



Annual accounts of the European
High Performance Computing Joint
Undertaking

Financial year 2022

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European High Performance Computing Joint Undertaking (EuroHPC JU) in accordance with Article 52 of the Model Financial Regulation ('MFR')¹ and I hereby certify that the annual accounts of the EuroHPC JU for the year 2022 have been prepared in accordance with Chapter 8 of the MFR 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 EuroHPC JU 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 EuroHPC JU.

My assurance statement related to the Final Accounts 2022 will be transmitted to the Accounting Officer of the Commission. The Management Representation Letter, signed by the Authorising Officer and myself, will be sent to the European Court of Auditors for the audit of the Final Accounts.

Andrei Hretu
Accounting Officer

¹ COMMISSION DELEGATED REGULATION (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

BACKGROUND INFORMATION NOTE

General background on the entity

Establishment

The European High Performance Computing Joint Undertaking (EuroHPC JU) was established in 2018 (Council Regulation (EU) N° 2018/1488 of 28/09/2018). It was repealed in 2021, and replaced by Council Regulation (EU) 2021/1173 of 13 July 2021 on establishing the European High Performance Computing Joint Undertaking and repealing Regulation (EU) 2018/1488. This regulation defines the tasks that are entrusted to the EuroHPC Joint Undertaking under Horizon Europe (HE) programme, the Digital Europe Programme (DEP) and the Connecting Europe Facility (CEF).

The Joint Undertaking is the legal entity responsible for the implementation of research and technological development in European High Performance Computing. Between 2018 and the date when financial autonomy was achieved, on 23 September 2020, the EuroHPC JU operated under the auspices of the European Commission (DG CNECT). The Joint Undertaking is located in Luxembourg.

Mission

The EuroHPC JU's original mission² was to provide, with Horizon 2020 and CEF funding, Europe with a world-leading hyper-connected supercomputing and quantum computing infrastructure, which will be easily and securely accessible from anywhere in Europe by procuring world leading supercomputers and supporting research and innovation activities to develop, create and maintain an innovative European supercomputing ecosystem. The EuroHPC JU's Research and Innovation Agenda seeks to strengthen the European knowledge base in HPC technologies and bridge the digital skills gap, notably through the creation of a network of national HPC Competence Centres.

With Regulation 2021/1173 (in force 8/08/2021), the mission of the Joint Undertaking will now develop, deploy, extend and maintain in the Union a world-leading federated, secure and hyper-connected supercomputing, quantum computing, service and data infrastructure ecosystem; support the development and uptake of demand-oriented and user-driven innovative and competitive supercomputing and widen the use of the supercomputing infrastructure to a large number of public and private users, and support the twin transition and the development of key skills for European science and industry.

Main operational objectives

By pooling European and national resources together, the EuroHPC Joint Undertaking ensures that the EU and EuroHPC participating countries coordinate their investments with the objective of deploying, in Europe, world-class exascale supercomputers and supporting world leading high performance computing (HPC). The EuroHPC JU seeks to support European excellence in computing solutions, improving cooperation in advanced scientific research, boosting industrial competitiveness, and ensuring European technological and digital autonomy.

The Joint Undertaking supports two main (legacy) objectives which the JU continued to implement in 2022³:

- Developing a world-class supercomputing infrastructure: procuring and deploying in the EU three pre-exascale supercomputers (capable of at least 10¹⁷ calculations per second) and five petascale supercomputers (capable of at least 10¹⁵ calculations per second). These new machines will be located across the European Union and will be available to Europe's private and public users, scientific and industrial users throughout in Europe; and
- Supporting research and innovation activities: developing and maintaining an innovative European supercomputing ecosystem, stimulating a technology supply industry (from low-power processors to software and middleware, and their integration into supercomputing systems), and making supercomputing resources in many application areas available to a large number of public and private users, including small and medium-sized enterprises.

² Tasks set out in Regulation 2018/1488

³ Legacy activities as set out in Regulation 2018/1488

In addition, since 2021, the Joint Undertaking has new objectives which are:

- a) To contribute to the implementation of Regulation (EU) 2021/695 and in particular Article 3 thereof, to deliver scientific, economic, environmental, technological and societal impact from the Union's investments in research and innovation, so as to strengthen the scientific and technological bases of the Union, deliver on the Union strategic priorities and contribute to the realisation of Union objectives and policies, and to contribute to tackling global challenges, including the Sustainable Development Goals by following the principles of the United Nations Agenda 2030 and the Paris Agreement adopted under the United Nations Framework Convention on Climate Change⁴
- b) To develop close cooperation and ensure coordination with other European Partnerships, including through joint calls, as well as to seek synergies with relevant activities and programmes at Union, national, and regional level, in particular with those supporting the deployment of innovative solutions, education and regional development, where relevant;
- c) To develop, deploy, extend and maintain in the Union an integrated, demand-oriented and user-driven hyper-connected world-class supercomputing and data infrastructure;
- d) To federate the hyper-connected supercomputing and data infrastructure and interconnect it with the European data spaces and cloud ecosystem for providing computing and data services to a wide range of public and private users in Europe;
- e) To promote scientific excellence and support the uptake and systematic use of research and innovation results generated in the Union;
- f) To further develop and support a highly competitive and innovative supercomputing and data ecosystem broadly distributed in Europe contributing to the scientific and digital leadership of the Union, capable of autonomously producing computing technologies and architectures and their integration on leading computing systems, and advanced applications optimised for these systems; and
- g) To widen the use of supercomputing services and the development of key skills that European science and industry need.

The Joint Undertaking shall enable a co-design approach for the acquisition of world-class supercomputers, while safeguarding the security of the supply chain of procured technologies and systems. It shall contribute to the Union's strategic autonomy, support the development of technologies and applications reinforcing the European High Performance Computing supply chain and promote their integration in supercomputing systems that address a large number of scientific, societal, environmental and industrial needs

Governance

The Joint Undertaking is headed by an Executive Director, who is the chief executive responsible for the Joint Undertaking's day-to-day management. He/she is appointed by the Governing Board, the main decision-making body of the JU. The Governing Board has the overall responsibility for the strategic orientation, funding decisions and supervision of the implementation of the JU's activities including all the public procurement activities. It is composed of representatives of the EU and Participating States. The Commission and each Participating State appoint one representative in the Governing Board. Each representative may be accompanied by one expert.

The Industrial and Scientific Advisory Board is made up of the Research and Innovation Advisory Group (RIAG) and the Infrastructure Advisory Group (INFRAG) provides independent advice to the Governing Board on the strategic research and innovation agenda and on the acquisition and operation of the supercomputers owned by the Joint Undertaking. RIAG and INFRAG are made up of representatives of academia and industry as users and technology suppliers.

⁴ OJ L 282, 19.10.2016, p. 4.

Sources of financing

The EuroHPC JU is funded by its members, i.e. the Union represented by the Commission, the Participating States and the Private Members (the European Technology Platform for High Performance Computing, ETP4HPC and the Big Data Value Association, BDVA).

The administrative costs are covered by financial contributions of the Commission, on behalf of the Union (Horizon 2020 and CEF), the Participating States and until August 2021 by Private Members. The operational costs are covered by financial contributions of the EU and Participating States and in kind contributions. The in kind contributions consist of the costs incurred by the Participating States and by the Private Members in implementing indirect actions that are not reimbursed by the EuroHPC JU.

The Union financial contribution, from August 2021 onwards, to the Joint Undertaking including EEA appropriations shall be up to EUR 3 081 300 000, including EUR 92 000 000 for administrative costs, on the condition that this amount is at least matched by the contribution of Participating States, distributed as follows:

- a) Up to EUR 900 000 000 from Horizon Europe;
- b) Up to EUR 1 981 300 000 from the Digital Europe Programme;
- c) Up to EUR 200 000 000 from the Connecting Europe Facility.

The Union contribution also covers the administrative costs of the Joint Undertaking.

Annual accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the Model Financial Regulation (MFR)⁵. 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 MFR, the Governing Board of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for the preparation of the annual accounts.

Following the decision of the EuroHPC JU's Governing Board of 25 November 2022 (EuroHPC GB 38/2022), Andrei Hretu shall act as the Accounting Officer of EuroHPC JU as of 01 December 2022.

Composition of the annual accounts

The annual accounts cover the period from 1 January to 31 December and 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 audit company selected by the entity. Following the audit, the Accounting Officer prepares the final annual accounts and submits them to the Governing Board for opinion.

⁵ Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 142, 29.5.2019, p. 16)

The final annual accounts, together with the opinion of the Governing Board, are sent to the Accounting Officer of the Commission, ECA, the European Parliament and the Council by 1 July of the following financial year. 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 Executive Director of EuroHPC JU in respect of the implementation of the budget for a given financial year. Amongst other elements, this decision is also based on a review of the accounts and the annual report of ECA.

3. Operational highlights

Achievements of the year

In 2022, EuroHPC Joint Undertaking (JU) was in its 2nd full year of operation since its autonomy in September 2020. The JU launched R&I projects devoted to setting up ten Centres of Excellence responsible for the development and adaptation of HPC applications for exascale and post-exascale computing. The applications will be developed to support research in climate and weather, drug development, astrophysics and engineering. EuroHPC JU also funded two projects to build a European network of national HPC competence centres. The competence centres will coordinate HPC expertise at national level and ease access to European HPC opportunities for research and scientific users, public administration and industry, delivering tailored solutions for a wide variety of users across Europe.

In 2022, our first two pre-exascale supercomputers were inaugurated. LUMI in Finland in June 2022 and LEONARDO in Italy in November 2022 (foreseen final acceptance in 2023). In November 2022, LUMI was ranked the third fastest and LEONARDO was ranked fourth fastest supercomputers in the world ([TOP500 November 2022](#)). The EuroHPC JU Governing Board approved the choice of a hosting site in Germany for the first high-end / exascale supercomputer to be procured by the JU and four hosting sites (Greece, Poland, Hungary and Ireland) for the procurement of four additional mid-range supercomputers. All procurements are planned to be launched in 2023. The Governing Board also approved the Hosting Entities that will host six Quantum Computers, to be procured in 2024.

EuroHPC JU continued to grow and establish itself. By the end of 2022 it had 23 staff in post and 4 interim agents supporting the work of the JU. The JU has developed financial processes to manage procurements, R&I projects, reporting of in-kind contributions (IKOP). Relations with other JUs have been excellent and the JU entered into a Back-Office Arrangement (BOA) with EU-RAIL JU on accountancy services.

Operational achievements

Operational EuroHPC systems in 2022

NOVEMBER 2022	TOP 500	GREEN 500
LUMI	#3	#7
Leonardo	#4	#14
MELUXINA	#52	#22
KAROLINA	#85	#20
DISCOVERER	#123	#247
VEGA	#140	#288

In 2022, the following supercomputers were operational: LUMI C (FI) , VEGA (SI), MELUXINA (LUX), KAROLINA (CZ), and DISCOVERER (BG), and all made the TOP500 June 2022 list of the world most powerful supercomputers in the world.

LEONARDO, which will only receive acceptance in 2023, appeared for the first time in the TOP500 list in November 2022.

All operational EuroHPC systems ranked among the world’s most powerful & energy efficient supercomputers and are accessible to users located in the European Union.

Source: [November 2022 | TOP500](#)

Access to Euro HPC’s systems in 2022

In 2022, the JU organised a number of calls in order to provide European scientists and SMEs with access to the computing resources of the EuroHPC JU for large-scale European projects that have important needs in terms of compute time, data storage, and support resources. In 2022, 50 scientific projects were submitted in the fields of Biochemistry, Bioinformatics, Life Sciences, Physiology and Medicine, Chemical Sciences and Materials, Solid State Physics, Computational Physics: Universe Sciences, Fundamental Constituents of Matter and Engineering, Mathematics and Computer Sciences. In 2022, these projects were allocated 874.667.077 core hours on the HPC systems.

Procurements

Following delays due to the COVID-19 pandemic, the installation of MARE NOSTUM 5 and DEUCALION began. The Joint Undertaking procured and selected the vendor for the MARE NOSTRUM 5 system which is being installed in Spain. The system will be inaugurated in 2023. In Portugal, the Government identified a data centre and the system will be installed in 2023.

With Regulation 2021/1173, the JU selected five new hosting entities for the next generation of HPC systems: one exascale to be located in Germany and four mid-range supercomputers to be located in Greece, Poland, Hungary and Ireland. JUPITER- the high-end/exascale system will be procured in 2023. Procurement for the mid-ranges will take place once each Hosting Entity has secured funding.

At the end of 2022, the JU launched a call of expression of interest to identify a hosting entity for a second high-end/exascale supercomputer as well as further mid-range systems.

In addition the JU selected six hosting entities for the next generation of quantum computers to be located in the Czech Republic, France, Italy, Germany, Poland and Spain.

Research and Innovation activities

A Training and Education Call (EUMasters4HPC) was awarded to a consortium led by the University of Luxembourg. In September 2022, the EuroHPC Masters programme was launched and first intake of students from across the EU have registered on the two-year course.

The JU launched R&I projects to set up ten Centres of Excellence responsible for the development and adaptation of HPC applications for exascale and post-exascale computing. EuroHPC JU will also fund in partnership with Participating States two projects to build a European network of national HPC competence centres. The competence centres will coordinate HPC expertise locally and promote the use of European EuroHPC systems for research, SMEs, the public sector and industry. The JU also launched a call on HPC software algorithms to develop novel algorithms to exploit the full potential of the upcoming European exascale supercomputers.

In 2022, the JU organized 16 R&I project monitoring reviews for projects launched in 2019 and 2020, involving 42 experts of different nationalities (15 EU countries represented).

Covid-19 consequences

In line with the Commission guidance, EuroHPC JU took all possible precautions to ensure business continuity and to ensure the staff health and wellbeing. The offices were open, with all staff partially present. Most meetings (including most Governing Boards, events, evaluations, recruitments and expert meetings) were organised in a hybrid way and staff began going on missions to meetings and conferences.

Other achievements:

Lenovo versus EuroHPC JU (Case T-717/20)

In 2020, Lenovo launched a complaint to the European Court of Justice about EuroHPC JU procurement on LEONARDO, and requested an annulment of the procurement procedure for the Leonardo supercomputer to be installed in Italy. On 19 October 2022, the European Court of Justice ruled in favour of EuroHPC JU. The Court confirmed that the JU had followed the correct procedures and confirmed the principle of 'EU added value' criteria should be part of the procurement evaluations. The Court therefore asked that Lenovo pays all the costs incurred in the case.

The Financial reporting to operational activities

In 2022 EuroHPC JU continued to improve the mandatory reporting process regarding the contributions of Participating States and the IKOP reporting by Private Members on their contribution made to the JU's activities. Private Members reported estimated IKOP on 29 projects (ca. 6.8 million) for R&I indirect actions under the Horizon 2020 programme.

Back Office Arrangement (BOA)

EuroHPC JU Governing Board agreed that EuroHPC JU could, if appropriate⁶, engage in BOA agreements with its sister JUs. In 2022, EuroHPC JU agreed to join the BOA Accountancy Services which is being provided by EU-RAIL JU.

Employer pension contributions

Following the concerns raised by the ECA, the Commission provided legal and financial guidance to all JU on employer contributions to staff pensions. It is estimated that EuroHPC JU will pay ca. EUR 5 million over the life-time of the JU. Funds will come from EU contributions to the administrative budget of the JU.

Budget and budget implementation

The EuroHPC JU budget revenue according to the final voted budget for 2022 is EUR 474.8 million. The cashed amount in 2022 includes the cashed amount from 2021 (Leonardo was launched in 2021 but cashed in 2022) was EUR 531.2 million.

- The contributions received from PT (Deucalion), CSC (Finland) and CINECA (Italy) Hosting Entities (HEs) include the financial contributions made by the EuroHPC JU Participating States. This contribution amounts to EUR 123 million for the petascale, pre-exascale and high-end / exascale supercomputers. Recovery of these financial contributions is done through the Hosting Entities which, for these procurements, act on behalf of the Participating States. One Recovery Order was launched in 2021 but the amount was only cashed in 2022 (Leonardo: EUR 55.3 million).
- The EU contribution from the 3 funding programmes (DEP, HE and CEF2) and legacy (H2020 and CEF1) amounts to EUR 407.1 million for 2022.
- Due to a contractual penalty (late delivery of Meluxina SUPERCOMPUTER Luxembourg), an additional amount of EUR 1 million is included in the revenue. Therefore the total revenue amounts to EUR 531.2 million.

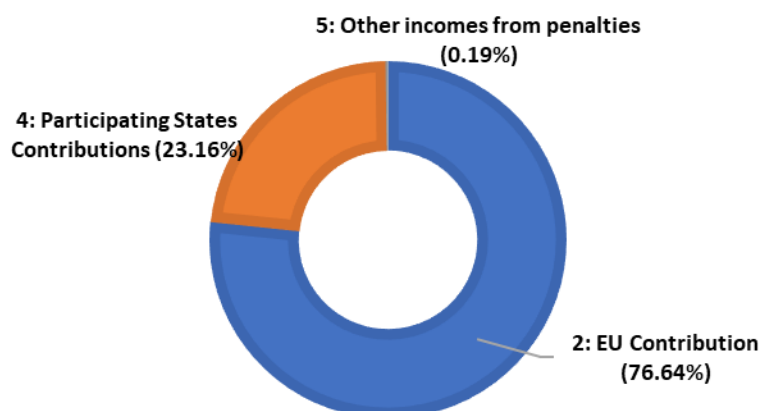
⁶ As EuroHPC JU is not a part of the Single Basic Act regulation, it may decide to participate to BOA activities on case-by-case basis.

The table below shows in detail the contributions cashed in 2022 from the EU and Participating States.

Contributions from EU and Participating States 2022

EU H2020 ADMIN	1.740.965,29 €
EU H2020 Operational	67.228.103,12 €
EU CEF	43.818,00 €
EU HE ADMIN	1.258.944,30 €
EU HE Operational	95.504.766,73 €
EU DEP ADMIN	2.210.135,08 €
EU DEP Operational	209.149.572,98 €
EU CEF2 Operational	30.000.000,00 €
Total ADMIN	5.210.044,67 €
Total Operational	401.926.260,83 €
Total EU	407.136.305,50 €
PS Leonardo cashed 2022	55.337.170,67 €
PS Deucalion	2.266.637,50 €
PS Lumi CZ NFA	1.250.000,00 €
PS Lumi CSC FI	933.617,03 €
PS Jupiter	63.250.000,00 €
Total PS	123.037.425,20 €
Other Income	1.025.541,00 €
Total Revenue	531.199.271,70 €

REPARTITION OF ENTITLEMENTS



Expenditure under Title 1 and 2:

The EuroHPC JU did not use all commitment and payment appropriations reserved on administrative lines. The JU has given priority to spending the C2 (reactivated credits) first.

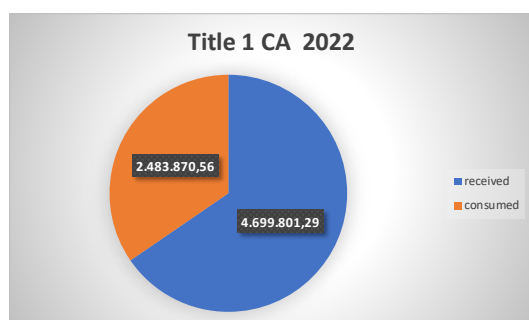
The JU has paid the EC PMO for the employee pension contribution for 2022 an amount of 107.275,72 EUR.

Budget implementation under title 1 and 2 (Administrative Expenses C1 and C2 appropriations) is as follows:

	CA Appropriations 2022	CA consumed 2022	CA available 2022	PA Appropriations 2022	PA consumed 2022	PA available 2022
Title 1	4.699.801,29	2.483.870,56	2.215.930,73	4.802.209,85	2.247.881,46	2.554.328,39
%		52,9%			46,8%	
Title 2	3.516.922,89	1.211.760,64	2.305.162,25	3.383.328,16	764.634,12	2.618.694,04
%		34,5%			23%	
Total Administrative Expenditure	8.216.724,18	3.695.631,20	4.521.092,98	8.185.538,01	3.012.515,58	5.173.022,43
		45,0%			36,8%	

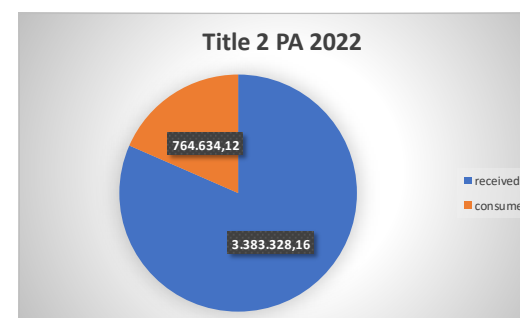
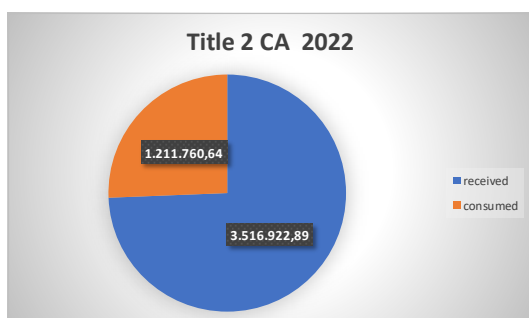
Situation of Commitment and Payment Appropriations Title 1

	CA 2022		PA 2022
received	4.699.801,29	received	4.802.209,85
consumed	2.483.870,56	consumed	2.247.881,46
	52,9%		46,8%



Situation of Commitment and Payment Appropriations Title 2

	Title 2 CA 2022		Title 2 PA 2022
received	3.516.922,89	received	3.383.328,16
consumed	1.211.760,64	consumed	764.634,12
	34,5%		22,6%



In line with the Joint Undertaking N+3 rule, unused appropriations will be carried over to 2023. The tables above show the C1 and C2 appropriations.

Expenditure under Title 3:

Due to the relatively late adoption of the regulation 2021/1173 (August 2021) and consequently the late approval of the Work Programme 2021 in December 2021, EuroHPC JU was not able to launch all calls foreseen for 2021 and those had to be launched and implemented during 2022 in addition to the calls foreseen under Work Programme 2022.

As a result the expected pre-financing payments will be delayed to 2023.

Also the CEF appropriations which were foreseen for the Hyperconnectivity were postponed due to the need for a study to inform the exact requirements for this complex call.

Due to the delays in completing the supercomputers, the interim payments for the OPEX grants signed for the pre-exascale supercomputers (LUMI, Leonardo and MARENOSTRUM 5) will also be delayed. The hosting entities have already incurred costs for the site preparation, staff and operating costs but can only claim those costs once the supercomputers are accepted and operational to produce access time for the end-users. These payments will also only take place in 2023 and thereafter.

With regards to 2021/1173 Regulation HPC systems, the hosting entities for the high-end / exascale supercomputer, the Quantum Computers and Midrange Computers were selected in 2022, but the procurement pre-financing payments and OPEX grants related to the selected hosting entities will only be finalised in 2023.

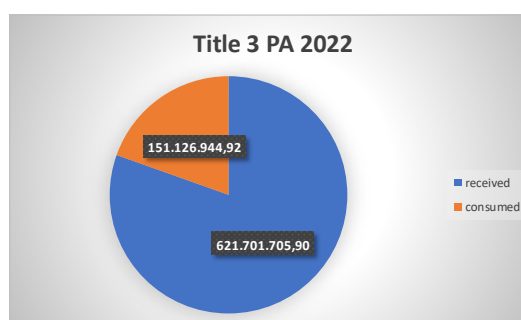
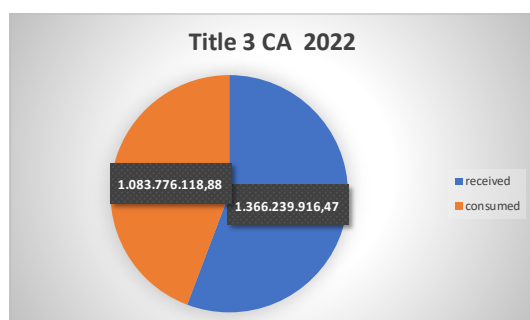
At the end of 2022, the JU received some requests for interim payments for the R&I Grants. The JU will only proceed with the payment procedure once the expert technical evaluation is finalised, at the beginning of 2023.

The Risk V Call, the High Level Support Call, the two training and skills call and the international cooperation with Japan call under the Work Programme 2022 were launched in December 2022 and at the beginning of 2023, therefore the pre-financing payments will be done in 2023.

Budget implementation under title 3 (Grants and Infrastructure C1 and C2 appropriations) is as follows:

Situation of Commitment and Payment Appropriations Title 3 - Operational

Title 3 CA 2022		Title 3 PA 2022	
received	1.366.239.916,47	received	621.701.705,90
consumed	1.083.776.118,88	consumed	151.126.944,92
	79,3%		24,3%



Summary of the voted budget of the year (general explanation on the size and structure of the budget as compared to last year's budget)

The JU Work plan and Budget 2022 was voted in December 2021. This budget set up the work programme for the first year under the new EuroHPC Regulation which was adopted in 2021 and included a full staff establishment plan. Almost all calls were launched in 2022. The last amendment of the Work Programme took place in December 2022, which meant that four calls were only launched in early 2023.

Impact of the activities in the financial statements

In the financial statements, the impact of the above mentioned activities can be noted in the:

Pre-financing: The overall pre-financing increased by kEUR 60 224 due to the increase of payments made for the supercomputers acquisitions and also the increase of pre-financing paid for the new projects signed for Research and Innovation (R&I) projects started in the year (see note 2.2).

Increase of exchange receivables: The increase of this heading by kEUR 340 210 is mainly driven by the increase of the Central treasury liaison account, representing the virtual bank account of the Joint Undertaking. The distortion in the global supply of chips and other supply issues delayed the completion of the procurements and installation of the supercomputers. Consequently, the payments had to be delayed

to 2023. The subsequent delays meant that in 2022, allocated cash reserved for unfinished procurements were received from the Commission and the Participating States into the JU account. (see note **2.3**).

Member's contribution: An increase of Members contributions recognised under net assets (2022: kEUR 824 202 versus 2021: 427 292) that can be attributed to higher cash contributions from participating states and the Commission so as to cover increasing operating and administrative activities of the JU in 2022 (see note **2.6**).

Operating costs: The overall increase of the operating costs was driven mainly by the increase of the estimated in-kind contributions reported for 2022. (see note 3.2).

Staff costs and other expenses: the increase in staff costs relates mainly to EuroHPC's salary expenses while the increase in other expenses was mainly driven by the increase in the depreciation charge for the year 2022 and the increase in the maintenance costs for supercomputers. (see notes **3.3** and **3.4**).

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.

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BALANCE SHEET

		EUR '000	
	Note	31.12.2022	31.12.2021
NON-CURRENT ASSETS			
<i>Intangible assets</i>		1	1
<i>Property, plant and equipment</i>	2.1	46 370	13 542
<i>Pre-financing</i>	2.2	143 183	196 977
		189 554	210 521
CURRENT ASSETS			
<i>Pre-financing</i>	2.2	154 037	40 019
<i>Exchange receivables and non-exchange recoverables</i>	2.3	502 057	161 847
		656 093	201 866
TOTAL ASSETS		845 647	412 387
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.4	160 267	34 094
<i>Accrued charges and deferred income</i>	2.5	40 615	42 256
		200 882	76 350
TOTAL LIABILITIES		200 882	76 350
<i>Contribution from Members</i>	2.6	824 202	427 292
<i>Accumulated deficit</i>		(91 255)	(28 575)
<i>Economic result of the year</i>		(88 182)	(62 680)
NET ASSETS		644 765	336 037
LIABILITIES AND NET ASSETS		845 647	412 387

STATEMENT OF FINANCIAL PERFORMANCE

		EUR '000	
	Note	2022	2021
REVENUE			
Revenue from exchange transactions	3.1		
<i>Financial revenues</i>		224	17
<i>Other</i>		1 035	47
		1 258	65
Total revenue		1 258	65
EXPENSES			
<i>Operating costs</i>	3.2	(72 078)	(58 811)
<i>Staff costs</i>	3.3	(1 940)	(1 485)
<i>Other expenses</i>	3.4	(15 422)	(2 448)
Total expenses		(89 440)	(62 744)
ECONOMIC RESULT OF THE YEAR		(88 182)	(62 680)

CASHFLOW STATEMENT⁷

EUR '000

	2022	2021
<i>Economic result of the year</i>	(88 182)	(62 680)
Operating activities		
<i>Depreciation and amortization</i>	10 523	1 834
<i>(Increase)/decrease in pre-financing</i>	(60 223)	(133 165)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(340 209)	(49 184)
<i>Increase/(decrease) in payables</i>	126 174	33 692
<i>Increase/(decrease) in accrued charges & deferred income</i>	(1 641)	17 355
<i>Increase/(decrease) in cash contributions</i>	396 910	207 512
Investing activities	-	-
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(43 351)	(15 363)
NET CASHFLOW	-	-
<i>Net increase/(decrease) in cash and cash equivalents</i>	-	-
<i>Cash and cash equivalents at the beginning of the year</i>	-	-
<i>Cash and cash equivalents at year-end</i>	-	-

⁷ The treasury of EHPC JU is integrated into the Commission's treasury system. Because of this, EHPC JU 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, which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2020	219 781	-	(28 575)	191 205
<i>Allocation 2020 economic result</i>	-	(28 575)	28 575	-
<i>Cash contribution</i>	164 471	-	-	164 471
<i>Unpaid cash contributions</i>	43 041	-	-	43 041
<i>Economic result of the year</i>	-	-	(62 680)	(62 680)
BALANCE AS AT 31.12.2021	427 292	(28 575)	(62 680)	336 037
<i>Allocation 2021 economic result</i>	-	(62 680)	62 680	-
<i>Cash contribution</i>	396 910	-	-	396 910
<i>Unpaid cash contributions</i>	-	-	-	-
<i>Economic result of the year</i>	-	-	(88 182)	(88 182)
BALANCE AS AT 31.12.2022	824 202	(91 255)	(88 182)	644 765

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows 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.

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

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

1.2.2. 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	31.12.2022	31.12.2021	Currency	31.12.2022	31.12.2021
BGN	1.9558	1.9558	PLN	4.6808	4.5969
CZK	24.116	26.8580	RON	4.9495	4.9490
DKK	7.4365	7.4364	SEK	11.1218	10.2503
GBP	0.88693	0.84028	CHF	0.9847	1.0331
HRK	7.5365	7.5156	JPY	140.66	130.3800
HUF	400.87	369.1900	USD	1.0666	1.1326

1.2.3. 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, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. 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.

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

The following IPSAS standards are effective as of January 1, 2025 (earlier application is permitted):

- **IPSAS 43 Leases:** IPSAS 43 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.
- **IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations:** IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value.

The Accounting Officer is assessing the impact of the above standards on the Annual Accounts and considering a possible revision of relevant EAR accordingly.

1.3. BALANCE SHEET

1.3.1. 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).

1.3.2. 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
<i>Buildings</i>	4 % to 10 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	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 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.

1.3.3. 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.

1.3.4. 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.

Initial recognition and measurement

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

Subsequent measurement

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.

Derecognition

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

1.3.5. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is recognised as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.6. 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.

1.3.7. Cash and cash equivalents

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

1.3.8. 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 (see note 1.4.1) , or non-validated in-kind contributions to operational activities (see note 1.6.2).

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.

1.3.9. 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.

1.3.10. Provisions

Provisions are recognized when the entity 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. Provisions are not recognized for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

When the obligation whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity, is possible, no provision is recognized, but a contingent liability is disclosed. Refer to note 1.5.2 for details.

1.3.11. Net assets

Net assets are the residual of assets and liabilities and comprise of accumulated contributions received from the members of the JU (EU and industry) less the accumulated contributions used. The contributions include financial contributions received by the JU and contributions provided by the members to the funded projects in-kind. The net assets also contain reserves, if applicable. Refer to note 1.6 for details.

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. 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.

1.4.2. 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.

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. 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 entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.5.2. 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.

1.6. CONTRIBUTIONS FROM MEMBERS

The contributions from the Members of the Joint Undertakings (JU) form the funding of the JU and are treated as contributions from owners. An owner in this context does not mean an owner in the sense of owning shares of the JU (no shares are issued) but rather in the sense of political interest and governance of the JU by exercising the voting rights linked to these contributions.

1.6.1. Financial contributions

Financial contributions are contributions of Members made in cash in order to provide funding of the operational or administrative needs of the JU.

For Horizon 2020 Programme: financial contributions are contributions of Members made in cash in order to provide funding of the operational or administrative needs of the JU. These financial contributions are recognised in net assets in the period in which the enforceable right to receive the payment was established.

For Horizon Europe Programme:

- EU Contributions: In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the JU received from the European Union a pre-financing payment for the implementation of the Horizon Europe Framework Programme.

According to the Specific Guidance for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contributions payments done by the EU for the Horizon Europe Programme are accounted as 'Contributions in cash to be validated'. During the provisional accounting closure, the JU should, on the basis of the payment's implementation report, determine the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe Programme. In the accounting of the JU the underlying amount should be, for the purpose of the preparation of the provisional financial statements, transferred from the provisional payments to the net assets of the JU (cut-off procedure). It will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – AAR (Art. 19.2 FFPA).

- Private (Industry Members) contributions: financial contributions are contributions made in cash in order to provide funding of the operational or administrative needs of the JU. These financial contributions are recognised in net assets in the period in which the enforceable right to receive the payment was established.

1.6.2. In-kind contributions

Members other than the EU (i.e. 'Private Members') can also contribute resources other than cash, e.g. laboratory equipment, specialised staff, etc. These in-kind contributions consist of the costs incurred by Private Members in implementing indirect actions.

The Regulation distinguishes between two types of in-kind contributions: (1) In-kind contributions to operational activities (IKOP) and (2) in-kind contributions to additional activities (IKAA). The EuroHPC however only has IKOP.

The IKOP represents in-kind contributions made to the JU linked to its work plan and co-financed by the EU. The IKOP are recognised in net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation are met.

The expenses related to the IKOP incurred in the financial year are recognised in the statement of financial performance. At year-end, incurred IKOP not yet reported are estimated and recorded as other liabilities ('Contributions of Members to be validated').

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that are held for use in the production or 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		
	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2021</i>	15 361	16	15 377
<i>Additions</i>	43 346	5	43 351
Gross carrying amount at 31.12.2022	58 706	21	58 727
<i>Accumulated depreciation at 31.12.2021</i>	(1 833)	(2)	(1 835)
<i>Depreciation charge for the year</i>	(10 518)	(4)	(10 523)
Accumulated depreciation at 31.12.2022	(12 351)	(6)	(12 357)
NET CARRYING AMOUNT AT 31.12.2022	46 355	15	46 370
<i>NET CARRYING AMOUNT AT 31.12.2021</i>	13 528	14	13 542

The increase in this heading is related to the fact that in 2022, the supercomputer LUMI C has become operational.

2.2. PRE-FINANCING

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular underlying contract, decision, agreement or basic legal act.

	EUR '000	
	31.12.2022	31.12.2021
<i>Non-current pre-financing</i>	143 183	196 977
<i>Current pre-financing</i>	154 037	40 019
Total	297 220	236 996

The current pre-financing includes kEUR 125 316 of advanced payments for the purchase of supercomputers. The remaining kEUR 28 721 relates to pre-financing paid to beneficiaries of grant agreements. The decrease in non-current pre-financing and the increase in current pre-financing was driven mainly by the reclassification of the advanced payments for the purchase of supercomputers from non-current to current following the expectation that the supercomputers will receive the final acceptance and become operational in 2023.

The high amount of the open pre-financing related to grants can be explained by the fact that according to the Horizon 2020 rules, the incurred costs (both actual and estimated) are cleared against pre-financing only when the total amounts paid to the beneficiary reach 90% of the grant agreement amount. In addition, only the amount exceeding this threshold is cleared. Consequently, in the first years of a project's life there is significant open pre-financing that will only be cleared in later years.

The outstanding pre-financing presented under this heading is net of estimated (cut-off) expenses for on-going projects without validated cost claims on 31 December 2022. The clearing of pre-financing with cut off expenses amounted to kEUR 46 539. The remaining portion of the cut off expenses is recorded in accrued charges (see note 2.5).

2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

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.

All the amounts under this heading are of current, by non-exchange and exchange nature and can be broken down as follows:

	EUR '000	
	31.12.2022	31.12.2021
Recoverables from non-exchange transactions		
<i>Other</i>	-	17
	-	17
Receivables from exchange transactions		
<i>Central treasury liaison accounts</i>	502 048	106 484
<i>Customers</i>	-	55 337
<i>Other</i>	8	9
	502 057	161 830
Total	502 057	161 847

The Central treasury liaison (intercompany) accounts with the Commission represent a virtual bank account of EuroHPC as the treasury of the joint undertaking was integrated into the Commission's treasury system. Because of this, EuroHPC JU 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, which are presented under this heading. The result of the incoming and outgoing payments represents the cash balance available to EuroHPC.

The increase by kEUR 395 564 under Central treasury liaison accounts is a combined effect of lower amount of payments due to the suspended and postponed activities due to the pandemic, the delays in the global supply chain for key components and the increase of the cash contributions for operational activities that has not been fully spent due to these delays.

The following delays occurred:

- the final acceptance of some supercomputers (Leonardo, Deucalion)
- delays in agreeing the hosting agreements with Participating States hosting entities leading to the delay in procurements (e.g. the quantum computing, exascale and midrange computing and upgrades of 2 supercomputers)
- the ongoing procurement of MareNostrum5 supercomputer
- delays of receiving the request for interim payments for R&I Activities

Also due to budget planning reasons, the Participating State (consortium leader) for the high-end supercomputer / exascale computer Jupiter transferred the first part of their contribution for the procurement still in 2022 to the JU who will manage the procurement which was launched in 2023.

LIABILITIES

2.4. PAYABLES AND OTHER LIABILITIES

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).

	<i>EUR '000</i>	
	31.12.2022	31.12.2021
<i>Contribution in kind from Members to be validated</i>	49 037	17 238
<i>Payables to Participant Guarantee Fund</i>	8 711	6 615
<i>Cash contribution from EC to be validated</i>	77 927	-
<i>Payables to EU entities</i>	-	17
<i>Sundry payables</i>	24 592	10 223
Total	160 267	34 094

Included under the sub-heading 'Contribution in-kind from Members to be validated' are the in kind contributions from Members related to on-going or ended projects without a validated cost statement at 31 December 2022. The increase of this item is inline with EuroHPC's policy to validate the in-kind contributions received once the projects are finalised. In 2022 there was no validation of in-kind contributions.

For all H2020 grant agreements signed, there is an automatic guarantee retention of 5% from the pre financing payment made to beneficiaries. The guarantee is transferred to the Participant Guarantee Fund and paid back to the beneficiary only when the project is successfully accomplished. This mechanism arises from EU Regulation 2013/1290 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)".

The Commission is responsible for initiating the procedure by which EuroHPC transfers the retained guarantee to the Participants Guarantee Fund. The payable at end of the year represents automatically retained amounts from the pre financing of Horizon 2020 projects, which have not yet been transferred to the Fund.

The Pre-financing received from the EU under the Horizon Europe programme which has not been implemented by payments by the end of the year is shown under the heading Cash Contribution from EC to be validated.

The amounts under Sundry payables relate to cost claims received in respect of grant agreements that were received but not yet validated and paid at year-end.

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). The calculation of accruals is based on the open amount of budgetary commitments at year-end. The portion of the estimated accrued charges relating to pre-financing paid has been recorded as a reduction of the pre-financing amounts.

EUR '000

	31.12.2022	31.12.2021
Accrued charges	40 615	42 256

Accrued charges are primarily composed of estimated operational expenses of kEUR 40 146 related to grant agreements where no invoice or cost claim has been validated by 31 December 2022.

Accrued charges also include estimated administrative expenses kEUR 393 and kEUR 76 related to the accrued staff expenses for untaken leave.

NET ASSETS

2.6. CONTRIBUTIONS FROM MEMBERS

Following the EuroHPC establishing regulation, the JU member contribute to both the operational and the administrative cost of the JU. While the contributions to the administrative cost are financial contributions, the contributions to the operating cost can be both financial and in-kind.

In line with the Horizon 2020 rules, only contributions from the members certified by an external auditor and validated by the Executive Director of the JU are considered in-kind contributions to the net assets. Estimated in-kind contributions, i.e. contributions for which no certifications has been received and/or this certification has not been validated by the Executive Director, are reported under other liabilities.

At 31 December there were no validated in kind contributions. All the JU contributions comprised financial contributions and can be split as follows:

EUR '000

Member	EU	Participating States	Total
Running costs contributions at 31.12.2021	5 450	-	5 450
Current year contributions	4 287		4 287
Running costs contributions at 31.12.2022	9 737	-	9 737
Operating costs contributions at 31.12.2021	301 561	120 282	421 842
Current year contributions	324 923	67 700	392 623
Operating costs contributions at 31.12.2022	626 483	187 982	814 465
Total contributions at 31.12.2021	307 011	120 282	427 292
Total contributions at 31.12.2022	636 220	187 982	824 202

It should be noted that the cash contributions to operating costs at 31.12.2021 include also kEUR 55 337 contributions from participating states related to 2021 contributions for which the recovery orders were issued in 2021 and were cashed in 2022.

In addition to the amount of cash contributions transferred to net assets in 2022 an additional amount of kEUR 77 927 was received from the EC (see note 2.4).

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

REVENUE FROM EXCHANGE TRANSACTIONS

3.1. OTHER EXCHANGE REVENUE

	<i>EUR '000</i>	
	2022	2021
<i>Financial revenue</i>	224	17
<i>Other</i>	1 035	47
Total	1 258	65

The heading comprises mainly of kEUR 1 026 of other revenue recognised due to a contractual penalty for the supercomputer (Meluxina), the revenue recognised on the transfer of assets from CNECT kEUR 9 and kEUR 224 representing the interest income on the late payment for Deucalion and Leonardo. The late payment interest related to FY 2021 and 2022 was waived in 2022 and the waiver is recognised under the financial expenses. (see note 3.4)

EXPENSES

3.2. OPERATING COSTS

Included under this heading are operational expenses related to projects that were carried out in the current year. The part of the operational costs related to on-going projects without any validated cost claims (or equivalent) available at 31 December was estimated using the best information available at the time of preparation of the annual accounts. The estimation is based on case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates are based on costs incurred to date as a proportion of the estimated total costs of the projects ("pro-rata temporis").

The break-down of the operational costs between operational costs incurred on the basis of validated cost claims (or equivalent) and estimated operational costs is given in the table below:

	<i>EUR '000</i>	
	2022	2021
<i>Operational costs: estimated in-kind contributions</i>	31 799	17 238
Total operational costs from in-kind contributions	31 799	17 238
<i>Operational costs: validated EU contributions</i>	18 167	-
<i>Operational costs: estimated EU contributions</i>	22 113	41 573
Total operational costs from EU contributions	40 279	41 573
Total	72 078	58 811

The increase of the estimated in-kind contributions is driven by the fact that the figures reported for the year 2022 are included in the estimated value of the in-kind contributions until the validation is performed after the finalisation of the projects.

The total operational costs remained stable in 2022 when compared to 2021 with 18.167 kEur of cost claims being validated during the year. The slight decrease in the overall operational costs follows from the decrease of the operational accruals for the year.

The overall increase in the title is driven by the increase of the in-kind contributions reported for 2022 which remain to be validated in the future periods.

3.3. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment-related benefits. Based on the service level agreement between the JU and the Commission, the calculations of staff-related costs is 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 JU 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 JU 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 JU accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the JU, as the obligation falls to the Commission.

The contribution of Euro HPC Joint Undertaking for the year 2022 was fixed in the amount of kEUR 107, that constitutes 41.2 % of the total pension scheme contributions, calculated in accordance with the requirements of in accordance with Article 83a(2)⁸ of the Staff Regulations. This contribution is accounted within staff costs.

As per Article 83a(2) of the Staff Regulations, the exact part paid by the JU shall correspond to the percentage share between a) the JU's revenues without the subsidy from the general budget, and b) its total revenues.

In view of implementation problems and the principle of good administration, it was agreed between the Commission and the JUs that the provisions of Article 83a(2) are applied only to the JUs set up by the SBA and Euro HPC and not to those established under the previous Regulations. Given the late entry into force of the SBA at the end of November 2021, this applicability starts as from 2022.

	<i>EUR '000</i>	
	2022	2021
<i>Staff costs</i>	1 940	1 485

The increase under this heading is driven mainly by the increase in the salary costs for staff.

⁸ From 1 January 2016 agencies which are partly financed from that budget shall pay the part of the employers' contributions which corresponds to the proportion between the agency's revenues without the subsidy from the general budget of the European Union and its total revenues."

3.4 OTHER EXPENSES

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

	EUR '000	
	2022	2021
<i>Property, plant and equipment related expenses</i>	10 523	1 834
<i>External non IT services</i>	441	200
<i>Legal Expenses</i>	128	165
<i>Maintenance and security of the building</i>	59	131
<i>Office Supplies & maintenance</i>	57	36
<i>External IT services</i>	3 508	44
<i>Experts expenses</i>	285	36
<i>Training costs</i>	17	20
<i>Recruitment costs</i>	2	-
<i>Missions</i>	84	6
<i>Communications & publications</i>	74	(15)
<i>Operating leasing expenses</i>	2	(8)
<i>Financial costs</i>	241	-
Total	15 422	2 448

The overall increase in expenses is due mainly to the increase of the depreciation charge for the year and the maintenance costs for supercomputers as the supercomputers which had the final acceptance in 2021 have been operational for the full year in 2022 and the new supercomputer LUMI C has become operational in 2022.

The increase of expert related expenses comes mainly from:

- the increase of expert services needed for the periodic technical reports of GAs signed under the H2020 programme;
- the evaluations necessary for selecting the new HPC hosting entities;
- the evaluation of end-user proposals to receive access time to the EHPC supercomputers already operational.

The financial costs represent the waiver of the late payment interest related to the supercomputers Deucalion (kEUR 2) and Leonardo (kEUR 239) which has been disclosed in the revenue section as financial income in FY 2021 and 2022. (see note 3.1)

The operating lease expenses relate to the Euro HPC headquarters building in Luxembourg and leasing contract related to IT materials and other equipment. The building has been made available to EuroHPC at 0 cost until 31 December 2026.

An overview of the amounts to be committed and paid during the remaining term of these lease contracts are as follow:

	Future amounts to be paid at 31 December 2022			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	19	56		75
<i>IT materials and other equipment</i>	2	2		4
Total	21	58		79

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

The outstanding commitments not yet expensed comprise the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the current year's statement of financial performance. The RAL represents the open budgetary commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

	<i>EUR '000</i>	
	31.12.2022	31.12.2021
<i>Outstanding commitments not yet expensed</i>	1 205 390	278 926

The outstanding commitments not yet expensed represent the correction of the budgetary RAL with the estimated costs, which are determined by using accrual-based principle not reflected in the budgetary result, where the cash-based principle is used. The high increase between the years is driven by the high increase of the outstanding commitments at the end of the year for multi-annual expenditure.

4.2. RELATED PARTIES

The related parties of the JU are the participants of the JU and the key management personnel of these entities. As transactions between the JU and these parties take place as part of the normal operations of the JU and on terms and conditions that are normal for such transactions, no specific disclosures are required.

4.3. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of EuroHPC is the Executive Director, who executes the role of the Authorising Officer.

	31.12.2022	31.12.2021
<i>Executive Director</i>	<i>AD 14</i>	<i>AD 14</i>

The Executive Director is remunerated in accordance with the Staff Regulation of the European Union that is published on the Europa website and which is the official document describing the rights and the obligation of all officials of the EU. The Executive Director has not received any preferential loans from EHPC JU.

4.4. OTHER EVENTS

Russia-Ukraine War

At the time of preparation of these financial statements, the management is not aware of any events linked to the war in Ukraine that should be disclosed as non-adjusting events or taken into account in these financial statements as adjusting events.

For subsequent reporting periods, the war may affect the recognition and measurement of some assets on the balance sheet and also of some 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, the financial effect of the war in Ukraine cannot be reliably estimated.

4.5. Contingent assets and liabilities

Following the decision of the General Court of Justice from November 2022 on the case brought by Lenovo against EuroHPC in 2021, EuroHPC is entitled to recover the costs incurred in the trial which have been estimated to the value of kEUR 269. However, since at the time when the accounts have been drawn up there was no agreement in place between the two parties on the amount or the timing of the recovery which remain uncertain and subject to the future agreement between the two parties, the maximum amount estimated as recoverable by EuroHPC was not included in the accounts and is disclosed as a contingent asset.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

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 fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.. This risk arises from the change in the price of a foreign currency against the functional currency of an entity.

(2) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As an example, higher interest rates will lead to lower prices of fixed rate bonds (other things equal), 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.

5.2. CURRENCY RISKS

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 mainly quoted in EUR, the entity is thus not exposed to currency risk.

5.3. CREDIT RISK

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

5.4. LIQUIDITY RISK

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

THE EUROPEAN HIGH PERFORMANCE COMPUTING JOINT UNDERTAKING
FINANCIAL YEAR 2022

**THE BUDGET IMPLEMENTATION REPORTS AND
EXPLANATORY NOTES**

It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.

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1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of EuroHPC JU is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of EuroHPC JU:

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 budget of EuroHPC JU. 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 which is 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. As specified in its Financial Rules, EuroHPC JU is subject to an exception to the annuality principle, specific only to the joint undertakings (the "N+3" rule), whereby any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years. These appropriations must be used first.

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 at least by title and chapter.

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 economy

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

Principle of efficiency

The principle of efficiency concerns the best relationship between resources employed and results achieved.

Principle of effectiveness

The principle of effectiveness concerns the attainment of the specific objectives set and the achievement of the intended results.

Principle of internal control

The principle of internal control of budget implementation means that the JU budget shall be implemented in compliance with effective and efficient internal control in order to provide reasonable assurance of achieving effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multi-annual character of the programmes as well as the nature of the payments concerned.

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 on EuroHPC JU's internet site within four weeks of adoption and shall be transmitted to the Commission and the Court of Auditors.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

EuroHPC JU makes use of differentiated appropriations for its administrative expenditure and operational expenditure.

Following the provisions of the Financial rules of EuroHPC JU, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed in the following titles:

Title 1 budget lines are related to staff expenditure such as salaries and allowances for persons working with EuroHPC2 JU. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

Title 2 budget lines relate to all infrastructure, equipment, meetings, experts, studies, ex-post audits and miscellaneous administrative expenditure.

Title 3 budget lines provide for the implementation of the activities and tasks assigned to EuroHPC JU in accordance with its establishing Council Regulation (EU) No 2018/1488.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

EUR '000

	Title	2022	2021
Revenue		531 199	164 505
of which:			
EU Contribution	2	407 136	116 092
Other contributions	4	123 037	48 379
Recoveries - R and I Calls	5	1 026	35
Expenditure		(154 139)	(164 615)
of which:			
Staff expenditure	1	(2 248)	(1 612)
Administrative expenditure	2	(765)	(672)
Operational expenditure	3	(151 127)	(162 331)
Exchange rate differences		-	-
Budget result		377 060	(109)

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

2022

ECONOMIC RESULT OF THE YEAR	(88 182)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	79 693
<i>Adjustments for accrual cut-off (net)</i>	57 528
<i>Depreciation of intangible and tangible assets</i>	10 523
<i>Cancellations and Reversals of previous year revenues</i>	17
<i>Pre-financing given in previous year and cleared in the year</i>	11 628
<i>Other individually immaterial</i>	(3)
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	385 549
<i>Members' cash contributions collected in the year</i>	474 837
<i>Asset acquisitions (less unpaid amounts) and assets pre-financing</i>	(56 998)
<i>New pre-financing paid in the year and remaining open as at 31 Dec</i>	(87 627)
<i>Entitlements established in previous year and cashed in the year</i>	55 337
BUDGET RESULT OF THE YEAR	377 060

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue – Title 2

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	
2000	Contribution from EU administrative	5 251	1 741	3 853	0	3 853	3 853	0	3 853	221 %	0
2010	EU Contribution administrative HE	0	1 259	694	0	694	694	0	694	55 %	0
2020	EU Contribution administrative DEP	0	2 210	663	0	663	663	0	663	30 %	0
Total Chapter 20		5 251	5 210	5 210	0	5 210	5 210	0	5 210	100 %	0
2100	Contribution from EU operational	393 926	67 272	301 530	0	301 530	301 530	0	301 530	448 %	0
2110	EU Contribution operational HE	0	95 505	28 651	0	28 651	28 651	0	28 651	30 %	0
2120	EU Contribution operational DEP	0	209 150	71 745	0	71 745	71 745	0	71 745	34 %	0
2130	EU Contribution operational CEF2	0	30 000							-	
Total Chapter 21		393 926	401 926	401 926	0	401 926	401 926	0	401 926	100 %	0
Total Title 2		399 178	407 136	407 136	0	407 136	407 136	0	407 136	100 %	0
4000	Participating states contribution	71 405	4 450	4 450	55 337	59 787	4 450	55 337	59 787	1.343 %	0
4020	PS contribution DEP	0	63 250	63 250	0	63 250	63 250	0	63 250	100 %	0
Total Chapter 40		71 405	67 700	67 700	55 337	123 037	67 700	55 337	123 037	182 %	0
Total Title 4		71 405	67 700	67 700	55 337	123 037	67 700	55 337	123 037	182 %	0
5000	Recoveries - R and I Calls	0	0	1 026	0	1 026	1 026	0	1 026	-	0
Total Chapter 50		0	0	1 026	0	1 026	1 026	0	1 026	-	0
Total Title 5		0	0	1 026	0	1 026	1 026	0	1 026	-	0

Annual accounts of the European High Performance Computing Joint Undertaking 2022

7000	Unused administrative appropriations from previous years	0	2 020								-
7010	Unused administrative appropriations from year n-2	0	956								-
Total Chapter 70		0	2 975								-
7100	Unused operational appropriations from previous years	0	52 356								-
7101	Unused EU operational appropriations Legacy (2018-2020) from year n-2	0	44 382								-
Total Chapter 71		0	96 738								-
7200	Unused PS operational appropriations from year n-1	0	55 337								-
7201	Unused PS operational appropriations from year n-2	0	0								-
Total Chapter 72		0	55 337								-
Total Title 7		0	155 051								-

GRAND TOTAL	470 582	629 887	475 862	55 337	531 199	475 862	55 337	531 199	84 %	0
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5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100	Establishment plan posts	1 937	0	0	1 937	121	0	121	2 058
1110	External personnel	1 187	0	0	1 187	609	0	609	1 796
Total Chapter 11		3 124	0	0	3 124	730	0	730	3 854
1200	Expenditure relating to recruitment	3	0	0	3	63	0	63	66
Total Chapter 12		3	0	0	3	63	0	63	66
1300	Mission and travel expenses	58	0	0	58	154	0	154	212
Total Chapter 13		58	0	0	58	154	0	154	212
1400	Socio-medical infrastructure and training	475	0	0	475	93	0	93	567
Total Chapter 14		475	0	0	475	93	0	93	567
Total Title 1		3 659	0	0	3 659	1 040	0	1 040	4 700

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000									
		Budget appropriations				Additional appropriations			Total approp. available
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000	Buildings and associated costs	111	0	0	111	160	0	160	271
Total Chapter 20		111	0	0	111	160	0	160	271
2100	Information Technology	181	0	0	181	400	0	400	581
Total Chapter 21		181	0	0	181	400	0	400	581
2200	Movable property and associated costs	12	0	0	12	5	0	5	17
Total Chapter 22		12	0	0	12	5	0	5	17
2300	Current administrative expenditure	695	0	0	695	164	0	164	859
Total Chapter 23		695	0	0	695	164	0	164	859
2400	Postage and Telecommunications	6	0	0	6	26	0	26	32
Total Chapter 24		6	0	0	6	26	0	26	32
2500	Expenditure of formal and other meetings	213	0	0	213	436	0	436	648
Total Chapter 25		213	0	0	213	436	0	436	648
2600	Running costs in connection with operational activities	91	0	0	91	160	0	160	251
Total Chapter 26		91	0	0	91	160	0	160	251
2700	Information and Publishing	35	0	0	35	115	0	115	150
Total Chapter 27		35	0	0	35	115	0	115	150
2800	Expert contracts and meetings	248	(41)	0	206	500	0	500	706
Total Chapter 28		248	(41)	0	206	500	0	500	706
Total Title 2		1 592	(41)	0	1 551	1 966	0	1 966	3 517

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
3000	Grants, HPC Operations, R&I Activities	289 000	(289 000)	0	0	7 000	0	7 000	7 000
3010	Grants & R&I Activities HE	0	124 677	0	124 677	0	0	0	124 677
3020	Grants & R&I Activities DEP	0	163 323	0	163 323	0	0	0	163 323
Total Chapter 30		289 000	(1 000)	0	288 000	7 000	0	7 000	295 000
3100	HPC Infrastructure Activities	176 979	(176 979)	0	0	152 394	0	152 394	152 394
3110	HPC Infrastructure Activities HE	0	0	0	0	117 464	0	117 464	117 464
3120	HPC Infrastructure Activities DEP	0	199 979	0	199 979	501 403	0	501 403	701 382
3130	HPC Infrastructure Activities CEF2	0	0	0	0	100 000	0	100 000	100 000
Total Chapter 31		176 979	23 000	0	199 979	871 261	0	871 261	1 071 240
Total Title 3		465 979	22 000	0	487 979	878 261	0	878 261	1 366 240
GRAND TOTAL		471 230	21 959	0	493 189	881 268	0	881 268	1 374 457

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropri- available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100	Establishment plan posts	1 937	0	0	1 937	121	0	121	2 058
1110	External personnel	1 187	0	0	1 187	618	0	618	1 806
Total Chapter 11		3 124	0	0	3 124	740	0	740	3 864
1200	Expenditure relating to recruitment	3	0	0	3	63	0	63	66
Total Chapter 12		3	0	0	3	63	0	63	66
1300	Mission and travel expenses	58	0	0	58	164	0	164	222
Total Chapter 13		58	0	0	58	164	0	164	222
1400	Socio-medical infrastructure and training	475	0	0	475	175	0	175	650
Total Chapter 14		475	0	0	475	175	0	175	650
Total Title 1		3 659	0	0	3 659	1 143	0	1 143	4 802

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropri. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000	Buildings and associated costs	111	0	0	111	160	0	160	271
Total Chapter 20		111	0	0	111	160	0	160	271
2100	Information Technology	181	0	0	181	506	0	506	687
Total Chapter 21		181	0	0	181	506	0	506	687
2200	Movable property and associated costs	12	0	0	12	5	0	5	17
Total Chapter 22		12	0	0	12	5	0	5	17
2300	Current administrative expenditure	695	0	0	695	181	0	181	876
Total Chapter 23		695	0	0	695	181	0	181	876
2400	Postage and Telecommunications	6	0	0	6	26	0	26	32
Total Chapter 24		6	0	0	6	26	0	26	32
2500	Expenditure of formal and other meetings	213	0	0	213	180	0	180	393
Total Chapter 25		213	0	0	213	180	0	180	393
2600	Running costs in connection with operational activities	91	0	0	91	215	0	215	306
Total Chapter 26		91	0	0	91	215	0	215	306
2700	Information and Publishing	35	0	0	35	115	0	115	150
Total Chapter 27		35	0	0	35	115	0	115	150
2800	Expert contracts and meetings	248	(41)	0	206	445	0	445	652
Total Chapter 28		248	(41)	0	206	445	0	445	652
Total Title 2		1 592	(41)	0	1 551	1 833	0	1 833	3 383

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropri. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3000	Grants, HPC Operations, R&I Activities	218 206	(198 581)	0	19 625	32 993	0	32 993	52 617
3010	Grants & R&I Activities HE	0	72 012	0	72 012	0	0	0	72 012
3020	Grants & R&I Activities DEP	0	125 769	0	125 769	0	0	0	125 769
Total Chapter 30		218 206	(800)	0	217 406	32 993	0	32 993	250 398
3100	HPC Infrastructure Activities	247 125	(195 028)	0	52 097	119 083	0	119 083	171 180
3110	HPC Infrastructure Activities HE	0	23 493	0	23 493	0	0	0	23 493
3120	HPC Infrastructure Activities DEP	0	146 631	0	146 631	0	0	0	146 631
3130	HPC Infrastructure Activities CEF2	0	30 000	0	30 000	0	0	0	30 000
Total Chapter 31		247 125	5 096	0	252 221	119 083	0	119 083	371 303
Total Title 3		465 331	4 296	0	469 627	152 075	0	152 075	621 702
GRAND TOTAL		470 582	4 254	0	474 837	155 051	0	155 051	629 887

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2023			Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. 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
1100	Establishment plan posts	2 058	887	0	0	887	43 %	0	0	0	1 050	121	0	1 171
1110	External personnel	1 796	796	399	0	1 195	67 %	0	0	0	391	210	0	601
Total Chapter 11		3 854	1 683	399	0	2 082	54 %	0	0	0	1 441	331	0	1 772
1200	Expenditure relating to recruitment	66	0	1	0	2	2 %	0	0	0	3	62	0	65
Total Chapter 12		66	0	1	0	2	2 %	0	0	0	3	62	0	65
1300	Mission and travel expenses	212	17	74	0	91	43 %	0	0	0	41	81	0	121
Total Chapter 13		212	17	74	0	91	43 %	0	0	0	41	81	0	121
1400	Socio-medical infrastructure and training	567	238	72	0	310	55 %	0	0	0	237	21	0	258
Total Chapter 14		567	238	72	0	310	55 %	0	0	0	237	21	0	258
Total Title 1		4 700	1 939	545	0	2 484	53 %	0	0	0	1 721	495	0	2 216

5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2023			Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. 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
2000	Buildings and associated costs	271	3	18	0	21	8 %	0	0	0	108	142	0	250
Total Chapter 20		271	3	18	0	21	8 %	0	0	0	108	142	0	250
2100	Information Technology	581	76	153	0	229	39 %	0	0	0	105	247	0	352
Total Chapter 21		581	76	153	0	229	39 %	0	0	0	105	247	0	352
2200	Movable property and associated costs	17	0	0	0	0	0 %	0	0	0	12	5	0	17
Total Chapter 22		17	0	0	0	0	0 %	0	0	0	12	5	0	17
2300	Current administrative expenditure	859	29	137	0	166	19 %	0	0	0	666	28	0	693
Total Chapter 23		859	29	137	0	166	19 %	0	0	0	666	28	0	693
2400	Postage and Telecommunications	32	0	5	0	5	16 %	0	0	0	6	21	0	27
Total Chapter 24		32	0	5	0	5	16 %	0	0	0	6	21	0	27
2500	Expenditure of formal and other meetings	648	8	27	0	35	5 %	0	0	0	205	409	0	614
Total Chapter 25		648	8	27	0	35	5 %	0	0	0	205	409	0	614
2600	Running costs in connection with operational activities	251	88	160	0	248	99 %	0	0	0	3	0	0	3
Total Chapter 26		251	88	160	0	248	99 %	0	0	0	3	0	0	3
2700	Information and Publishing	150	0	0	0	0	0 %	0	0	0	35	115	0	150
Total Chapter 27		150	0	0	0	0	0 %	0	0	0	35	115	0	150
2800	Expert contracts and meetings	706	75	432	0	507	72 %	0	0	0	131	68	0	199
Total Chapter 28		706	75	432	0	507	72 %	0	0	0	131	68	0	199
Total Title 2		3 517	280	932	0	1 212	34 %	0	0	0	1 271	1 034	0	2 305

5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2023			Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. 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
3000	Grants, HPC Operations, R&I Activities	7 000	0	7 000	0	7 000	100 %	0	0	0	0	0	0	0
3010	Grants & R&I Activities HE	124 677	39 908	0	0	39 908	32 %	0	0	0	84 770	0	0	84 770
3020	Grants & R&I Activities DEP	163 323	33 959	0	0	33 959	21 %	0	0	0	129 364	0	0	129 364
Total Chapter 30		295 000	73 867	7 000	0	80 867	27 %	0	0	0	214 133	0	0	214 133
3100	HPC Infrastructure Activities	152 394	0	151 900	0	151 900	100 %	0	0	0	0	494	0	494
3110	HPC Infrastructure Activities HE	117 464	0	64 597	0	64 597	55 %	0	0	0	0	52 867	0	52 867
3120	HPC Infrastructure Activities DEP	701 382	185 010	501 403	0	686 413	98 %	0	0	0	14 969	0	0	14 969
3130	HPC Infrastructure Activities CEF2	100 000	0	100 000	0	100 000	100 %	0	0	0	0	0	0	0
Total Chapter 31		1 071 240	185 010	817 900	0	1 002 910	94 %	0	0	0	14 969	53 361	0	68 330
Total Title 3		1 366 240	258 876	824 900	0	1 083 776	79 %	0	0	0	229 103	53 361	0	282 464
GRAND TOTAL		1 374 457	261 094	826 377	0	1 087 472	79 %	0	0	0	232 094	54 890	0	286 985

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations - Title 1

EUR'000

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2023				Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	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
1100	Establishment plan posts	2 058	766	121	0	887	43 %	0	0	0	0	1 171	0	0	1 171
1110	External personnel	1 806	515	618	0	1 134	63 %	0	0	0	0	672	0	0	672
Total Chapter 11		3 864	1 281	740	0	2 021	52 %	0	0	0	0	1 843	0	0	1 843
1200	Expenditure relating to recruitment	66	0	1	0	2	2 %	0	0	0	0	3	62	0	65
Total Chapter 12		66	0	1	0	2	2 %	0	0	0	0	3	62	0	65
1300	Mission and travel expenses	222	1	46	0	46	21 %	0	0	0	0	57	118	0	176
Total Chapter 13		222	1	46	0	46	21 %	0	0	0	0	57	118	0	176
1400	Socio-medical infrastructure and training	650	39	141	0	179	28 %	0	0	0	0	436	34	0	471
Total Chapter 14		650	39	141	0	179	28 %	0	0	0	0	436	34	0	471
Total Title 1		4 802	1 320	928	0	2 248	47 %	0	0	0	0	2 339	215	0	2 554

5.4.2. Implementation of payment appropriations - Title 2

EUR
'000

	Item	Total appro p. availa b.	Payments made					Appropriations carried over to 2023				Appropriations lapsing			
			from final adopt. budget	from re-activatio ns	from assign. revenu e	Total	%	Autom. carry-overs	By decisi on	Assign ed rev.	Total	from final adopt. budge t	from re-activa- tions	from assign. rev.	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
2000	Buildings and associated costs	271	3	18	0	21	8 %	0	0	0	0	108	142	0	250
Total Chapter 20		271	3	18	0	21	8 %	0	0	0	0	108	142	0	250
2100	Information Technology	687	20	193	0	213	31 %	0	0	0	0	161	313	0	474
Total Chapter 21		687	20	193	0	213	31 %	0	0	0	0	161	313	0	474
2200	Movable property and associated costs	17	0	0	0	0	0 %	0	0	0	0	12	5	0	17
Total Chapter 22		17	0	0	0	0	0 %	0	0	0	0	12	5	0	17
2300	Current administrative expenditure	876	8	108	0	117	13 %	0	0	0	0	687	72	0	759
Total Chapter 23		876	8	108	0	117	13 %	0	0	0	0	687	72	0	759
2400	Postage and Telecommunications	32	0	1	0	2	5 %	0	0	0	0	6	25	0	30
Total Chapter 24		32	0	1	0	2	5 %	0	0	0	0	6	25	0	30
2500	Expenditure of formal and other meetings	393	1	26	0	27	7 %	0	0	0	0	212	154	0	366
Total Chapter 25		393	1	26	0	27	7 %	0	0	0	0	212	154	0	366
2600	Running costs in connection with operational activities	306	29	199	0	228	74 %	0	0	0	0	62	16	0	78
Total Chapter 26		306	29	199	0	228	74 %	0	0	0	0	62	16	0	78
2700	Information and Publishing	150	0	0	0	0	0 %	0	0	0	0	35	115	0	150
Total Chapter 27		150	0	0	0	0	0 %	0	0	0	0	35	115	0	150

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2800	Expert contracts and meetings	652	7	150	0	157	24 %	0	0	0	0	200	295	0	495
Total Chapter 28		652	7	150	0	157	24 %	0	0	0	0	200	295	0	495
Total Title 2		3 383	69	696	0	765	23 %	0	0	0	0	1 481	1 137	0	2 619

5.4.3. Implementation of payment appropriations - Title 3

EUR
'000

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2023				Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	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
3000	Grants, HPC Operations, R&I Activities	52 617	0	12 539	0	12 539	24 %	0	0	0	0	19 625	20 454	0	40 079
3010	Grants & R&I Activities HE	72 012	18 501	0	0	18 501	26 %	0	0	0	0	53 511	0	0	53 511
3020	Grants & R&I Activities DEP	125 769	0	0	0	0	0 %	0	0	0	0	125 769	0	0	125 769
Total Chapter 30		250 398	18 501	12 539	0	31 040	12 %	0	0	0	0	198 905	20 454	0	219 359
3100	HPC Infrastructure Activities	171 180	0	102 109	0	102 109	60 %	0	0	0	0	52 097	16 973	0	69 071
3110	HPC Infrastructure Activities HE	23 493	0	0	0	0	0 %	0	0	0	0	23 493	0	0	23 493
3120	HPC Infrastructure Activities DEP	146 631	17 978	0	0	17 978	12 %	0	0	0	0	128 653	0	0	128 653
3130	HPC Infrastructure Activities CEF2	30 000	0	0	0	0	0 %	0	0	0	0	30 000	0	0	30 000
Total Chapter 31		371 303	17 978	102 109	0	120 087	32 %	0	0	0	0	234 243	16 973	0	251 216
Total Title 3		621 702	36 479	114 648	0	151 127	24 %	0	0	0	0	433 147	37 427	0	470 575
GRAND TOTAL		629 887	37 868	116 271	0	154 139	24 %	0	0	0	0	436 968	38 780	0	475 748

6. COMMITMENTS OUTSTANDING

6.1. Commitments outstanding – Title 1

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1100	Establishment plan posts	0	0	0	0	887	887	0	0	0
1110	External personnel	85	(75)	10	0	1 195	1 124	0	71	71
Total Chapter 11		85	(75)	10	0	2 082	2 011	0	71	71
1200	Expenditure relating to recruitment	3	(3)	0	0	2	2	0	0	0
Total Chapter 12		3	(3)	0	0	2	2	0	0	0
1300	Mission and travel expenses	56	(54)	3	0	91	43	0	47	47
Total Chapter 13		56	(54)	3	0	91	43	0	47	47
1400	Socio-medical infrastructure and training	85	(47)	39	0	310	141	0	169	169
Total Chapter 14		85	(47)	39	0	310	141	0	169	169
Total Title 1		229	(178)	51	0	2 484	2 197	0	287	287

6.2. Commitments outstanding – Title 2

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Item	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2000	Buildings and associated costs	29	(29)	0	0	21	21	0	0	0
Total Chapter 20		29	(29)	0	0	21	21	0	0	0
2100	Information Technology	130	(35)	53	41	229	160	0	69	111
Total Chapter 21		130	(35)	53	41	229	160	0	69	111
2300	Current administrative expenditure	19	(16)	3	0	166	114	0	53	53
Total Chapter 23		19	(16)	3	0	166	114	0	53	53
2400	Postage and Telecommunications	10	(3)	0	7	5	1	0	4	11
Total Chapter 24		10	(3)	0	7	5	1	0	4	11
2500	Expenditure of formal and other meetings	7	(7)	1	0	35	26	0	9	9
Total Chapter 25		7	(7)	1	0	35	26	0	9	9
2600	Running costs in connection with operational activities	65	(20)	45	0	248	183	0	65	65
Total Chapter 26		65	(20)	45	0	248	183	0	65	65
2700	Information and Publishing	10	(10)	0	0	0	0	0	0	0
Total Chapter 27		10	(10)	0	0	0	0	0	0	0
2800	Expert contracts and meetings	62	(60)	2	0	507	155	0	352	352
Total Chapter 28		62	(60)	2	0	507	155	0	352	352
Total Title 2		331	(179)	105	48	1 212	660	0	552	600

6.3. Commitments outstanding – Title 3

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3000	Grants, HPC Operations, R&I Activities	139 466	0	8 805	130 660	7 000	3 733	0	3 267	133 927
3010	Grants & R&I Activities HE	0	0	0	0	39 908	18 501	0	21 407	21 407
3020	Grants & R&I Activities DEP	0	0	0	0	33 959	0	0	33 959	33 959
Total Chapter 30		139 466	0	8 805	130 660	80 867	22 234	0	58 632	189 293
3100	HPC Infrastructure Activities	181 110	0	54 695	126 415	151 900	47 414	0	104 486	230 901
3110	HPC Infrastructure Activities HE	0	0	0	0	64 597	0	0	64 597	64 597
3120	HPC Infrastructure Activities DEP	0	0	0	0	686 413	17 978	0	668 435	668 435
3130	HPC Infrastructure Activities CEF2	0	0	0	0	100 000	0	0	100 000	100 000
Total Chapter 31		181 110	0	54 695	126 415	1 002 910	65 392	0	937 517	1 063 933
Total Title 3		320 576	0	63 500	257 076	1 083 776	87 627	0	996 149	1 253 225
GRAND TOTAL		321 137	(357)	63 656	257 124	1 087 472	90 483	0	996 989	1 254 112

7. GLOSSARY

Administrative appropriations

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

Adopted budget

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

Amending budget

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

Appropriations

Budget funding.

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

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

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

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

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

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

Budgetary commitment

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

Cancellation of appropriations

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

Carryover of appropriations

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

Commitment appropriations

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

De-commitment

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

Differentiated appropriations

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

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Grants

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

Lapsing appropriations

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

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

Legal basis / basic act

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

Legal commitment

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

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

Non-differentiated appropriations

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

Operational appropriations

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

Outstanding commitments

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

Payment appropriations

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

RAL (Reste à liquider)

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

Surplus

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

Transfer between budget lines

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