional Development and Social expenditure</b>		<b>284.888,63</b>	<b>181.038,75</b>	<b>63,55%</b>	<b>181.038,75</b>	<b>63,55%</b>	<b>103.849,88</b>	<b>0,00</b>
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	42,76	0,00	0,00%	0,00	0,00%	42,76	0,00
1 2 2 1	Restaurant Canteens	33.821,81	0,00	0,00%	0,00	0,00%	33.821,81	0,00
1 2 3 1	Medical service	12.041,80	954,00	7,92%	954,00	7,92%	11.087,80	0,00
1 2 4 1	Training	147.133,25	125.955,96	85,61%	125.955,96	85,61%	21.177,29	0,00
1 2 5 1	Mobility and Public transportation	3.975,50	562,00	14,14%	562,00	14,14%	3.413,50	0,00
1 2 6 1	Social service and other interventions	65.492,41	31.185,69	47,62%	31.185,69	47,62%	34.306,72	0,00
1 2 7 1	External services (PMO)	22.381,10	22.381,10	100,00%	22.381,10	100,00%	0,00	0,00
1 2 8 1	Internal meetings events and reception	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00
<b>Title 2</b>	<b>Infrastructure</b>	<b>907.590,89</b>	<b>821.417,51</b>	<b>90,51%</b>	<b>821.417,51</b>	<b>90,51%</b>	<b>86.173,38</b>	<b>0,00</b>
<b>Chapter 21 - Building expenditure</b>		<b>569.253,60</b>	<b>500.729,31</b>	<b>87,96%</b>	<b>500.729,31</b>	<b>87,96%</b>	<b>68.524,29</b>	<b>0,00</b>
2 1 1 1	Rental of building and associated costs	569.253,60	500.729,31	87,96%	500.729,31	87,96%	68.524,29	0,00
<b>Chapter 22 - ICT</b>		<b>264.610,42</b>	<b>254.492,42</b>	<b>96,18%</b>	<b>254.492,42</b>	<b>96,18%</b>	<b>10.118,00</b>	<b>0,00</b>
2 2 1 1	Hardware software and linked expenses	180.108,36	177.407,61	98,50%	177.407,61	98,50%	2.700,75	0,00
2 2 2 1	ICT services	84.502,06	77.084,81	91,22%	77.084,81	91,22%	7.417,25	0,00
<b>Chapter 23 - Movable property and Current Operating expenditure</b>		<b>73.726,87</b>	<b>66.195,78</b>	<b>2,83</b>	<b>66.195,78</b>	<b>89,79%</b>	<b>7.531,09</b>	<b>0,00</b>
2 3 1 1	Furniture Material and Technical installations	37.892,99	37.226,55	98,24%	37.226,55	98,24%	666,44	0,00
2 3 2 1	Works of handling and removal of services	133,88	0,00	0,00%	0,00	0,00%	133,88	0,00
2 3 3 1	Paper mill office supplies	4.200,00	0,00	0,00%	0,00	0,00%	4.200,00	0,00
2 3 4 1	Correspondence stamping and carriage costs	16.500,00	13.969,23	84,66%	13.969,23	84,66%	2.530,77	0,00
2 3 6 1	Other current expenses (financial legal assuranc	15.000,00	15.000,00	100,00%	15.000,00	100,00%	0,00	0,00
<b>Title 3</b>	<b>Programme Support expenditure</b>	<b>558.183,30</b>	<b>530.006,10</b>	<b>94,95%</b>	<b>530.006,10</b>	<b>94,95%</b>	<b>28.177,20</b>	<b>0,00</b>
<b>Chapter 31 - Programme Management expenditure</b>		<b>558.183,30</b>	<b>530.006,10</b>	<b>94,95%</b>	<b>530.006,10</b>	<b>94,95%</b>	<b>28.177,20</b>	<b>0,00</b>
3 1 1 1	Experts, studies, representation and external meeting expenses	11.467,50	0,00	0,00%	0,00	0,00%	11.467,50	0,00
3 1 2 1	Missions and related costs	396,00	169,90	42,90%	169,90	42,90%	226,10	0,00
3 1 3 1	Audit expenses	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00
3 1 4 1	Expenses of Information, Publications and Communication	92.365,45	90.205,85	97,66%	90.205,85	97,66%	2.159,60	0,00
3 1 5 1	Expenses of translation	20.000,00	5.676,00	28,38%	5.676,00	28,38%	14.324,00	0,00
3 1 7 1	Operational related IT costs	433.954,35	433.954,35	100,00%	433.954,35	100,00%	0,00	0,00
<b>TOTAL</b>		<b>1.818.504,42</b>	<b>1.594.440,62</b>	<b>87,68%</b>	<b>1.594.440,62</b>	<b>87,68%</b>	<b>224.063,80</b>	<b>0,00</b>

The 2020 appropriations that were carried forward to 2021 as C8 appropriations amounted to € 1.818.504,42 (3,5 % of the budget). Out of this amount, € 1.594.440,62 have been paid (87,7 %, to be compared to 90,5 % in 2020). The 2020 appropriations (budget of € 52.178.495) have been finally paid at 99,3 % (€ 50.219.458,03 on C1 appropriations and € 1.594.440,62 on C8 appropriations).

The main amounts that were unduly carried forward (€ 224.063,80) and therefore had to be de-committed are mainly the following:

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- € 70.392,50 related to SLA OIB 2020;
- € 53.945,33 related to SLA HR 2020;
- € 26.820,08 related to the chair and screens reimbursement scheme for teleworking;
- € 14.324,00 related to SLA Translations 2020;
- € 13.032,00 related to coaching training
- € 45.549,89 related to different budget lines and contracts.

## 6. Evolution of commitments outstanding

*For current outstanding commitments (C1 2021):*

	2021 commitments appropriations (C1)	Commitments 2021	Total unused appropriations current year	Payments 2021	Appropriations to be carried- forward to 2022	% of the commitments
Title 1 - Staff expenditure	43.689.289,76	43.688.496,32	793,44	43.132.281,45	556.214,87	1,3%
Title 2 - Infrastructure and operating expenditure	10.301.886,33	10.301.883,43	2,90	8.621.636,20	1.680.247,23	16,3%
Title 3 - Programme support expenditure	1.419.417,64	1.419.417,02	0,62	806.982,64	612.434,38	43,1%
<b>Total</b>	<b>55.410.593,73</b>	<b>55.409.796,77</b>	<b>796,96</b>	<b>52.560.900,29</b>	<b>2.848.896,48</b>	<b>5,1%</b>



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Budget line	Commitment user reference	Open amount RAL (C8 in 2021)
1121	D2 - INSURANCE ACCIDENT AXA FOR NON-STATUTORY STAFF 2021	187,34
1122	D2 - SLA DG EAC - INTERNS 2021	51.631,44
1122	D2 - RANDSTAD - SALARIES INTERIMAIRES 2021	179.613,54
1221	SLA OIB 2021	36.000,00
1231	D2 INTEGRATED HR SLA ERCEA 2021	30.681,00
1241	D2 SLA EAS - 2021	10.005,00
1241	D2 2021 INDIVIDUAL EXTERNAL TRAINING REQUESTS	1.500,00
1241	D2 THE GREENHOUSE GROUP BVBA FWC EPSO/EUSA/PO/2018/028 LOT 2 OF 2021-02 INDIVIDUAL COACHING FOR HEAD OF DEPARTMENT D - FEBRUARY - DECEMBER 2021	597,00
1241	D2 - THE GREENHOUSE GROUP BVBA - FWC EPSO/EUSA/PO/2018/028 LOT2 - OFFER OF 21/09/2021 - GROUP COACHING (MANAGEMENT TEAM/MANAGEMENT AWAY DAY OF 13/10/2021 - UP TO MARCH 2022	9.340,00
1241	D2 EUROPEAN COMMISSION - OIB.OS4 - CIE OVERIJSE ERCEA/2021/VLVP/0014 RENTAL OF VENUE AND AV MATERIAL FOR TEAM BUILDING EVENT OF UNIT A2 ON 9TH NOVEMBER 2021	620,00
1241	D2 - THE GREENHOUSE GROUP BVBA - FWC EPSO/EUSA/PO/2018/028 LOT2 - OFFER OF 17/11/2021 - ORDER NUMBER: 2021-06 - "DEVELOPING THE ERCEA COACHING FRAMEWORK FOR HOS" TRAINING - UP TO 01/02/2022	6.972,00
1241	D2/A2 - PO ERCEA/A2/PN/2021/01 - OFFER OF 30/11/2021 - HOLLAND & PARTNERS - INDIVIDUAL MEDIA COACHING FOR THE ERC PRESIDENT (2 HOURS) - 12/2021-01/2022	800,00
1251	D2 - CONTRIBUTION TO STAFF COMMUTING BY BIKE 2021	6.000,00
1251	SLA OIB 2021	1.000,00
1261	D2 - SOCIAL SERVICES CPE 2021	147.374,00
1261	D2 FINANCIAL ASSISTANCE (DOMESTIC HELP) 2021	37.322,70
1261	D2 EUROPEAN SCHOOL TRANSPORT 2021	21.322,23
1261	SLA OIB 2021	150,00
1261	D2 - CHAIRS AND SCREENS REIMBURSEMENT SCHEME FOR TELEWORKING 2021	3.439,36
1271	D2 SLA PMO 2021	11.659,26
2111	D2 INTEGRATED HR SLA ERCEA 2021	16.437,75
2111	D0 - BUILDING INSURANCE 2021	30.640,75
2111	SLA OIB 2021	461.968,91
2111	D0 COMMITMENT MUNICIPALITY TAXES 2019-2020-2021	670.330,39
2211	D1 - IT SMALL EXPENSES 2021	312,00
2211	D1 - BECHTLE BRUSSELS NV - FWC DI/07720 OF 1015534 - ERC-PROC-0711 - PURCHASE OF SOFTWARE LICENCES MAINTENANCE - ADOBE ETLA 2021 - 1 MONTH	858,97
2211	D1 INSIGHT TECHNOLOGY SOLUTIONS BELGIUM ERC-PROC-0730 FWC DI/07722 OF Q0063997 PURCHASE OF NAVICAT SOFTWARE	519,49
2211	D1 - CANCOM - FWC DI/07631 LOT1 OF 1016 - ERC-PROC-0732 - PURCHASE OF A MACBOOK AIR	2.449,41
2211	D1 - BECHTLE BRUSSELS - FWC DI/07753 OF775316017 - ERC-PROC-0741- DATADOMAIN 6900 FOR CDMA	102.129,30
2211	D1 NTT BELGIUM FWC DI/07890 OF 1 00560 ERC-PROC-0736 PURCHASE OF NETWORK SWITCHES FOR MEETING ROOMS	1.610,16
2211	D1 - NTT BELGIUM - FWC DI/07890 OF3_00561 - ERC-PROC-0736 -PURCHASE OF NETWORK CODECS FOR MEETING ROOMS	68.312,16
2211	D1 - AUTOCONT - FWC DI/07754 - OF 0039 - ERC-PROC-0731 - PURCHASE OF 3 SERVERS + ACCESSORIES	79.529,64
2211	D1 BECHTLE BRUSSELS FWC DI/07753 SC OF775313853 ERC-PROC-0731 PURCHASE OF 2 SWITCHES	27.623,00
2211	D1 BECHTLE BRUSSELS N.V. FWC DI/07753 SC OF775316018, ERC-PROC-0741, PURCHASE OF DATADOMAIN 6900 FOR COV2	102.129,30
2221	D1 - SLA DG BUDG - ABAC 2021	2.000,00
2221	D1 - AUSY IT CONSULTING - ERCEA/2021/VLVP/0009 - ERC-PROC-0722 - HOSTING, SYSTEM ADMINISTRATION AND MAINTENANCE OF THE ERC WEBSITE - 9 MONTHS	4.940,00
2311	D2 - 2021 SUPPLIES (PETITES FOURNITURES)	1.000,00
2311	SLA OIB 2021	25.050,00
2311	D2 - BEDDELEEM - FWC OIB.02/PO/2018/058/785/C0/L0 OF 2021-1 - PURCHASE OF SOFTLINE CONVIVIAL FURNITURE	14.986,56

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Budget line	Commitment user reference	Open amount RAL (C8 in 2021)
2311	D2 - DROMEAS - BON DE COMMANDE N° 1 - QUOTATION PRF-SK-14417 OF 03/12/2021 - FWC OIB/2021/NP/0030/C0/L0/A - PURCHASE OF 49 WORK DESKS WITH ELECTRICAL HEIGHT ADJUSTMENT AND CONTROLLERS	19.650,46
2311	D2 - INTERSTUHL - FWC OIB/2019/OP/0064/C0/L0/A OF 1 2021 - PURCHASE OF OFFICE CHAIRS	6.667,22
2321	D2 - MOZER BELUX - FWC OIB.02/PO/2017/005/748/C0/L1, LOT 1 - SC MOZER - ERCEA.2021.01 - REMOVAL SERVICES FOR 2021	1.301,76
2331	SLA OIB 2021	9.000,00
2341	SLA OIB 2021	30.800,00
3111	EXTERNAL MEETINGS 2021	500,00
3121	MISSIONS 2021	3.312,48
3121	D0 - ASSURANCE MISSIONS 2021 - 01/04/2021-31/12/2021	20,00
3141	A2 - AMP PARTNER PRESS - FWC EAC/49/2018 OF 2021-01 - SUBSCRIPTION TO E-NEWSPAPERS FOR 2021	231,00
3141	A2 - AUSY BELGIUM - FWC PO/2016-20/A5 - SC NO ERCEA 2021-01 - TECHNICAL MAINTENANCE AND FURTHER DEVELOPMENTS OF THE ERC WEBSITE - 10 MONTHS DURATION	19.955,00
3141	A2- ACADEMIC POSITIONS MEDIA GROUP AB- ERCEA/2021/VLVP/0008- PROVISION OF PROMOTION AND ADVERTISING SERVICES	14.000,00
3141	A2 INTRASOFT INTERNATIONAL SA FWC COMM/2020/OP/0024 -LOT 2 SC ERCEA 2021/02 - MIGRATE THE CONTENT OF THE ERC WEBSITE INTO THE NEW DRUPAL 9 ECOSYSTEM	97.850,00
3141	A2 - MELTWATER THE NETHERLANDS BV - ERCEA/A2/PN/2019/39 TACIT RENEWAL 2 - MEDIA MONITORING AND SOCIAL MEDIA ENGAGEMENT PLATFORM	14.190,27
3151	CDT - TRANSLATIONS 2021	742,50
3171	D1 NETWORK RESEARCH BELGIUM ERC-PROC-0728 FWC BUDG16/PO/01 LOT 2 - DIMOS 0824996 SC 02-798 NEW SERVICE QT&M CONTRACT - ERCEA TOOLS ENHANCEMENTS	62.117,44
3171	D1 ARHS DEVELOPMENTS SA ERC-PROC-0594 FWC 7701 SC 015965 EXT2, PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 1) 220 DAYS	34.879,44
3171	D1 ARHS DEVELOPMENTS SA NV ERC-PROC-0713 FWC 7701 SC 018367 - PROFILE: TECHNOLOGY EXPERT (TEX) - (LEVEL OF EXPERTISE:LEVEL 3) 80 DAYS	9.426,50
3171	D1 - ARHS DEVELOPMENTS SA - FWC 07701 SC 015967 - ERC-PROC-0601 - EXT 3, - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 3) - 220 DAYS	43.870,28
3171	D1 ARHS DEVELOPMENTS ERC-PROC-0690 FWC 7701 SC 015968, - PROFILE: TECHNOLOGY EXPERT (TEX) - (LEVEL OF EXPERTISE:LEVEL 1) 220 DAYS	59.418,63
3171	D1 NETWORK RESEARCH BELGIUM ERC-PROC-0577 FWC 07704 SC 015959 - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 4), 220 DAYS	55.779,18
3171	D1 NETWORK RESEARCH BELGIUM SA ERC-PROC-0595 FWC 07704 SC 016286 - EXT 3, - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 5) 220 DAYS	52.189,24
3171	D1 CRONOS INTERNATIONAL SA ERC-PROC-0599 FWC 07702 SC 016388 - PTM, - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 3), 220 DAYS	64.351,80
3171	D1 ARHS DEVELOPMENTS SA ERC-PROC-0713 FWC 7701 SC 021154 - TECHNICAL, - PROFILE: TECHNOLOGY EXPERT (TEX) - (LEVEL OF EXPERTISE:LEVEL 3) 60 DAYS	33.270,00
3171	D1 - ARHS DEVELOPMENTS - FWC DI/07701 LOT 1 SC 018606 - ERC-PROC-0704 - PROFILE: TECHNOLOGY EXPERT (TEX) - (LEVEL OF EXPERTISE:LEVEL 2) - 30 DAYS	15.122,70
3171	D1 ARHS DEVELOPMENTS ERC-PROC-0696 FWC 07701 SC 016996 EXT 1, PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 1) 200 DAYS	31.207,92
PAYMENTS APPROPRIATIONS CARRIED FORWARD TO 2021		2.848.896,48

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*For outstanding commitments from 2020 (C8 2021):*

Title	Payments appropriations carried-forward from 2020 (RAL C8)	Amounts paid	Total unused payment appropriations carried forward from 2020	% of implementation on appropriations carried-forward from 2020	Final amount from 2020
Title 1 - Staff expenditure	352.730,23	243.017,01	109.713,22	68,9%	0,00
Title 2 - Infrastrucutre and operating expenditure	907.590,89	821.417,51	86.173,38	90,5%	0,00
Title 3 - Programme support expenditure	558.183,30	530.006,10	28.177,20	95,0%	0,00
<b>Total</b>	<b>1.818.504,42</b>	<b>1.594.440,62</b>	<b>224.063,80</b>	<b>87,7%</b>	<b>0,00</b>

Budget Position	Com L2 User Reference	Open amount (C8 in 2021)	Amount paid in 2021 (C8)
1121	INSURANCE ACCIDENT AXA FOR NON-STATUTORY STAFF 2020	95,34	-95,34
1122	RANDSTAD - SALARIES INTERIMAIRES - 2020	67.746,26	-61.882,92
1211	D2 - PERSONNEL SELECTION EXPENSES 2020	42,76	0,00
1221	SLA OIB 2020	33.821,81	0,00
1231	INTEGRATED HR SLA ERCEA 2020	12.041,80	-954,00
1241	D2 SLA EAS - 2020	11.935,00	-9.105,00
1241	2020 - D2 INDIVIDUAL EXTERNAL TRAINING REQUESTS	3.052,90	-2.503,61
1241	D2 FWC HR/R3/PO/2015/005 OF 15 ABILWAYS PROCESS ENGINEERING PREPARING THE ERCEA FOR THE CHALLENGES OF THE FUTURE"	42.185,00	-42.185,00
1241	D2 FWC HR/R3/PR/2014/083 LOT 10 OF 4 ROSETTA STONE ORDER FORM ONLINE LANGUAGE COURSES (2020 CALL)	5.312,00	-546,00
1241	D2 - FWC HR/R1/PO/2018/004 OF 2 - TRAINING COMPETENCY MANAGEMENT: CONTINUED - DELOITTE	63.810,00	-63.810,00
1241	D2 - FWC EPSO/EUSA/PO/2018/028 LOT 2 - OF 1 - COACHING PACKAGE D2, COMMUNICATION TEAM - THE GREENHOUSE GROUP	16.923,00	-3.891,00
1241	D2 - INSIGHT - DI/07722 - SC 4255-4256 - PERFORMANSE TRAINING COURSE FOR CAREER GUIDANCE OFFICERS (PERF-ECHO AND MANAGE-R) - NOV. 2020-FEB. 2021	3.915,35	-3.915,35
1251	SLA OIB 2020	2.675,00	-144,25
1251	D2 - CONTRIBUTION TO STAFF COMMUTING BY BIKE.	1.300,50	-417,75
1261	SLA OIB 2020	2.000,00	-1.738,39
1261	D2 FINANCIAL ASSISTANCE (DOMESTIC HELP) 2020	7.225,03	0,00
1261	D2 EUROPEAN SCHOOL TRANSPORT 2020	3.925,00	-3.925,00
1261	D2 TRIPLE A & C TRADING SPRL FWC 30-CE-0848891/00-78 OF 2020-04 PURCHASE COSTS OF PROMOTIONAL MATERIAL FOR THE STAFF	1.246,00	-1.246,00
1261	D2 - CHAIRS AND SCREENS REIMBURSEMENT SCHEME FOR TELEWORKING	51.096,38	-24.276,30
1271	D2 SLA PMO 2020	22.381,10	-22.381,10
2111	SLA OIB 2020	479.300,00	-453.633,24
2111	2020 - D0 - BUILDING INSURANCE	26.796,07	-26.796,07
2111	INTEGRATED HR SLA ERCEA 2020	63.157,53	-20.300,00
2211	ERC-PROC-0652 FWC DI/06940 OF 3721 GETSYS PURCHASE OF MAINTENANCE XEROX	1.695,00	0,00
2211	D1 - ERC-PROC-0681, OFFER 4 - FWC DI 7560 - MAINTENANCE OF COPY MACHINES UNDER PAY PER CLICK (PPCP) PROACTIVE MAINTENANCE - CANON BELGIUM	1.060,00	-54,25
2211	D1 INSIGHT FWC DI/07722 OF 07722-OF-Q0059437 ERC-PROC-0694 MAINTENANCE RENEWAL OF NAVICAT 03/12/2020-02/12/2021 AND 14/12/2020 - 13/12/2021	508,56	-508,56
2211	D1 - NTT BELGIUM - FWC DI/07500 - ORDER FORM 12721 - PURCHASE OF NETWORK CODECS AND ACCESSORIES FOR AUDIO-VISUAL EQUIPMENT FOR ROOM COVE 07/083 AND COV2 24/057	26.060,80	-26.060,80
2211	D1 DG SCIC ERC-PROC-0700 SPECIFIC CONVENTION (SC) SCIC/ERCEA/2020/SCIC.C.4(2020)8001558 ERCEA FOR MEETING ROOM INSTALLATION IN 2021	75.100,00	-75.100,00
2211	D1 DG SCIC ERC-PROC-0659 SPECIFIC CONVENTION (SC) N° SCIC/ERCEA/SCIC.C.4(2020)8149154 ERCEA FOR MEETING ROOM MAINTENANCE 2020	75.684,00	-75.684,00
2221	D1 - DIGIT SERVICES TO ERCEA - 2020	4.800,00	0,00
2221	ERC-PROC-0656 FWC DI/7270 SC 300 ICT LOGISTICS SUPPORT 2020 FOR D1 UNIT GISIS	41.884,06	-39.651,92
2221	ERC-PROC-0654 FWC DI/07270 SC 296 PROVISION OF IT LOGISTIC SUPPORT IN 2020 GISIS	1.500,00	-1.253,58
2221	ERC-PROC-0658 FWC DI 7270 SC 301 GISIS IT SUPPORT TO EVALUATIONS FOR 2020	27.738,00	-27.599,31
2221	D1 - RENEWAL OF ERC WEBSITE HOSTING SERVICES AND MAINTENANCE - ERCEA/2020/VLVP/0015 -ERC-PROC-0676 - AUSY IT CONSULTING	8.580,00	-8.580,00
2311	SLA OIB 2020	24.900,00	-24.519,20
2311	2020 - D2 SUPPLIES (PETITES FOURNITURES)	445,49	-159,85
2311	D2 FWC OIB.DR.2/PO/2014/055/622/CO/L3A OF 1 INTERSTUHL ACHAT DE CHAISE SECRÉTAIRE POUR LE STAFF	7.214,57	-7.214,57
2311	FWC OIB.02/PO/2018/008/750/CO/L0-A OF 1 BRUYNZEEL STORAGE SYSTEMS NV/SA ACHAT D'ÉTAGÈRES POUR LES ARCHIVES DU PERSONNELS	5.332,93	-5.332,93

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Budget Position	Com L2 User Reference	Open amount (C8 in 2021)	Amount paid in 2021 (C8)
2321	D2-SPECIFIC CONTRACT ERCEA.2020.01-FWC OIB.02/PO/2017/005/748/C0/L1-MOZER BELUX	133,88	0,00
2331	SLA OIB 2020	4.200,00	0,00
2341	SLA OIB 2020	16.500,00	-13.969,23
2361	D3 - LEGAL CHARGES 2019	15.000,00	-15.000,00
3111	B2 - ALLOFRUITS- ERCEA/B2/PN/2019/61 LOT 1 - ACHAT DE PRODUITS ALIMENTAIRES BIOLOGIQUES (FRUITS)	4.914,00	0,00
3111	B2 - LA FERME NOS PILIFS - ERCEA/B2/PN/2019/61 LOT 2 - ACHAT DE PRODUITS ALIMENTAIRES BIOLOGIQUES (BISCUITS, THÉS)	6.374,70	0,00
3111	D2 - COFFEE MACHINES FOR EVALUATION EXPERTS ON COV 7TH FLOOR - FWC ERCEA/D2/PN/2019/20 - FINEST GLOBE SERVICES SA	178,80	0,00
3121	MISSIONS 2020	396,00	-169,90
3141	SLA OIB 2020	1.000,00	0,00
3141	OPOCE 2020	600,00	0,00
3141	A2 SMALL COMMUNICATION EXPENSED 2020	850,00	-290,40
3141	A2 FWC PO/2016-20/A5 SC ERCEA 2020/01 AUSY IT TECHNICAL MAINTENANCE AND UPDATE OF THE ERC WEBSITE AND ONLINE APPLICATIONS	34.920,00	-34.920,00
3141	A2 - FWC PO/2016-20/A5 - SC NO ERCEA 2020/02 - AUSY IT - SENIOR WEB DESIGNER SERVICES - GRAPHIC DESIGN FOR ERC DIGITAL MEDIA	3.850,00	-3.850,00
3141	FWC ERCEA/A2/PN/2019/25-2 SC 2020-01 OLD CONTINENT SPRL PRODUCTION OF PORTRAIT VIDEOS OF THE 3 WINNING GRANTEEES OF THE ERC PUBLIC ENGAGEMENT WITH RESEARCH AWARDS	17.495,45	-17.495,45
3141	A2 - ICF NEXT - PO ERCEA/2020/VLVP/0022 - PURCHASE OF SERVICES FOR THE WIDENING CAMPAIGN - UP TO 15 DEC 2020	13.850,00	-13.850,00
3141	A2 - MELTWATER THE NETHERLANDS BV - ERCEA/A2/PN/2019/39 TACIT RENEWAL 1 - MEDIA MONITORING AND SOCIAL MEDIA ENGAGEMENT PLATFORM	14.900,00	-14.900,00
3141	A2 OLD CONTINENT SPRL FWC ERCEA/A2/PN/2019/25-2 SC ERCEA 2020-03 PRODUCTION OF VIDEO - PROVIDE CONCRETE INFORMATION ABOUT THE APPLICATION PROCESS FOR THE ERC PROOF OF CONCEPT GRANTS	4.900,00	-4.900,00
3151	CDT - TRANSLATIONS 2020	20.000,00	-5.676,00
3171	ERC-PROC-0674 FWC BUGD/2016/PO/01 LOT2 - NO 0825053 SC 02-488 145 DAYS	8.384,40	-8.384,40
3171	D1 - ERC-PROC-0693 - FWC BUGD/2016/PO/01 LOT 2 - NO 0825053 SC 02-568 - ARHS CONSORTIUM - NEW SERVICE FIXED PRICE CONTRACT FOR THE IMPROVEMENT OF THE PROPHY TOOL	71.160,75	-71.160,75
3171	ERC-PROC-0577 FWC 7704 SC 010436 EXT 1, - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 4) 120 DAYS	22.489,60	-22.489,60
3171	ERC-PROC-0595 SC 008903 (002888) UNDER FRAMEWORK CONTRACT DIGITTM - DI/7704 APPLICATION ARCHITECT - EXTENSION 210 DAYS	36.047,82	-36.047,82
3171	ERC-PROC-0599 FWC 07702 SC 013165EXT 2 - PTM - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 3) 110 DAYS	67.641,12	-67.641,12
3171	ERC-PROC-0613 FWC DI/7701 SC 014082 APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 2) 120 DAYS	60.717,60	-60.717,60
3171	ERC-PROC-0690 FWC 07701 SC 014046 - PROFILE: TECHNOLOGY EXPERT (TEX) - (LEVEL OF EXPERTISE:LEVEL 1) 60 DAYS	31.198,80	-31.198,80
3171	D1 ARHS DEVELOPMENTS SA FWC 07701 SC 014496 ERC-PROC-0601 - EXT 2, - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 3) 50 DAYS	27.829,00	-27.829,00
3171	D1 TRASYS INTERNATIONAL GEIE FWC 07704 SC 014491 ERC-PROC-0577 - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 4 - 45 DAYS	28.915,20	-28.915,20
3171	D1 TRASYS INTERNATIONAL GEIE FWC 07704 SC 014504 ERC-PROC-0595 EXT 2 - AA, - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 5) 30 DAYS	21.204,60	-21.204,60
3171	D1 ARHS DEVELOPMENTS SA ERC-PROC-0696 FWC 07701 SC 015284 - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 1) 50 DAYS	22.947,00	-22.947,00
3171	ERC-PROC-0594 FWC DI/7701 SC 009572 - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 1) 220 DAYS	35.418,46	-35.418,46
<b>TOTAL</b>		<b>1.818.504,42</b>	<b>-1.594.440,62</b>
<b>UNUSED PAYMENT APPROPRIATIONS TO BE REIMBURSED TO THE COMMISSION</b>			<b>224.063,80</b>

## **ANNEX: Glossary on terms, abbreviations and acronyms used**

<b>Term</b>	<b>Definition</b>
ABAC	Name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.
Accounting	The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.
Adjustment	Amending budget or transfer of funds from one budget item to another
Adopted budget	Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority. Cf. Budget
Agencies	EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.
Amending budget	Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.
Annuality	The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.
Appropriations	Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.
Assigned revenue	External/Internal Used to finance specific items of expenditure. The complete list of items constituting assigned revenue is given in the Financial Regulation (FR) Art. 21.
Authorising Officer (AO)	The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.
Budget	Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.
Budget result	The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Standard Financial Regulation for the Executive Agencies.
Budget implementation	Consumption of the budget through expenditure and revenue operations.
Budget item / Budget line / Budget position	As far as the budget structure is concerned, revenue and expenditure are shown in the budget 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 Authority	Institutions with decisional powers on budgetary matters: the European Parliament and the Council of Ministers
Budgetary commitment	A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

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Cancellation of appropriations	Unused appropriations that may no longer be used.
Carryover of appropriations	Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.
Commitment appropriations	Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year.
De-commitment	Cancellation of a reservation of appropriations
Differentiated appropriations	Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year.
Earmarked revenue	Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)
Economic result	Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.
Entitlements established	Entitlements are recovery orders that the European Union must establish for collecting income.
Exchange rate difference	The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.
Expenditure	Term used to describe spending the budget from all types of funds sources.
Financial Regulation (FR)	Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union. (OJ-L 193/30.07.2018, p.1)
Funds Source	Type of appropriations ( <i>e.g.</i> : C1, C2, etc.)
C1	Current Appropriations = Initial Budget + Amending Budget + Transfers
C8	Appropriations automatically carried forward from previous year to current year
IC1	Universal revenue voted in the budget
Grants	Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.
Implementation	Cf. Budget implementation
Income	Cf. Revenue
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 which is represented by an appropriation.
Legal base (basic act)	The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.
Legal commitment	A legal commitment establishes a legal obligation towards third parties.
Non-differentiated appropriations	Non-differentiated appropriations are for operations of an annual nature. (Art. 12 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments
Operating (i.e. administrative) appropriations	Operating (i.e. administrative) appropriations cover the running costs of the entity (staff, buildings, office equipment.....).

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