

ANNUAL ACCOUNTS OF THE EUROPEAN PUBLIC PROSECUTOR'S OFFICE

FINANCIAL YEAR 2023

DRAWN UP 30/05/2024

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CERTIFICATION OF THE ACCOUNTING OFFICER AND STATEMENT OF THE ADMINISTRATIVE DIRECTOR

Certification of the accounting officer

I acknowledge my responsibility for the preparation and presentation of the annual accounts of EPPO, the European Public Prosecutor's Office, in accordance with Article 102 of the Framework Financial Regulation ('FFR')¹ and I hereby certify that the annual accounts of EPPO for the year 2023 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

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

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

Ms. Adrienn KARKO

Principal Accounting Officer

Statement of the Administrative Director

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

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

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

Ms. Kristel SIITAM-NYIRI

Acting Administrative Director

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

BACKGROUND INFORMATION NOTE

Establishment

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

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

Mission

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

Main operational activities

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

Governance

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

The Office is composed of two levels: the central level and the decentralised (national) level.

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

The decentralised level consists of the European Delegated Prosecutors (EDPs) in the 22 participating EU Member States in 42 locations. The central level supervises the investigations and prosecutions carried out by the EDPs at the national level, who operate with complete independence from their national authorities.

Sources of financing

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

Annual accounts - Basis for preparation

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

Accounting Officer

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

Composition of the annual accounts

The annual accounts cover the period of a calendar year. The accounts comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

Process from provisional accounts to discharge

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

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

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

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

Operational highlights

EPPO investigates fraud involving EU funds over EUR 10.000 and cross-border VAT fraud involving damages above EUR 10 million. Any such fraud committed in the participating Member States after November 2017 falls within its jurisdiction. The EPPO is independent from national governments, The European Commission and other EU institutions, bodies and agencies and represents the justice pillar of the EU. EPPO operates as a single office with a decentralized structure. The headquarters is in Luxembourg, while it has offices in 42 locations in the participating Member States. Twenty-two European Prosecutors oversee investigations initiated by the European Delegated Prosecutors (EDP). On 31 December 2023, there were 130 EDPs in active employment (114 in 2022 Dec).

2023 marked the second complete calendar year of operations for EPPO following financial autonomy in mid-year 2021.

The budget of EPPO is fully financed from the General Budget of the European Union in the form of balancing subsidy. In 2023 it amounted initially to EUR 65.496 million, which was increased to EUR 65.996 million with amending budgets.

The major IT tool that facilitates investigations is the so-called Case Management System (CMS), which aims to deliver in a fully independent, secure and compliant manner the critical capabilities required in the daily analytical and casework management. During 2023, it evolved further as an ecosystem of tools with particular focus on enhancing and maturing its resilience, availability and adaptability of its components to the changing business needs of the organisation. In the back-end, the underlying platform of the CMS had a major software upgrade and additional security controls were implemented on a continuous basis.

Another important undertaking is the IT autonomy programme, which shall – once finalized – offer a complete catalogue of administrative IT services fully managed internally by EPPO. In 2023 EPPO continued to prepare to gradually transition from a digital workplace provided by The Commission's Directorate-General for Digital Services (DIGIT) to an EPPO owned and operated solution.

2023 was another significant year with number of recruitments: 227 (89%) posts out of the 256 authorized in the Establishment plan were filled by the end of 2023.

FINANCIAL STATEMENTS

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

BALANCE SHEET

EUR '000

	Note	31.12.2023	31.12.2022	Variation	Change in %
NON-CURRENT ASSETS					
Intangible assets	2.1	6,880	4,512	2,367	52%
Property, plant and equipment	2.2	4,521	3,659	862	24%
Non-current exchange receivables		0	0	-	0%
		11,401	8,171	3,229	40%
CURRENT ASSETS					
Exchange receivables	2.3	13,101	13,693	-592	-4%
		13,101	13,693	-592	-4%
TOTAL ASSETS		24,502	21,864	2,637	12%
CURRENT LIABILITIES					
Payables	2.4	-2,091	-1,622	-468	29%
Accrued charges	2.5	-3,057	-2,836	-221	8%
		-5,148	-4,459	-689	15%
TOTAL LIABILITIES		-5,148	-4,459	-689	15%
NET ASSETS		19,354	17,406	1,948	11%
Accumulated surplus		17,406	8,851	8,555	97%
Economic result of the year		1,948	8,555	-6,607	-77%
NET ASSETS		19,354	17,406	1,948	11%

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	Note	31.12.2023	31.12.2022	Variation	Change in %
REVENUE					
Revenue from non-exchange transactions	3.1				
Funds from the Commission		64,038	49,620	14,418	29%
Transfer of assets from the Commission		581	1,130	-549	-49%
		64,620	50,750	13,869	27%
Revenue from exchange transactions					
Other	3.2	66	30	36	122%
		66	30	36	122%
Total revenue		64,686	50,780	13,906	27%
EXPENSES					
Operating costs	3.3	-2,266	-864	-1,402	162%
Staff costs	3.4	-41,074	-27,509	-13,565	49%
Other expenses	3.5	-19,398	-13,852	-5,546	40%
Total expenses		-62,738	-42,225	-20,513	49%
ECONOMIC RESULT OF THE YEAR		1,948	8,555	-6,607	-77%

CASH FLOW STATEMENT³

	EUR '000	
	31.12.2023	31.12.2022
Economic result of the year - Profit/ (Loss)	1,948	8,555
Operating activities		
Depreciation and amortization	2,136	1,307
(Increase)/decrease in exchange receivables	592	-5,028
Increase/(decrease) in payables	468	618
Increase/(decrease) in accrued charges	221	-1,002
Investing activities		
(Increase)/decrease in intangible assets and property, plant and equipment	-5,365	-4,450
NET CASHFLOW	-	-
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at year-end	-	-

³ EPPO IS BENEFITING FROM THE CENTRALIZED TREASURY SERVICES OFFERED BY THE COMMISSION. BECAUSE OF THIS, EPPO DOES NOT HAVE ANY BANK ACCOUNTS OF ITS OWN EXCEPT FOR AN IMPREST ACCOUNT. ALL PAYMENTS AND RECEIPTS ARE PROCESSED VIA THE COMMISSION'S TREASURY SYSTEM AND REGISTERED ON INTERCOMPANY ACCOUNTS WHICH ARE PRESENTED UNDER THE HEADING OF EXCHANGE RECEIVABLES.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
Balance as of 1 January 2023	17,406	-	17,406
Economic result of the year	-	1,948	1,948
BALANCE AS AT 31.12.2023	17,406	1,948	19,354

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Accounting principles

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

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

Basis of preparation - Reporting period

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

Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Euro exchange rates

Currency	31.12.2023	31.12.2022	Currency	31.12.2023	31.12.2022
BGN	1.9558	1.9558	PLN	4.3395	4.6808
CZK	24.7240	24.1160	RON	4.9756	4.9495
DKK	7.4529	7.4365	SEK	11.0960	11.1218
HRK	N/A	7.5345	CHF	0.9260	0.9847
HUF	382.8000	400.8700	USD	1.1050	1.0666

Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: impairment allowance for financial assets at amortised cost, amounts for employee benefit liabilities, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories. 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, because of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

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

There are no new EAR that became effective for annual periods beginning on or after 1 January 2023.

There are no new EAR adopted during 2023 but not yet effective at 31 December 2023.

BALANCE SHEET

Intangible assets

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

Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land is not depreciated, as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
Buildings	4 % to 10 %
Plant and equipment	10 % to 25 %
Furniture and vehicles	10 % to 25 %
Computer hardware	25 % to 33 %
Other	10 % to 33 %

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

Leases

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

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering into an operating lease as a lessee, the operating lease payments are recognised as an expense in the

statement of financial performance on a straight-line basis over the lease term with neither an asset nor a liability recognised in the balance sheet.

Impairment of non-financial assets

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

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

Financial assets

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

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

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

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

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

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

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

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

Receivables and recoverables

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

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

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

Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding, or pre-financing received.

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount, at the moment when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

Provisions

Provisions are recognized when EPPO has a present legal or constructive obligation towards third parties as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. The amount of the provision is the best estimate of the expenditures expected to settle the present obligation at the reporting date.

Accrued and deferred revenue and charges

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

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer. These aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

STATEMENT OF FINANCIAL PERFORMANCE

Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance, revenue is distinguished between:

(i) Revenue from non-exchange transactions

Revenue from non-exchange transactions are taxes and transfers, because the transferor provides resources to the recipient entity, without the recipient entity providing approximately equal value directly in exchange. Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. For the EU entities, transfers mostly comprise funds received from the Commission (e.g. balancing subsidy to the traditional agencies, operating subsidy for the delegation agreements).

The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability.

(ii) Revenue from exchange transactions

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

Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or the incurring of liabilities that result in decreases in net assets. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at the original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

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

CASH FLOW STATEMENT

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

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

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

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

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

CONTINGENT ASSETS AND LIABILITIES

Contingent assets

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

Contingent liabilities

A contingent liability is either a possible obligation of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation where it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

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

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

CONSOLIDATION

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

2. NOTES TO THE BALANCE SHEET

2.1 INTANGIBLE ASSETS

	EUR '000
	TOTAL
<i>Gross carrying amount at 31.12.2022</i>	5,067
Additions	3,032
Other changes	0
Gross carrying amount at 31.12.2023	8,099
<i>Accumulated amortisation at 31.12.2022</i>	-554
Amortisation charge for the year	-665
Other changes	0
Accumulated amortisation at 31.12.2023	-1,219
NET CARRYING AMOUNT AT 31.12.2023	6,880
<i>NET CARRYING AMOUNT AT 31.12.2022</i>	4,512

Addition for the year represents the subsequent expenditure for EPPO's Case Management System (CMS), the dedicated IT system that is used for entering, managing and transmitting EPPO's cases and other confidential data in a secure manner and which is interlinked to the Member States' systems. The development of the software began before financial autonomy mid-2021 and continues ever since. At the end of 2023 kEUR 581 was transferred from DG JUST, which represents the expenditure of CMS development contract that was kept in DG JUST books due to budget constraints at time of financial autonomy. The transfer at year-end was free of charge, hence the corresponding revenue is recognised in *Non-exchange operating revenue* (see note 3.1). In addition, kEUR 2.451 development expenditure was covered directly from EPPO budget in 2023.

2.2 PROPERTY, PLANT AND EQUIPMENT

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

EUR '000

	Plant and equipment	Furniture and vehicles	Computer hardware	Fixtures and fittings	TOTAL
<i>Gross carrying amount at 31.12.2022</i>	6	340	3,050	1,523	4,919
Additions	0	140	1,945	248	2,333
Other changes	0	0	0		0
Gross carrying amount at 31.12.2023	6	480	4,995	1,771	7,252
<i>Accumulated depreciation at 31.12.2022</i>	-1	-45	-1,001	-214	-1,260
Depreciation charge for the year	-1	-50	-1,140	-281	-1,471
Other changes	0	0	0	0	0
Accumulated depreciation at 31.12.2023	-1	-95	-2,141	-495	-2,732
NET CARRYING AMOUNT AT 31.12.2023	5	385	2,854	1,276	4,521
<i>NET CARRYING AMOUNT AT 31.12.2022</i>	6	295	2,049	1,309	3,659

Material additions in Computer hardware relate to EPPO's data centre (servers, firewalls etc) and administrative IT infrastructure purchases (laptops, phones etc). Asset investment during 2023 classified as Fixtures and fittings relate to the refurbishment of floors (security works) in the EPPO headquarters, necessary to accommodate staff expansion.

At the end of 2022 EPPO ran its first comprehensive inventory exercise with 96.57% of initial value coverage in scope for physical inventory. The next stock taking campaign is going to take place in 2024.

2.3 EXCHANGE RECEIVABLES

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

At 31 December 2023 as well as 2022, EPPO had an immaterial non-current receivable in the form of a two-month` deposit paid to secure a rental agreement. The material amounts included under this heading are of current nature and can be broken down as follows:

EUR '000

	31.12.2023	31.12.2022	Variation	Change in %
Central treasury liaison accounts	11,382	12,549	-	-9%
Deferred charges relating to exchange transactions	1,586	974	612	63%
Other	133	170	-	-22%
Total	13,101	13,693	-592	-4%

The main element concerns the treasury liaison/intercompany accounts with the Commission that represent a virtual bank account of EPPO. The treasury of EPPO is integrated into the Commission's treasury system. Because of this, EPPO does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts presented under this heading. The result of the incoming and outgoing payments is the virtual cash balance available to EPPO.

The deferred charges consist of pre-payments for services that will cover future financial years. Forward-looking representation of the deferred charges balance at 2023 year-end is shown in the table below.

EUR '000

Origin of deferred charge (booking year)	Future year of expense			Total
	2024	2025	2026	
2021	200	-	-	200
2022	111	9	0	120
2023	852	340	75	1,266
Total	1,162	349	75	1,586

2.4 PAYABLES

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

EUR '000

	31.12.2023	31.12.2022	Variation	Change in %
Commission subsidy	1,958	1,581	377	24%
Suppliers	133	42	91	218%
Total	2,091	1,622	468	29%

The heading Commission subsidy comprises the unused pre-financing amounts received from the Commission in 2023, known as the balancing subsidy. The outstanding amount will be

returned to the Commission in the course of 2024. (See also Budget outturn calculation in Budget implementation reports and explanatory notes 2.)

2.5 ACCRUED CHARGES

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

EUR '000

	31.12.2023	31.12.2022	Variation	Change in %
Accrued charges	2,542	2,528	13	1%
Accrued charges with consolidated entities	515	308	207	67%
Total	3,057	2,836	221	8%

The accrued charges of kEUR 2.542 include the estimated staff costs of kEUR 1.565 for untaken leave days at the end of 2023 and an additional amount of kEUR 114 representing retroactive salary adjustments effectively paid during 2024. An amount of kEUR 245 covers ICT services and technical assistance (BL221), kEUR 100 was accrued for security services in the headquarters, kEUR 88 for missions, which took place in 2023 but were not yet paid by the end of the financial year and kEUR 98 in respect of investigation activities.

Accrued charges with consolidated entities include kEUR 289 for translation services with the Translation Centre for the Bodies in the EU (CDT). Another kEUR 111 to cover the Service level agreement (SLA) to support EPPO's HR function with the European Union Aviation Safety Agency and various other SLAs in place with the European Commission.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

3.1 NON-EXCHANGE REVENUE

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

EUR '000

	31.12.2023	31.12.2022	Variation	Change in %
Funds from the Commission	64,038	49,620	14,418	29%
Transfer of assets from the Commission	581	1,130	-549	-49%
Total	64,620	50,750	13,869	27%

3.2 OTHER EXCHANGE REVENUE

EUR '000

	31.12.2023	31.12.2022	Variation	Change in %
Other	66	30	36	122%

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

3.3 OPERATING COSTS

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

EUR '000

	31.12.2023	31.12.2022	Variation	Change in %
Operating costs	2,266	864	1,402	162%

The operational costs include amounts related to operational ICT services, investigation activities, communication services etc. The substantial increase by 2023 is driven by important investments in operational ICT (expensed subscription type of licences) and HW (low value

assets), followed by EDPs investigation related expenses, media monitoring expenses linked to EPPO communication activities, and costs related to Art 91.6 provisions.

3.4 STAFF COSTS

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

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

The remuneration of the officials and other servants of the European Union is updated yearly, taking into account the economic and social situation of the Union. The update is implemented in accordance with Article 65 of the Staff Regulation applicable to officials and other servants of the European Union, adjusting with effect from 1 July 2023 the remuneration of active staff and the pensions of retired staff with + 1 %, which comes on top of the +1.7% intermediate update with effect from 1 January paid in June 2023, resulting in a total figure of +2.7% for 2023.

Also from 1 July 2023 the correction coefficients applied to the remuneration of active staff were updated, that meant to reflect differences in living conditions/purchasing power in the various places of employment referenced to Brussels/Luxemburg (100%).

	31.12.2023	31.12.2022	Variation	EUR '000 Change in %
Staff costs	41,074	27,509	13,565	49%

Staff expenses grew in line with the salary increase and expansion of recruited staff numbers. At the end of 2023, the occupancy rate was 89% compared to what was foreseen in the Establishment plan.

The evolution of different type of remunerated staff (on the payroll, excluding accepted offers who did not start effectively working by end of year) is presented in the next table. Overall SNE expenses (within staff costs) grew by kEUR 1.100 from kEUR 428 to kEUR 1.563 in 2023, given, that the secondment program to foster the exchange of professional experience from Member

States' public administrations to the EPPO effectively started only in September 2022 with 10 SNEs.

	31.12.2023	31.12.2022	Variation	Change in %
Temporary agents/assistants	178	148	30	20%
Contract agents	25	34	- 9	-26%
European Delegated Prosecutors	130	114	16	14%
Seconded National Experts	24	24	-	0%
Total	357	320	37	12%

3.5 OTHER EXPENSES

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

	31.12.2023	31.12.2022	Variation	Change in %
Administrative expenses with EU consolidated entities	9,475	6,409	3,066	48%
Property, plant and equipment related expenses	4,669	2,846	1,823	64%
IT operational external costs	2,317	1,670	647	39%
Missions	1,107	898	209	23%
Office Supplies & maintenance	628	443	185	42%
External non IT services	601	1,131	-530	-47%
Training costs	251	168	83	49%
Operating leasing expenses	159	149	10	7%
Transport	90	85	5	6%
Recruitment	65	20	45	230%
Communication and publication	23	56	-33	-60%
Other (Experts, insurance, exchange)	14	-23	37	-163%
Total	19,398	13,852	5,546	40%

58% of *administrative expenses with EU consolidated entities* (Total kEUR 9.475) in 2023 relate to service level agreements (SLAs) that the EPPO established with different departments of the **Commission**. Among others, payments for the chief prosecutor's close protection services; staff medical services and cost of the HR administration tool, Sysper; access to Commission's learning and development portfolio via DG HR; contribution to the European Schools expenses; use of DIGIT's e-procurement services and digital workplace related costs; the costs paid for the ABAC suit which is the financial management and reporting system offered by DG BUDG.

39% of the 2023 *administrative expenses with EU consolidated entities* are paid to the **Translation Centre**, CDT, for machine translation tool for the CMS and on demand operational translations.

Property plant and equipment costs (kEUR 4.669) include security and utilities costs of the EPPO headquarter as well as amortisation and depreciation of tangible and intangible assets for the year.

IT operational external costs (kEUR 2.317) cover the maintenance of CMS system (services that are not considered system development) as well as the maintenance of the administrative ICT infrastructure of the Office in a form of services of external service providers.

Mission expenses increased by 23% to KEUR 1.107 of which over 97% incurred on Title 3 operational mission budget line.

Office supply and maintenance line covers among others the low value administrative IT purchases below 420 EUR unit price as well as various non CMS related SW subscriptions.

External non-IT services covers interim staff cost for temporary assistance. The decrease is due to the fact in 2023 EPPO had fewer interim staff than in 2022 as the positions were gradually filled by statutory staff.

The increase in *training costs* is a consequence of the increase in staff number.

The heading *operating leasing expenses* covers the rental of the Betzdorf Data centre.

4. OTHER SIGNIFICANT DISCLOSURES

4.1 OUTSTANDING COMMITMENTS

The **budgetary RAL** ('Reste à Liquider') represents the open budgetary commitments at year-end for which payments and/or de-commitments were not yet made. This is an accepted deviation from the annuality principle, which takes into consideration that the implementation of programmes can overlap financial years (=N+1 rule). That is to say, in 2024 EPPO needs to implement its new budget as voted for 2024 as well as the remaining budget from 2023.

Lower outstanding budgetary RAL is an indicator of better budgetary control.

EUR '000

	31.12.2023	31.12.2022	Variation	Change in %
Outstanding commitments at year end (gross)	9,393	10,993	-1,600	-15%

The **outstanding budgetary commitments not yet expensed (=accounting RAL)** comprise the budgetary RAL less related amounts that have been included as expenses in the current year's statement of financial performance, which are determined by applying accrual based principle (cost of services not yet invoiced)

EUR '000

	31.12.2023	31.12.2022	Variation	Change in %
Outstanding commitments not yet expensed	8,009	9,670	-1,662	-17%

4.2 SERVICES IN KIND

During 2023 EPPO benefited, from the Luxembourg government, of office space free of charge. The offered office space and share of common areas that is extended by 887 m2 during 2023 totalling to 6.367 m2 would cost approximately kEUR 3.172 per year.

4.3 RELATED PARTIES

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

As for key management entitlements, apart from transactions stemming from the employment relationship governed by the Staff Regulations of Officials and the Conditions of Employment of Other Servants⁴, there are no other type of transactions neither any loans were provided on standard or preferential rate.

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

	31.12.2023	31.12.2022
European Chief Prosecutor	AD 15	AD 15
Administrative Director	AD 14	AD 14
European Prosecutors	AD 13	AD 13

4.4 LEGAL COMMITMENTS WITHOUT BUDGETARY COMMITMENTS

The EPPO has long-term/multi-annual contractual commitments without corresponding budgetary commitments⁵ in the amount of kEUR 286 at year-end 2023. The entity will need to tie financial resources to those contractual obligations in the coming budgetary period(s).

4.5 FINANCIAL RISK MANAGEMENT

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the entity has no significant interest rate risk and other price risk).

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

(2) *Interest rate risk* is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. The entity does not have any securities thus it is not exposed to the interest rate risk.

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

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

Currency risk

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

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

Credit risk

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

Liquidity risk

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

4.6 EVENTS AFTER REPORTING DATE

No events having an impact on the 2023 reported figures arose after 31 December 2023.

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

BUDGETARY PRINCIPLES AND STRUCTURE

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

Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the EPPO budget. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

Principle of annuality

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

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

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

Principle of universality

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

Principle of specification

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and lines.

Principle of sound financial management

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

Principle of transparency

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

STRUCTURE AND PRESENTATION OF THE BUDGET

Following the provisions of the EPPO Financial Rules approved by the EPPO College Decision no 002/2021 of 13 January 2021, the budget accounts shall consist of a statement of revenue and a

statement of expenditure. The statement of expenditure must be set out on the basis of a nomenclature with a classification by purpose. That nomenclature shall be determined by EPPO and shall make a clear distinction between administrative appropriations and operating appropriations:

Title 1

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

Title 2

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

Title 3

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

Assigned revenue

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

1. BUDGET IMPLEMENTATION HIGHLIGHTS

Comparative budget evolution is presented in the table below.

EUR '000

	2023	2022	Change in %
Title 1 - Staff expenditure	29,455	21,024	40%
Title 2 - Infrastructure and operating expenditure	8,230	9,131	-10%
Title 3 - Operational expenditure	28,312	21,047	35%
Final budget for the year (C1)	65,996	51,202	29%

EPPO managed a final budget of kEUR 65.996 in commitment and payment appropriations in 2023 (C1-final budget for the year)⁶. The table below shows the budget evolution from initial voted budget to final budget for the year 2023 following amendments and transfers.

Title	Initial adopted budget 1	Amendments 2	Transfers 3	Final adopted budget 4=1+2+3
Title 1 - Staff expenditure	31,716	-2,108	-153	29,455
Title 2 - Infrastructure and operating expenditure	6,937	929	364	8,230
Title 3 - Operational expenditure	26,843	1,679	-210	28,312
Grand Total	65,496	500	0	65,996

Amending budgets

The College adopted two amending budgets during 2023 increasing overall the available appropriations with kEUR 500 as compared to four amending budgets during 2022, when EPPO returned kEUR 5.900 representing 10% of the initial voted budget.

The 2023 increase approved by the Commission was to reinforce the financial and human resources related to essential enhancement to EPPO security capability (allocated to administrative ICT expenditures) including eight additional posts for this purpose.

Both amending budgets for 2023 rationalized the available appropriations by readjusting them among budget lines to allow optimizing budget execution globally.

Budget transfers

Transfers represent adjustments aiming at optimizing budget allocations within set limits, not resulting in overall modification of the available budget for the year. In accordance with Art. 26

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

of EPPO Financial Rules⁷, two budget transfers were adopted by the European Chief Prosecutor, on proposal drawn up by the Administrative Director and were notified to the College for information.

Comparative budget implementation overview

		EUR '000	
Budget execution	2023	2022	
Final budget (C1)	65,996	51,202	
Committed	65,719	50,234	
Paid	56,326	39,240	
RAL	9,393	10,970	
Committed/final budget (%)	99.6%	98.1%	
Paid/committed (%)	85.7%	78.1%	
Paid/final budget (%)	85.3%	76.6%	
C8 cancellation (%)	15.2%	9.2%	

In 2023, the available budget grew by 29% compared to 2022, which was the first complete financial year under financial autonomy for EPPO. Implementation of commitment appropriations improved to 2023 to 99,6% being over the expected performance indicator of 95% considerably in both years. Implementation of payments substantially progressed and reached 85,7% of committed appropriations. C8 cancellation rate deteriorated, meaning that 15% of carried-over payment budget from 2022 was not implemented as planned.

Implementation overview of 2023 final appropriations (C1 fund source)

EUR '000					
Title	Final budget	Committed	Committed/final budget	Paid	Paid/committed
Title 1 - Staff expenditure	29,455	29,406	99.8%	28,965	98.5%
Title 2 - Infrastructure and operating exp.	8,230	8,164	99.2%	4,561	55.9%
Title 3 - Operational expenditure	28,312	28,148	99.4%	22,800	81.0%
Total	65,996	65,719	99.6%	56,326	85.7%

Implementation of commitment appropriations was over the 95% (performance indicator) for all the titles. The not committed CAs (commitment appropriations) of kEUR 278 are due to forecasting volatility of missions- meetings- translation and ICT linked services over the three titles.

Payment implementation varies across the titles. For Title 1 - Staff related expenditures the implementation rate was above 95%, similarly as in 2022. With few exceptions, Title 1 budget

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

follows strictly the annuality principle (e.g. staff remuneration related lines), where only a limited number of lines allow automatic carry-over of unused payment appropriations. In Title 2 and 3, the progress is significant from 2022 and the lower implementation is due to large number of specific contracts, order forms and purchase orders being placed towards the end of the year. Implementation of those is expected in N+1, as the committed but not paid payment appropriations are automatically carried over to the following year and they become C8 fund source which represent the spill over effect from the original year.

Implementation overview of carried over appropriations from 2022 (C8 fund source)

EUR '000

Title	Carried-over payment appropriation	Paid	Paid/carried-over	Cancelled	Cancelled/carried-over
Title 1 - Staff expenditure	277	209	75.5%	68	24.5%
Title 2 - Infrastructure and operating exp.	4,789	4,201	87.7%	587	12.3%
Title 3 - Operational expenditure	5,903	4,897	82.9%	1,007	17.1%
Total	10,970	9,307	84.8%	1,662	15.2%

Out of the kEUR 10.970 payment appropriations carried-over from 2022 (automatic carry-overs on C8 fund source), 15.2% was cancelled. This was due to lower than expected consumption on external service providers contracts both for administrative and operational purposes; excess contingency margin on CMS development, on demand translation and mission expenses.

Carry-overs to the following year (2024)

EUR '000

Title	RAL Carry-over on C8 1	Carry-over on C5 (assigned revenue) 2	Total carry-over 3=1+2
Title 1 - Staff expenditure	441	1	442
Title 2 - Infrastructure and operating exp.	3,604	17	3,621
Title 3 - Operational expenditure	5,348	73	5,422
Total	9,393	92	9,485

The difference between paid and committed appropriations in 2023 for kEUR 9.393 is carried over to the following financial year in accordance with Article 12 paragraph 6 of the EPPO Financial Rules⁸. Carry-overs of internal assigned revenue (kEUR 92) are automatic to the following financial year in accordance with Article 12 paragraph 4 (a)⁹ of the Financial Rules.

⁸ NON-DIFFERENTIATED APPROPRIATIONS LEGALLY COMMITTED BY THE END OF THE FINANCIAL YEAR SHALL BE PAID UNTIL THE END OF THE FOLLOWING FINANCIAL YEAR.

⁹ APPROPRIATIONS SHALL BE AUTOMATICALLY CARRIED OVER IN RESPECT OF: (A) APPROPRIATIONS CORRESPONDING TO INTERNAL ASSIGNED REVENUE. SUCH APPROPRIATIONS MAY BE CARRIED OVER ONLY TO THE FOLLOWING FINANCIAL YEAR AND MAY BE COMMITTED UP TO 31 DECEMBER OF THAT YEAR, WITH THE EXCEPTION OF THE INTERNAL ASSIGNED REVENUE FROM LETTINGS AND THE SALE OF BUILDINGS AND LAND REFERRED TO IN POINT (E) OF ARTICLE 20(3) WHICH MAY BE CARRIED OVER UNTIL IT IS FULLY USED

Payment time limits

In 2023, the EPPO paid 99.14% of payments within the legal time limits set in the FR and contractual instruments while the late payments did not necessitate default payments to suppliers¹⁰, hence substantially improved on this indicator compared to 94.5% in 2022. For the payments that are subject to a 30-day time limit, which represent over third of the total number of payments (37,7%), the average payment time was 14 days. For the payments related to mission claims (56,7% of the number of payments) which are subject to 90-day time limit, the average payment time was 19 days. The overall average time to pay reduced to 18 days from 24 days in 2022.

Late payments represented less than one percent of total number of payments and only 1.08% of total amount of payments in 2023. The corresponding figures for 2022 are 5.48% and 1.59%.

¹⁰ DEFAULT INTEREST OF AN AMOUNT HIGHER THAN EUR 200 HAS TO BE PAID AUTOMATICALLY TO THE CONTRACTOR/BENEFICIARY IN THE EVENT OF LATE PAYMENT. HOWEVER, FOR LOWER AMOUNTS (\leq EUR 200) IT IS UP TO THE CONTRACTOR/BENEFICIARY TO CLAIM ANY DEFAULT INTEREST WITHIN TWO MONTHS FOLLOWING RECEIPT OF THE LATE PAYMENT.

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

	EUR '000	
	31.12.2023	31.12.2022
Balancing subsidy from the European Union	65,996	51,202
Other income	92	43
Total revenue	66,088	51,245
Title I: Staff		
Payments	-28,965	-20,368
Appropriations carried over	-442	-301
Title II: Administrative Expenses		
Payments	-4,561	-4,122
Appropriations carried over	-3,621	-4,789
Title III: Operating Expenditure		
Payments	-22,843	-14,750
Appropriations carried over	-5,422	-5,946
Total expenditure	-65,854	-50,277
Cancellation of unused payment appropriations carried over from 2022	1,662	626
Adjustment for carry-over from the previous year of appropriations available at year-end arising from assigned revenue	67	
Exchange rate differences	-6	-14
Budget result	1,958	1,581
EU subsidy - EPPO revenue	64,038	49,620

The budget outturn for the financial year corresponds to the total subsidy of The European Union and other cashed external/internal assigned revenues, minus the total eligible expenditures incurred during the financial year (executed payments and appropriations carried over) adjusted with items originating from the previous financial year. The purpose of this calculation is to determine the amount of balancing subsidy that is considered as revenue of the EPPO out of the pre-financing subsidy received during 2023.

At the end of the 2023 financial year, the budget outturn is kEUR 1.958. This is the balancing subsidy pre-financing remaining open at the end of 2023, which will need to be reimbursed to The Commission during 2024.

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

The positive balance from 2022 of kEUR 1.581 was reimbursed to The Commission in 2023.

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET OUTTURN

EUR '000

31.12.2023

ECONOMIC RESULT OF THE YEAR	1,948
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	11,115
Adjustments for accrual cut-off 2022 reversals	-2,182
Adjustments for accrual cut-off 2023	1,791
Unpaid invoices at year end but booked in expenses	6
Depreciation of intangible and tangible assets	2,136
Recovery Orders issued in 2023 in class 7 and not yet cashed	-0
Prefinancing given in previous year and cleared in the year	57
Payments made from carry-over of payment appropriations	9,307
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	-11,105
Asset acquisitions less unpaid amounts	-5,219
New pre-financing paid in the year and remaining open as at 31 December	-88
New pre-financing received in the year and remaining open as at 31 December	1,958
Budgetary recovery orders issued in 2023 on balance sheet accounts (and cashed in 2023)	-
Payment appropriations carried over to 2023	-9,485
Cancellation of unused carried over payment appropriations from previous year	1,662
Adjustment for carry-over from the previous year of appropriations available at 31.12.N arising from assigned revenue	67
BUDGET RESULT OF THE YEAR	1,958

4. IMPLEMENTATION OF BUDGET REVENUE

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
Contribution from the European Union	65,496	65,996	65,996	-	65,996	65,996	-	65,996	100%	-
Miscellaneous recoveries	-	-	92	-	92	92	-	92	-	0
GRAND TOTAL	65,496	65,996	66,089	0	66,089	66,088	0	66,088	100%	0

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1 BREAKDOWN AND CHANGES IN COMMITMENT AND PAYMENT APPROPRIATIONS

As EPPO is managing its budget appropriations as non-differentiated, the available commitment (CA) and payment appropriations (PA) are identical for a given financial year. The table below represents the overview of all fund sources: C1, C4 and C8 for the year. The meaning of the last two column (total available appropriations) nevertheless is slightly different depending if we consider CAs or PAs. As for CAs, the C8 carry overs are actual commitments carried over from 2022, hence they are not appropriations to commit in the narrow sense of the word, but documents (contracts) which await execution.

EUR '000

Title	BL	Budget line description	Initial adopted budget	Amendments	Transfers	Final adopted budget (C1)	Carry-overs from 2022 (C8)	Assigned revenue (C4)	Total available commitment appropriations (C1+C4)	Total available payment appropriations (C1+C4+C8)
1	110	Temporary agents	23,381	-1,951	-203	21,227	0	0	21,227	21,227
	111	Contract agents	2,650	-260	-69	2,321	0	0	2,321	2,321
	112	Seconded National Experts	1,715	-65	-60	1,590	0	0	1,590	1,590
	120	Recruitment, entering and leaving the service, transfer costs	973	-13	157	1,117	4	0	1,117	1,121
	130	Mission costs, duty travel, ancillary expenditure	49	-19	0	30	21	0	30	51
	140	Social, medical and other services	953	-58	-10	885	10	0	885	896
	141	Canteens, internal meetings, events and receptions	243	-33	-2	208	82	0	208	290
	150	Training and training related expenses	146	149	53	347	50	0	347	398
	160	External services	457	475	8	940	40	0	940	980
	161	Interim staff and trainees	934	-275	-10	650	66	0	650	715
	170	Receptions, events and representation expenses	19	1	-5	15	2	0	15	17
	180	Other staff expenditure	195	-58	-12	125	2	0	125	127
1 Total			31,716	-2,108	-153	29,455	277	1	29,455	29,733
2	210	Rental of buildings and associated costs	2,238	793	-110	2,921	947	18	2,939	3,886
	211	Insurance, maintenance and cleaning	438	-183	0	255	0	0	255	255
	220	Hardware, software and linked expenses	1,946	401	240	2,587	1,741	0	2,587	4,328
	221	ICT services, analysis, programming, technical assistance	876	973	260	2,109	2,031	0	2,109	4,141
	230	Audiovisual, technical equipment and installations	681	-550	-26	105	58	0	105	163
	231	Furniture	486	-417	0	70	0	0	70	70
	232	Transportation and removal expenses	126	-26	0	100	0	0	100	100
	240	Office supplies, publication and library expenses	58	-11	0	48	2	0	48	50
	241	Other administrative expenditure	39	-4	0	35	10	0	35	45
	250	Other infrastructure and operating expenditure	49	-49	0	0	0	0	0	0

EUR '000

Title	BL	Budget line description	Initial adopted budget	Amendments	Transfers	Final adopted budget (C1)	Carry-overs from 2022 (C8)	Assigned revenue (C4)	Total available commitment appropriations (C1+C4)	Total available payment appropriations (C1+C4+C8)
2 Total			6,937	929	364	8,230	4,789	18	8,248	13,036
3	310	Translation and related costs	8,124	-4,013	-25	4,087	384	0	4,087	4,471
	311	Communication and related costs	195	-57	-4	133	96	0	133	230
	320	European Delegated Prosecutors remuneration	9,807	4,777	-53	14,531	0	96	14,627	14,627
	321	Costs related to investigation activities	389	183	87	660	27	0	660	686
	322	Costs related to the provisions of Art. 91.6	1,265	-1,038	-101	126	0	0	126	126
	330	Operational ICT hardware and software	1,362	517	-120	1,759	1,642	20	1,779	3,420
	331	Operational ICT services	2,880	745	-8	3,617	3,266	0	3,617	6,883
	340	Close protection services and related costs	1,946	141	70	2,157	84	0	2,157	2,241
	341	Operational missions expenses	778	322	75	1,175	187	0	1,175	1,362
	342	Other miscellaneous operational expenses	97	103	-132	68	217	0	68	285
3 Total			26,843	1,679	-210	28,312	5,903	116	28,428	34,332
Grand Total			65,496	500	0	65,996	10,970	135	66,131	77,101

5.2 IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

EUR '000

Title	BL	Budget line description	Total available commitment appropriations (C1+C4+C5)	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
				from final adopted budget C1	from carry-overs	from assigned revenue C4,C5	Total	%	Assigned revenue C5	By decision	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1	110	Temporary agents	21,227	21,227	0	0	21,227	100%	0	0	0	0	0	0	0
	111	Contract agents	2,321	2,321	0	0	2,321	100%	0	0	0	0	0	0	0
	112	Seconded National Experts	1,590	1,590	0	0	1,590	100%	0	0	0	0	0	0	0
	120	Recruitment, entering and leaving the service, transfer costs	1,117	1,117	0	0	1,117	100%	0	0	0	0	0	0	0
	130	Mission costs, duty travel, ancillary expenditure	30	30	0	0	30	100%	0	0	0	0	0	0	0
	140	Social, medical and other services	885	884	0	0	884	100%	0	0	0	0	0	0	0
	141	Canteens, internal meetings, events and receptions	208	168	0	0	168	81%	0	0	0	40	0	0	40
	150	Training and training related expenses	347	347	0	0	347	100%	0	0	0	1	0	0	1
	160	External services	940	940	0	0	940	100%	0	0	0	0	0	0	0
	161	Interim staff and trainees	650	644	0	0	644	99%	0	0	0	6	0	0	6
	170	Receptions, events and representation expenses	15	15	0	0	15	100%	0	0	0	0	0	0	0
	180	Other staff expenditure	125	123	0	0	123	99%	0	0	0	2	0	0	2
1 Total			29,455	29,406	0	0	29,406	100%	1	0	1	49	0	0	49
2	210	Rental of buildings and associated costs	2,939	2,919	0	0	2,920	99%	17	0	17	2	0	0	2
	211	Insurance, maintenance and cleaning	255	255	0	0	255	100%	0	0	0	0	0	0	0

EUR '000

Title	BL	Budget line description	Total available commitment appropriations (C1+C4+C5)	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
				from final adopted budget C1	from carry-overs	from assigned revenue C4,C5	Total	%	Assigned revenue C5	By decision	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	220	Hardware, software and linked expenses	2,587	2,538	0	0	2,538	98%	0	0	0	49	0	0	49
	221	ICT services, analysis, programming, technical assistance	2,109	2,099	0	0	2,099	99%	0	0	0	11	0	0	11
	230	Audiovisual, technical equipment and installations	105	105	0	0	105	100%	0	0	0	0	0	0	0
	231	Furniture	70	70	0	0	70	100%	0	0	0	0	0	0	0
	232	Transportation and removal expenses	100	100	0	0	100	100%	0	0	0	0	0	0	0
	240	Office supplies, publication and library expenses	48	46	0	0	46	97%	0	0	0	1	0	0	1
	241	Other administrative expenditure	35	33	0	0	33	94%	0	0	0	2	0	0	2
2 Total			8,248	8,164	0	0	8,165	99%	17	0	17	65	0	0	65
3	310	Translation and related costs	4,087	4,020	0	0	4,020	98%	0	0	0	67	0	0	67
	311	Communication and related costs	133	133	0	0	133	100%	0	0	0	0	0	0	0
	320	European Delegated Prosecutors remuneration	14,627	14,531	0	23	14,554	99%	73	0	73	0	0	0	0
	321	Costs related to investigation activities	660	659	0	0	659	100%	0	0	0	1	0	0	1
	322	Costs related to the provisions of Art. 91.6	126	126	0	0	126	100%	0	0	0	0	0	0	0
	330	Operational ICT hardware and software	1,779	1,734	0	20	1,754	99%	0	0	0	25	0	0	25

EUR '000

Title	BL	Budget line description	Total available commitment appropriations (C1+C4+C5)	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
				from final adopted budget C1	from carry- overs	from assigned revenue C4,C5	Total	%	Assigned revenue C5	By decision	Total	from final adopted budget	from carry- overs	from assigned revenue	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
	331	Operational ICT services	3,617	3,616	0	0	3,616	100%	0	0	0	1	0	0	1
	340	Close protection services and related costs	2,157	2,157	0	0	2,157	100%	0	0	0	0	0	0	0
	341	Operational missions expenses	1,175	1,105	0	0	1,105	94%	0	0	0	70	0	0	70
	342	Other miscellaneous operational expenses	68	68	0	0	68	100%	0	0	0	0	0	0	0
	3 Total		28,428	28,148	0	43	28,191	99%	73	0	73	164	0	0	164
	Grand Total		66,131	65,719	0	43	65,762	99%	92	0	92	278	0	0	278

5.3 IMPLEMENTATION OF PAYMENT APPROPRIATIONS

EUR '000

Title	BL	Budget line description	Total available payment appropriations (C1+C8+C4+C5)	Payments made					Appropriations carried over to 2023				Appropriations lapsing			
				from final adopted budget C1	from carry-overs C8	from assigned revenue C4,C5	Total	%	Automatic carry-overs C8	By decision	Assigned revenue C4	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1	110	Temporary agents	21,227	21,227	0	0	21,227	100%	0	0	0	0	0	0	0	0
	111	Contract agents	2,321	2,321	0	0	2,321	100%	0	0	0	0	0	0	0	0
	112	Seconded National Experts	1,590	1,590	0	0	1,590	100%	0	0	0	0	0	0	0	0
	120	Recruitment, entering and leaving the service, transfer costs	1,121	1,081	1	0	1,082	97%	36	0	0	36	0	3	0	3
	130	Mission costs, duty travel, ancillary expenditure	51	26	1	0	27	53%	4	0	0	4	0	20	0	20
	140	Social, medical and other services	896	873	7	0	880	98%	11	0	0	12	0	4	0	4
	141	Canteens, internal meetings, events and receptions	290	108	67	0	175	60%	60	0	0	61	40	15	0	54
	150	Training and training related expenses	398	227	49	0	277	70%	119	0	0	119	1	1	0	2
	160	External services	980	799	33	0	832	85%	141	0	0	141	0	7	0	7
	161	Interim staff and trainees	715	578	49	0	627	88%	66	0	0	66	6	16	0	22
	170	Receptions, events and representation expenses	17	12	0	0	12	72%	3	0	0	3	0	2	0	2
	180	Other staff expenditure	127	122	2	0	125	98%	1	0	0	1	2	0	0	2
		1 Total	29,733	28,965	209	0	29,174	98%	441	0	1	442	49	68	0	117
2	210	Rental of buildings and associated costs	3,886	2,220	917	0	3,137	81%	699	0	17	716	2	30	0	32
	211	Insurance, maintenance and cleaning	255	255	0	0	255	100%	0	0	0	0	0	0	0	0
	220	Hardware, software and linked expenses	4,328	1,483	1,738	0	3,221	74%	1,055	0	0	1,055	49	3	0	52
	221	ICT services, analysis, programming, technical assistance	4,141	355	1,501	0	1,856	45%	1,744	0	0	1,744	11	530	0	541
	230	Audiovisual, technical equipment and installations	163	12	35	0	47	29%	93	0	0	93	0	23	0	23
	231	Furniture	70	70	0	0	70	100%	0	0	0	0	0	0	0	0
	232	Transportation and removal expenses	100	100	0	0	100	100%	0	0	0	0	0	0	0	0
	240	Office supplies, publication and library expenses	50	46	0	0	46	93%	0	0	0	0	1	2	0	3
	241	Other administrative expenditure	45	20	10	0	30	67%	13	0	0	13	2	0	0	2



EUR '000

TitleBLBudget line description			Total available payment appropriations (C1+C8+C4+C5)	Payments made				Appropriations carried over to 2023				Appropriations lapsing				
				from final adopted budget C1	from carry-overs C8	from assigned revenue C4,C5	Total	%	Automatic carry-overs C8	By decision	Assigned revenue C4	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
2 Total			13,036	4,561	4,201	0	8,763	67%	3,604	0	17	3,621	65	587	0	653
3	310	Translation and related costs	4,471	3,691	300	0	3,991	89%	328	0	0	328	67	85	0	151
	311	Communication and related costs	230	83	96	0	179	78%	50	0	0	50	0	0	0	0
	320	European Delegated Prosecutors remuneration	14,627	14,531	0	23	14,554	99%	0	0	73	73	0	0	0	0
	321	Costs related to investigation activities	686	301	4	0	304	44%	358	0	0	358	1	23	0	24
	322	Costs related to the provisions of Art. 91.6	126	78	0	0	78	62%	47	0	0	47	0	0	0	0
	330	Operational ICT hardware and software	3,420	601	1,642	20	2,262	66%	1,134	0	0	1,134	25	0	0	25
	331	Operational ICT services	6,883	380	2,522	0	2,901	42%	3,236	0	0	3,236	1	745	0	746
	340	Close protection services and related costs	2,241	2,087	0	0	2,087	93%	70	0	0	70	0	84	0	84
	341	Operational missions expenses	1,362	1,007	140	0	1,147	84%	98	0	0	98	70	47	0	117
	342	Other miscellaneous operational expenses	285	41	193	0	235	82%	27	0	0	27	0	24	0	24
3 Total			34,332	22,800	4,897	43	27,740	81%	5,348	0	73	5,422	164	1,007	0	1,170
Grand Total			77,101	56,326	9,307	43	65,676	85%	9,393	0	92	9,485	278	1,662	0	1,940

5.4 OUTSTANDING COMMITMENTS

EUR '000

Title	BL	BL description	Commitments outstanding at the end of 2022 (C8)				Commitments of the current year (2023)				Total commitments outstanding at year end 2023
			Commitments carried forward from 2022	Decommitments/cancellations	Payments	Total	Commitments made during the year (C1,C5)	Payments C1,C5	Cancellation of commitments which cannot be carried forward	Commitments outstanding at year end (C8 in 2024)	
			1	2	3	4=1+2-3	5	6	7	8=5-6-7	
1	110	Temporary agents	0	0	0	0	21,227	21,227	0	0	0
	111	Contract agents	0	0	0	0	2,321	2,321	0	0	0
	112	Seconded National Experts	0	0	0	0	1,590	1,590	0	0	0
	120	Recruitment, entering and leaving the service, transfer costs	4	-3	1	0	1,117	1,081	0	36	36
	130	Mission costs, duty travel, ancillary expenditure	21	-20	1	0	30	26	0	4	4
	140	Social, medical and other services	10	-4	7	0	884	873	0	11	11
	141	Canteens, internal meetings, events and receptions	82	-15	67	0	168	108	0	60	60
	150	Training and training related expenses	50	-1	49	0	347	227	0	119	119
	160	External services	40	-7	33	0	940	799	0	141	141
	161	Interim staff and trainees	66	-16	49	0	644	578	0	66	66
	170	Receptions, events and representation expenses	2	-2	0	0	15	12	0	3	3
	180	Other staff expenditure	2	0	2	0	123	122	0	1	1
1 Total			277	-68	209	0	29,406	28,965	0	441	441
2	210	Rental of buildings and associated costs	947	-30	917	0	2,920	2,221	0	699	699
	211	Insurance, maintenance and cleaning	0	0	0	0	255	255	0	0	0
	220	Hardware, software and linked expenses	1,741	-3	1,738	0	2,538	1,483	0	1,055	1,055
	221	ICT services, analysis, programming, technical assistance	2,031	-530	1,501	0	2,099	355	0	1,744	1,744
	230	Audiovisual, technical equipment and installations	58	-23	35	0	105	12	0	93	93

EUR '000

TitleBLBL description			Commitments outstanding at the end of 2022 (C8)				Commitments of the current year (2023)				Total commitments outstanding at year end 2023
			Commitments carried forward from 2022	Decommitments/ cancellations	Payments	Total	Commitments made during the year (C1,C5)	Payments C1,C5	Cancellation of commitments which cannot be carried forward	Commitments outstanding at year end (C8 in 2024)	
	231	Furniture	0	0	0	0	70	70	0	0	0
	232	Transportation and removal expenses	0	0	0	0	100	100	0	0	0
	240	Office supplies, publication and library expenses	2	-2	0	0	46	46	0	0	0
	241	Other administrative expenditure	10	0	10	0	33	20	0	13	13
2 Total			4,789	-587	4,201	0	8,165	4,561	0	3,604	3,604
3	310	Translation and related costs	384	-85	300	0	4,020	3,691	0	328	328
	311	Communication and related costs	96	0	96	0	133	83	0	50	50
	320	European Delegated Prosecutors remuneration	0	0	0	0	14,554	14,554	0	0	0
	321	Costs related to investigation activities	27	-23	4	0	659	301	0	358	358
	322	Costs related to the provisions of Art. 91.6	0	0	0	0	126	78	0	47	47
	330	Operational ICT hardware and software	1,642	0	1,642	0	1,754	621	0	1,134	1,134
	331	Operational ICT services	3,266	-745	2,522	0	3,616	380	0	3,236	3,236
	340	Close protection services and related costs	84	-84	0	0	2,157	2,087	0	70	70
	341	Operational missions expenses	187	-47	140	0	1,105	1,007	0	98	98
	342	Other miscellaneous operational expenses	217	-24	193	0	68	41	0	27	27
3 Total			5,903	-1,007	4,897	0	28,191	22,843	0	5,348	5,348
Grand Total			10,970	-1,662	9,307	0	65,762	56,369	0	9,393	9,393

GLOSSARY

Administrative appropriations

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

Adopted budget

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

Amending budget

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

Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments may differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses.

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

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

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

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

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

Budgetary commitment

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

Cancellation of appropriations

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

Carryover of appropriations

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

Commitment appropriations

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

De-commitment

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

Differentiated appropriations

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

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Fund sources

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

Grants

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

Lapsing appropriations

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

Legal basis / basic act

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

Legal commitment

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

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

Non-differentiated appropriations

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

Operational appropriations

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

Outstanding commitments

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

Payment appropriations

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

RAL (Reste à liquider)

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

Surplus

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

Transfer between budget lines

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