



EUROPEAN HEALTH AND DIGITAL EXECUTIVE
AGENCY (HADEA)

**FINAL ACCOUNTS
OF
THE EUROPEAN HEALTH AND DIGITAL EXECUTIVE
AGENCY
(HaDEA)**

Financial Year 2023

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of Health and Digital Executive Agency in accordance with Article 30.1(b) of the Standard Financial Regulation (SFR) ⁽¹⁾, Article 246 of the Financial Regulation ('FR') ⁽²⁾ and I hereby certify that the annual accounts of HaDEA for the year 2023 have been prepared in accordance with Title VI of the SFR, title XIII of the FR 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 HaDEA's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the HaDEA.

(e-signed)

Lydia PAPADIMITRIOU

Accounting Officer of the HaDEA

⁽¹⁾ Commission Regulation (EC) No 1653/2004 of the Council of 21 September 2004, on a Standard Financial Regulation for the executive agencies, as last amended by Commission Regulation (EC) No 651/2008 of 09 July 2008;

⁽²⁾ REGULATION (EU, Euratom) 2018/1046 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.

INTRODUCTION

LEGAL BASIS

The accounts of the Health and Digital Executive Agency (HaDEA), hereafter: “the Agency”, are kept in accordance with:

- Commission Regulation 1653/2004, of 21 September 2004, on a standard financial regulation for the executive agencies pursuant to Council Regulation 58/2003 ⁽³⁾ laying down the Statute for executive agencies to be entrusted with certain tasks in the management of Community programmes amended by Commission Regulation 1821/2005 and by Commission Regulation 651/2008 of 9 July 2008;
- The accounting rules, methods and guidelines as adopted and provided by the Accountant of the Commission according to Regulation (EU, Euratom) No 2020/1046 of the European Parliament and of the Council of 18 July 2020, on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 The Commission Regulation (EC) No 2909/2000 of 29 December 2000 on the accounting management of the European Communities' non-financial fixed assets;
- The 20 accounting rules on accrual accounting adopted by the Accounting Officer of the Commission in December 2004 and last updated in December 2020;
- The European Commission’s 2023 closure consolidation instructions.

BAGKGROUND INFORMATION

The European Health and Digital Executive Agency, known also as HaDEA, is an executive agency of the European Union based in Brussels that aims to boost Europe by building, from earth to space, a healthy society, a digital economy, and a competitive industry.

HaDEA was established on 16 February 2021 by Commission Implementing Decision 2021/173 of 12 February 2021 to allow for all necessary administrative preparations before its operational kick-off on 1 April 2021. In addition to the main activities, according to the same Implementing Decision, Article 21(3), HaDEA took over from Consumer, Health, and Food Executive Agency (CHAFEA) ⁽⁴⁾ any support activities not attached to a specific programme from 1 April 2021.

⁽³⁾ Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes (OJ L 11 of 16.01.2003).

⁽⁴⁾ The Consumers, Health, Agriculture and Food Executive Agency, known also as CHAFEA ceased to exist as of 1 April 2021 and thereafter it shall to be wound up in accordance with Article 3(2) of Regulation (EC) No 58/2003 and paragraphs (2) to (5) of article 21 under the same Implementing Decision (EU) 2021/173.

Mission

The mission of HaDEA is to implement actions that strengthen Europe in the domains of health, food safety, digital technologies and networks, industrial capacities, and space. The Agency provides high quality and service-oriented support, with the aim to enable European society to become more healthy, resilient, fair, and European industry to become more competitive. We ensure that the projects funded by the HaDEA deliver concrete results that benefit the lives of all EU citizens and provide the European Commission with valuable input for its policies.

Main operational activities

In performing its tasks, the Agency works closely together with its six parent DGs (SANTE is the lead parent DG, together with CNECT, DEFIS, GROW, RTD and HERA ⁽⁵⁾). Close contacts between the Agency and its parent DGs take place at different levels: through the Steering Committee meetings with all, parent DGs, through participation in the parent DGs' management meetings, through regular programme-specific meetings, and through further contacts at unit and working level.

HaDEA addresses the Commission's ambition to help rebuild a post-COVID-19 Europe at its heart, which will be greener, digital, more resilient, and better fit for the current and forthcoming challenges.

HaDEA will contribute to the above ambition by implementing the following programs (with indicative budgets):

- EU4Health program: €4.7 billion (out of a total budget of €5,1 billion);
- Horizon Europe: Pillar II, Cluster 1: Health: €4,1 billion;
- Single Market program: Food safety: health for humans, animals and plants along the food chain and better training for safer food: €1,3 billion;
- Digital Europe program: €0,8 billion;
- Connecting Europe Facility: Digital: €1,7 billion;
- Horizon Europe: Pillar II, cluster 4: Digital, Industry and Space: €5,6 billion.

From 2021 to 2023, additional budget amounting to €1,6 billion is available from the Next Generation EU fund for actions that are part of the Digital and Health strands of the Horizon Europe program.

The expected total budget managed by HaDEA will amount to over €20 billion over the 7-year period of the 2021-2027 MFF. In addition, the Agency will take over the outstanding financial commitments and projects from the predecessor programs ("legacy").

Governance

HaDEA operates under the Commission's supervision in accordance with Article 20 of Council Regulation (EC) No 58/2003. HaDEA's two core management and supervision bodies are:

- The Steering Committee, which is composed of members appointed by the Commission, is responsible for managing and supervising the Agency. It is made up of representatives of the Commission. The chairperson is nominated from its members and remains in

⁽⁵⁾ From December 2021

charge for two years. In the reporting period January 2023 to December 2023 the HaDEA Steering Committee met four times.

- The Director of the agency, Ms. Marina ZANCHI, represents the executive agency and acts as authorising officer by delegation.

Sources of financing

HaDEA does not receive any external financing. All the financial resources stem from the general budget of the European Union and can be split as follows:

- Annual balancing subsidy from the partner DGs;
- Operational subsidies relating to Grant/Delegation/Contribution agreements with different services of the Commission.

The Agency has its own administrative budget for which it receives from the EU an annual subsidy (in 2023: kEUR 50 336 ⁽⁶⁾). The administrative budget covers the running costs of the Agency, mainly staff expenditure, office related costs, experts, and other services. The HaDEA's Director is the Authorising Officer (AO) for this budget.

Annual accounts - Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set down in the Standard Financial Regulation (SFR) ⁽⁷⁾. 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).

Composition of the annual accounts

These 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 based primarily on movements of cash.

It should be noted that these accounts cover only the administrative part of the HaDEA's budget. The operational part is included in the accounts of the Commission.

Accounting Officer

In accordance with the SFR, the Steering Committee of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts, which are consolidated in those of the EU.

Following the decision of the HaDEA Steering Committee SC1(2021)16 of 26 February 2021, Ms L. PAPADIMITRIOU is appointed as the Accounting Officer of HaDEA as of 1 April 2021. In addition,

⁽⁶⁾ This is the total subsidy received by DG SANTE in 2023 (including budget outturn 2023)

⁽⁷⁾ COMMISSION REGULATION (EC) No 2008/651 of 9 July 2008 amending the No 2004/1653 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 2003/58 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes.

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following HaDEA's Steering Committee decision (SC13(2023)63) ⁽⁸⁾, Mr. St. KYTHREOTIS is appointed as the Deputy Accounting Officer of HaDEA as of 1st of July 2023.

External Audit

The European Court of Auditors (ECA) is required to prepare a specific annual report on the Agency in line with the requirements of Article 248 of the EC Treaty ⁽⁹⁾.

Discharge

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

⁽⁸⁾ *Ares(2023)7579788-08/11/2023*

⁽⁹⁾ *Art. 65 of the Commission Regulation (EC) n° 1653/2004 of the 21 December 2004 on a standard regulation for the executive agencies pursuant to Council Regulation (EC) n° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes*

OPERATIONAL HIGHLIGHTS (ADMINISTRATIVE BUDGET)

For the financial year 2023, the third year of operations for HaDEA, the originally approved operating budget amounted to EUR 50.336 million. The agency revenue, comprised EU, NGEU, EFTA and Third Countries contributions. During the financial year 2023, HaDEA requested one amendment to the administrative budget to adjust the budget estimations to the actual needs. The amendment was approved by the Steering Committee of 13 October 2023 and resulted in an increase of 2% in Title I and reductions of 11% and 0.3% in Title II and Title III respectively, compared to the initial budget. The amendment was the result of the revision of needs based on more accurate data which resulted in higher budget for salaries and allowances, training, financial assistance to staff and programme related IT expenses (covering the development costs of a specific module to eGrants). The agency was able to accommodate the increase in Title I by reshuffling the surplus of Title 2, mainly related to the potential move from the agency to a different building. These estimated moving costs were not needed due to a change in the moving dates, now foreseen to take place only in 2026. The amendment had no impact on the overall operating budget of EUR 50.366 million (including EU, EFTA, NGEU and Third Countries contributions).

In addition to the budget amendment, HaDEA implemented four budget transfers in FY2023:

Transfers 1 and 2 were approved by the Agency's Director respectively on 3 July 2023 and on 8 August 2023. They concerned transfer between articles in chapter 12 and were needed to reinforce the expenses on learning and development activities that have increased with the recruitment of new staff in 2023. To cover the extra training needs, budget was transferred from the articles' recruitment of staff, mobility and social expenses and medical services, due to savings in these lines.

Transfers 3 and 4 were approved by the agency Director respectively on 30 November 2023 and 14 December 2023. Transfer 3 concerned the reinforcement of the budget in chapter 22, and it was necessary to cover the ICT services (delivered by DIGIT). Transfer 4 was needed to reinforce the staff and allowances expenses, in particular to cover the extra pension costs for 3 TAs and 8 CAs financed through E0/R0 appropriations.

These budget transfers concerned minor adjustments between articles within chapters and were approved by the HaDEA Director in accordance with Steering Committee pre-authorisation given in the last meeting of the FY2022 that took place on the 14 December 2022 (10).

The purpose of the ex-ante agreement by the Steering Committee to budget transfers is to reduce the number of consultations of the Steering Committee and to optimise the implementation of the administrative budget. Following a budget transfer, the total amount of the administrative budget and the amount of each chapter is not modified, justifying why a budget amendment is not requested.

(10) [Ex-ante agreement on certain transfers of appropriations of the 2023 administrative budget SC10\(2022\)56.](#)

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The HaDEA's Director informed the Steering Committee of the budget transfers 1 and 2 during the meeting of 13 October 2023 and of budget transfers 3 and 4 during the last meeting, held on 20 December 2023.

It is to be noted that during the financial year the instability in the international context, with the war in Ukraine, remained a challenge to the budgetary performance, with the international crises having as direct consequence, the high inflation rate with an impact on the salaries and energy costs. Nevertheless, despite the challenging context, the final budget was adjusted to the needs of the agency with savings having been reallocated to reinforce lines with increased costs in particular learning and development and salaries and allowances of staff and ensuring in this way full budgetary execution. The percentage of carryover of outstanding appropriations (commonly referred to as RAL – (reste à liquider), which are committed amounts not yet paid for, was significantly reduced when compared to previous years and amount to 1.57 million.

By the end of the financial year 2023, HaDEA implemented 99,36% of its commitment appropriations (EUR 50.01 million), during the financial year 2023.

Credits	Commitment Appropriations (Million EUR)	Consumed Commitment appropriations (Million EUR)	%
C1	50.33	50.01	99

For the payments executed by HaDEA under administrative budget C1 appropriations, the final implementation rate is of 96,21% (EUR 48.42 million). HaDEA achieved a quite high execution rate, and increased when compared to the financial year 2022, where 93% of payment appropriations were implemented in the year. The open (outstanding) commitments of an amount of EUR 1.58 million, have been carried forward to 2024 in order to honour the outstanding legal and financial obligations entered into the budget in 2023.

Payment Appropriation C1 (Million EUR)	Consumed payment appropriation (Million EUR)	%
50.33	48.42	96
Payment Appropriation C8 (Million EUR)	Consumed payment appropriation (Million EUR)	%
2.42	1.93	80

FINANCIAL STATEMENTS

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.

BALANCE SHEET

		EUR '000	
	Note	31.12.2023	31.12.2022
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	6	9
<i>Tangible assets</i>	2.2	243	273
<i>Plant and equipment</i>		57	9
<i>Computer hardware</i>		71	99
<i>Fixtures and fittings</i>		115	166
		249	283
CURRENT ASSETS			
<i>Exchange receivables and non-exchange recoverables</i>	2.3	2 559	4 118
<i>Current receivables</i>		166	162
<i>Sundry receivables</i>		82	36
<i>Central treasury liaison account</i>		2 310	3 919
<i>Prepaid Expenses</i>	2.4	834	-
		3 393	4 118
TOTAL ASSETS		3 641	4 401
CURRENT LIABILITIES			
<i>Provisions for risks and liabilities</i>	2.5	(11)	(11)
<i>Payables</i>		(2 703)	(3 937)
<i>Current Payables</i>	2.6	(36)	(102)
<i>Accrued charges and deferred income</i>	2.7	(1 858)	(2 247)
<i>Accounts payable to consolidated EU entities</i>	2.8	(809)	(1 587)
<i>Finance lease and liabilities</i>		-	-
		(2 714)	(3 948)
TOTAL LIABILITIES		(2 714)	(3 948)
NET ASSETS		927	453
<i>Adjustment related to the Transfer of Files from CHAFAA</i>			
		205	205
<i>Accumulated surplus/(deficit)</i>		248	1026
<i>Economic result of the year</i>		475	(779)
NET ASSETS	2.9	927	453

STATEMENT OF FINANCIAL PERFORMANCE

		<i>EUR '000</i>	
	Note	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
OPERATING REVENUE	3.1	49 534	40 579
<i>Non-exchange revenue</i>	<i>3.1.1</i>	<i>49 534</i>	<i>40 579</i>
<i>European Union Contribution</i>		<i>49 530</i>	<i>40 438</i>
<i>Other non-exchange revenue</i>		<i>4</i>	<i>141</i>
Exchange Revenue	<i>3.1.2</i>	-	-
OPERATING EXPENSES		(49 059)	(41 358)
<i>Administrative Expenses</i>		<i>(49 059)</i>	<i>(41 358)</i>
Staff expenditure	3.2.1	(39 096)	(32 138)
Administrative expenses with non-consolidated entities	3.2.2	(2 252)	(2 019)
Expenses with consolidated entities	3.2.3	(5 884)	(5 423)
Experts and related expenses	3.2.4	(9)	(2)
<i>Fixed assets related expenses</i>	<i>3.2.5</i>	<i>(82)</i>	<i>(45)</i>
<i>Other expenses</i>	<i>3.2.6</i>	<i>(1 737)</i>	<i>(1 730)</i>
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		475	(779)
Financial revenue		0	0
Financial expenses		(0)	(0)
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		475	(779)
ECONOMIC RESULT OF THE YEAR		475	(779)

CASH FLOW STATEMENT

	<i>EUR '000</i>	
	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
<i>Economic result of the year</i>	475	(779)
Operating activities		
<i>(Increase)/decrease in Prepaid Expenses</i>	(834)	248
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	1559	2 510
<i>Increase/(decrease) in provisions</i>	0	(203)
<i>Increase/(decrease) in payables</i>	(845)	350
<i>Increase/(decrease) in accrued charges</i>	(389)	(1 846)
Investing Activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	34	(281)
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>	-	-

STATEMENT OF CHANGES IN NET ASSETS

EUR '000			
	Adjustments related to the Transfer of Files from CHAFEA ⁽¹¹⁾	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2022	205	248	453
<i>Economic result of the year</i>		475	475
BALANCE AS AT 31.12.2023	205	722	927

⁽¹¹⁾ HaDEA, as the legal successor of CHAFEA was responsible for executing the outstanding payments of CHAFEA after 1/4/2021. To do this, HaDEA received the corresponding funds in 2021. From these funds an amount of kEUR 205 was not finally paid in 2021.

This amount, is presented under this heading, affects the economic result of HaDEA of 2021 and transferred back to the Commission in 2022.

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Legal basis and accounting rules

These accounts are kept in accordance with Commission Regulation (EC) N° 1653/2004 of 21 September 2004 ⁽¹²⁾ on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) N° 58/2003. Art 2 of the standard financial regulation defines in which cases the executive agencies shall also apply the Financial Regulation applicable to the general budget of the European Communities (Regulation (EU, Euratom) N° 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union ⁽¹³⁾ together with its rules of application (Commission Delegated Regulation (EU), Euratom) N° 1268/2012 of 29 October 2012).

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

The accounting system of the Agency comprises general accounts and budget accounts. These accounts are kept in Euro based on the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle. ⁽¹⁴⁾ The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet on 31 December.

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

1.2. Accounting principles

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

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

Going-concern principle

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

⁽¹²⁾ Amended by Commission Regulation (EC) No 651/2008 of 9th July 2008

⁽¹³⁾ Repealing Council Regulation (EC, Euratom) No 1605/2002

⁽¹⁴⁾ This differs from cash-based accounting because of elements such as carryovers.

Principle of prudence

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

Principle of consistent accounting methods

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

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

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

Principle of comparability of information

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

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

Principle of materiality

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

Transactions may be aggregated where:

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

Principle of no-netting

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

Principle of reality over appearance

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

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Accrual-based accounting principle

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

Exception to the accounting principles

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

1.3. Basis of preparation

Reporting period

The reporting period of the accounts is 1 January 2023 and ends on 31 December 2023.

Functional and reporting currency

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

Transactions and balances (Currency and basis for conversation)

The 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 2023.

Euro exchange rates

Currency	31.12.2023	Currency	31.12.2023
BGN	1.9558	RON	4.9756
CZK	24.724	SEK	11.096
DKK	7.4529	CHF	0.926
GBP	0.86905	JPY	156.33
HUF	382.8	USD	1.105
PLN	4.3395		

Chart of Accounts

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

Use of estimates

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

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

1.4. Balance Sheet

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

1.4.1. Intangible fixed assets

Intangible assets are identifiable non-monetary assets without physical substance. Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement. The amortisation rate for its intangible assets is 9%-33%. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life (EU Accounting Rule 6).

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

1.4.2. Tangible fixed assets

Tangible fixed assets are identifiable non-monetary assets with physical substance. 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>	<i>10 % to 25 %</i>
<i>Computer hardware</i>	<i>25 % to 33 %</i>
<i>Other</i>	<i>10 % to 33 %</i>

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

1.4.3. Leases

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

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

1.4.4. Impairment of non-financial assets

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

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

1.4.5. Exchange receivables and non-exchange recoverables

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

Receivables from exchange transactions are financial assets measured at amortized costs.

Recoverable 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 recoverable. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.4.6. Cash and cash equivalents

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

1.4.7. Provisions

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

1.4.8. 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 1.5.1).

Where grants or other funding is provided to the beneficiaries, the cost claims are recorded as payables for the requested amount, 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 the fair value as at the date of the acquisition. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.4.9. Accrued and deferred income and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At period-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 period-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

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.

1.5. Statement and financial performance

1.5.1. 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.

1.5.2. 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. The transactions are carried at the fair value as at the date of the acquisition.

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, if 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 period-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

1.6. Contingent and Assets and Liabilities

1.6.1. Contingent assets

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

1.6.2. Contingent liabilities

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

1.7. Consolidation

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

2. NOTES TO THE BALANCE SHEET

NON-CURRENT ASSETS

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

The increased (additions – euro 48k) of the assets between 2022 and 2023 are related to the purchase of furniture bought during the year of 2023 (desks and lockers). The agency also received tangible fixed assets (furniture) free of charge from the Executive agency, EISMEA⁽¹⁵⁾, that moved to another building. In addition, under transfer between asset category, there are two assets (euro 3k – exhibition stands) that were bought in December 2022 but made use of them from January 2023 and onwards.

Moreover, HaDEA is part of the Digital Workplace (DWP) support that DIGIT provides to HaDEA through a Service Level Agreement (SLA)⁽¹⁶⁾. Consequently, many of the IT equipment are provided to HaDEA through this SLA, and they do not consider assets (see point 3.2.3).

2.1. Intangible fixes assets

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

The intangible fixed assets at the Agency consist of two computer licences.

	<i>EUR '000</i>
	TOTAL
<i>Gross carrying amount at 31.12.2022</i>	<i>12</i>
<i>Additions</i>	<i>-</i>
Gross carrying amount at 31.12.2023	12
<i>Accumulated amortisation at 31.12.2022</i>	<i>(3)</i>
<i>Amortisation charge for the year</i>	<i>(3)</i>
Accumulated amortisation at 31.12.2023	(6)
NET CARRYING AMOUNT AT 31.12.2023	6
<i>NET CARRYING AMOUNT AT 31.12.2022</i>	<i>9</i>

2.2. Tangible fixed assets

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

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

⁽¹⁵⁾ Executive Agency EISMEA: European Innovation and SMEs Executive Agency

⁽¹⁶⁾ SLA signed between HaDEA and DIGIT on 9/3/2021 (ref.Ares(2021)1720023-9/03/2021)

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	EUR '000			
	Plant & Equipment	Computer hardware	Fixtures and Fittings	TOTAL
Gross carrying amount at 31.12.2022	10	110	196	316
Additions	48	-	-	48
Transfer between asset categories	3	-	(3)	-
Gross carrying amount at 31.12.2023	61	110	193	364
Accumulated depreciation at 31.12.2022	(1)	(11)	(30)	(42)
Depreciation charge for the year	(3)	(27)	(48)	(79)
Accumulated depreciation at 31.12.2023	(4)	(39)	(78)	(121)
NET CARRYING AMOUNT AT 31.12.2023	57	71	115	243
NET CARRYING AMOUNT AT 31.12.2022	9	99	166	273

CURRENT ASSETS

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.

The amounts included under this heading are of a current nature and can be broken down as follows:

	EUR '000	
	31.12.2023	31.12.2022
Exchange receivables and non-exchange recoverables		
Current receivables	166	162
Sundry receivables	82	36
Central treasury liaison account	2 310	3 919
Total	2 559	4 118

Current receivables (kEUR 166)

Deferred charges (kEUR 160)

- kEUR 14 consists of services that were paid in 2022 and covers the period 2024 and onwards;
- kEUR 6 relates to the part of invoices paid for staff relates to the public transportation;
- kEUR 51 corresponds to the part of the SCIC audio-visual equipment. Consists of service and maintenance for the period 2024-2027;

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- kEUR 89 corresponds to services paid in 2023 and will cover a period 2023-2024 and relates to maintenance and other services.

Invoice in step 1 (kEUR 6)

- kEUR 6 consists of invoices registered in step 1 and relate to expenses of 2024.

Sundry Receivables (kEUR 82)

The sundry receivables relate to salary regularisation or other regularisations linked to payroll vis-à-vis staff.

Central Treasury Liaison account (kEUR 2 310)

HaDEA does not have a bank account. The bank account is not open in the name of HaDEA but in the name of the Commission. The treasury of HaDEA is integrated into the Commission's treasury system⁽¹⁷⁾. All payments and receipts are processed via the Commission's treasury and registered on inter-company account (liaison account). All transactions via this account are systematically made through the Commission and managed through ABAC, SAP and SWIFT systems. In the EU Chart of accounts (PCUE) the treasury liaison accounts are classified in class 4 (Receivables) and not in class 5 (Cash)

Each time the Agency requests a subsidy instalment from DG SANTE, it is booked on this liaison account. The amount of kEUR 2 310 corresponds to the balance available 31/12/2023, on the liaison account and is therefore considered as an amount receivable from the Commission.

2.4. Prepaid expenses

The prepaid expenses consisted of the anticipated charges for 2023 (audio-visual equipment) of an amount of kEUR 834 for which the invoices were received before 31 December 2023 and the delivery of the services and the delivery of the assets will take place in 2024.

There were no prepaid expenses the previous year (31.12.2022).

EUR '000

	31.12.2023	31.12.2022
<i>Prepaid expenses</i>	834	0

DG SCIC – Audiovisual equipment (kEUR 34)

In 2023, the agency ordered and paid in advance, audiovisual equipment for two meeting rooms to cover the needs of hybrid meetings. In 2024, DG SCIC will deliver and install the audiovisual equipment.

DG RTD - Audiovisual equipment (kEUR 800)

In 2023, the agency ordered and paid in advance for a budget calculator/reporting tool. It is a technical solution for specific business processes on veterinary and phytosanitary grants at submission and grant management/reporting stages in eGrants. In 2024, the agency will be able to use this service upon completion by DG RTD (owner of the tool).

(17) SLA (ARES)2082029 24/3/2021, Appendix 4 par. 4.3.1 Treasury Services signed between EC and HaDEA

LIABILITIES

2.5. Provision for risks and liabilities

A provision is a liability of uncertain timing or amount. Provisions can be distinguished from other liabilities such as payables and accruals because there is uncertainty about the timing or amount of the future expenditure required in settlement.

EUR '000

	31.12.2023	31.12.2022
<i>Provisions</i>	11	11

Under this title is a provision (kEUR 11) recognised for the ex-Chafea staff which moved with the programmes that were transferred to other executive agencies (see note 4.1 and 4.2.3) and for which there is a liability for the payment of Installation Allowance in line with their contractual provisions. None of the eligible staff has requested the allowance in 2023.

2.6. Current payables

Payables of an amount of kEUR 36 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.

EUR '000

	31.12.2023	31.12.2022
<i>Current Payables</i>	36	102

- kEUR 36: It corresponds to the open invoices received at the year 2023 and will be paid in 2024;

2.7. Accrued charges and deferred income

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, it has been recorded as a reduction of the pre-financing amounts.

EUR '000

	31.12.2023	31.12.2022
<i>Accrued charges and deferred income</i>	1 858	2 247

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There is a 61% decrease of the accrued charges between 31.12.2022 and 31.12.2023 due to the higher execution of payments in the 2023.

There is a 18% increase of the unpaid leave between 31.12.2023 and 31.12.2022 due to increase of the number of staff and the number of days of the untaken leave.

The total amount of kEUR 1 858 accrued charges is detailed below:

- kEUR 627: Goods and services delivered by suppliers in 2023 but not invoiced at year-end, like IT consultancy, IT maintenance, office supplies, trainings, staff perquisites, audit services.
- kEUR 271: Accruals with consolidated entities concern goods and services provided by other EU institutions in 2023 in the framework of Service Level Agreement and not yet invoiced until 31/12/2023. The amount is distributed between different services of the Commission.
- kEUR 960: Charges relating to untaken annual leave by staff by 31/12/2023.

2.8. Accounts payable to consolidated EU entities

The pre-financing liability of an amount of kEUR 809 relates to the unused amounts of the subsidy received by DG SANTE in 2023. The amount will be returned to the Commission in 2023. The amount of kEUR 1 587 that corresponded to the unused amount of the subsidy received by DG SANTE in 2022, returned to DG SANTE on 18/10/2023.

EUR '000

	31.12.2023	31.12.2022
<i>Accounts payable to consolidated EU entities</i>	809	1 587

2.9. Net Assets

The net assets amount to kEUR 927 and comprise the total of the economic result of previous year for an amount of kEUR 248 plus CHAFEA's funds ⁽¹⁸⁾ of an amount of kEUR 205 that was not finally paid in 2021 and the economic result of the current year – a gain of the amount of kEUR 475.

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

⁽¹⁸⁾ HaDEA, as the legal successor of CHAFEA was responsible for executing the outstanding payments of CHAFEA after 1/4/2021. To do this, HaDEA received the corresponding funds in 2021. From these funds an amount of kEUR 205 was not finally paid in 2021. This amount, is presented under this heading, affects the economic result of HaDEA for 2021 and transferred back to the Commission in 2022.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

3.1. Operating revenue

3.1.1. Non-exchange revenue

	<i>EUR '000</i>	
	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
<i>European Union contribution</i>	49 530	40 438
<i>Other non-exchange revenue</i>	4	141
<i>Operating Revenue</i>	49 534	40 579

European Union Contribution (kEUR 49 530)

European Union Contribution corresponds to the amount of kEUR 49 530 of the balancing subsidy used for the administrative activities of HaDEA in 2023 less than the budget outturn for the year (see table “Budget result -HaDEA under section “Budget Implementation reports and explanatory notes”).

Other non-exchange revenue (kEUR 4)

In 2023, the other non-exchange revenue of an amount of kEUR 4 corresponds to the profit in the statement of financial performance of two assets booked in the balance sheet of the agency from the transfer of free of charge assets from EISMEA to HaDEA (see point 2-non-current assets, above).

In 2022, the other non-exchange revenue of an amount of kEUR 141 corresponds to the reversed provisions of 2021.

3.1.2. Exchange revenue

There is a negligent amount of exchange revenue related to exchange rate gains for both in 2023 and 2022.

	<i>EUR '000</i>	
	01.01.2023- 31.12.2023	01.12.2022- 31.12.2022
<i>Exchange revenue</i>	-	-

3.2. Operating expenses

Operating expenditure increased by almost 20% in line with the expanded activities of the agency and in accordance with the increased budget allocation for the reporting year.

3.2.1. Staff expenditure

This heading includes the expenses for salaries, allowances, and other employment-related benefits. Based on the service level agreement between the entity and the Commission, the calculations of staff-related costs 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 entity staff members are covered by the

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Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the entity staff and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the entity accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the entity, as the obligation falls to the Commission. Consequently, both the annual cost to the EU budget, and the future benefits payable to the entity staff, are accounted for in the Commission's annual accounts as part of its provision for pensions and other post-employment benefits. The pension costs included in the Commission's Statement of Financial Performance represent current service cost (rights accrued during the year due to service) and interest cost (unwinding of the liability discounting) which have arisen following the year-end actuarial valuation of the employee benefits liabilities.

EUR '000

	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
<i>Staff costs</i>	39 096	32 138

3.2.2. Administrative expenses with non-consolidated entities

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

EUR '000

	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
<i>External IT services</i>	452	295
<i>Communications and publications</i>	929	996
<i>Office supplies and maintenance</i>	98	320
<i>Training costs</i>	383	298
<i>Missions</i>	307	104
<i>Other</i>	82	6
	2 252	2 019

3.2.3. Expenses with consolidated entities

Expenses with other consolidated entities amounting to kEUR 5 884. This heading regroups different types of expenses with consolidated entities mainly for Service Level Agreements (SLAs) that HaDEA signed with the different services of the Commission (DGs) such as DG BUDG, DIGIT, SCIC, PMO, OIB and HR.

EUR '000

	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
<i>Expenses with other Consolidated entities</i>	5 884	5 423

The most significant costs under this heading are the first two below:

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- kEUR 3 663: rent and related expensed for HaDEA's premises. The SLA for the rental agreement with the OIB has been signed on 1/12/2022 ⁽¹⁹⁾ with retroactive effect from 1/4/2021;
- kEUR 1 458: DIGIT IT services for Digital Workplace Supports ⁽²⁰⁾, Cloud & Service Management Capabilities and other IT related services;
- kEUR 615: DG HR services;
- kEUR 148: expenses related to the services that have been provided by DGBUDG, OIB, PMO, CDT, SCIC.

The amounts to be paid during the expected duration (MFF 2021-2027 plus one year) of the rental agreement with OIB are estimated as follows:

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	3 655	15 365	-	19 020
<i>IT materials and other equipment</i>	171	718	-	889
Total	3 826	16 083	-	19 909

3.2.4. Expert and related expenses

The experts related expenses constitutes of the services that were provided by HaDEA for some Operational Unit's events linked to the programmes. In-person meetings/events are increasing comparing to previous years that almost all events took place online.

	EUR '000	
	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
<i>Experts and related expenses</i>	9	2

3.2.5. Fixed assets related expenses

Fixed assets related expenses amounting to kEUR 82 contain the charged amortisation/ depreciation for the non-current intangible assets, property, plant, and equipment.

	EUR '000	
	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
<i>Property, plant and equipment related expenses</i>	82	45

⁽¹⁹⁾ 2022 SLA OIB-HaDEA – Ares(2022)8332314-01/12/2022
⁽²⁰⁾ 2021 SLA DIGIT-HaDEA- Ares(2021)1720023 -09/03/2021

3.2.6. Other expenses

Other related expenses amounting to kEUR 1 737 contain the expenses of other external service provider (NON – IT) related to interim services, audit services, removal expenses, furniture expenses (below 700 euro per item) etc.

	<i>EUR '000</i>	
	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
<i>Other expenses</i>	1 737	1 730

4. CONTINGENT LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

4.1. Contingent Liabilities

Transfer of CHAFEA'S TASKS

Because of the transfer of CHAFEA tasks to other executive agencies (see note 4.2.3), the staff of CHAFEA that has been recruited by HaDEA, benefits still from installation allowances. There is a “remote” possibility of economic outflows due to allowances for CHAFEA staff moving from Luxembourg to Brussels in addition to provisions (see note 2.5) of an amount of kEUR 46 entered in the account. The obligation will be settled by the Executive Agency.

4.2. Other significant disclosures

4.2.1. Outstanding commitments not yet expensed (carryovers)

	<i>EUR '000</i>	
	2023	2022
A. Automatic carryovers C1	1 585	2 422
B. Accrued expenses (excluding holiday compensation); deferred expenses and open invoices	(1 012)	(1 656)
Outstanding commitments not yet expensed (A-B)	573	766

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 period'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.

4.2.2. Property taxes on the rent of HaDEA's premises

OIB informed HaDEA that HaDEA should not pay any property taxes on the top of the rent, because all the space HaDEA is using in COV2- Brussels is under the 'newer' clauses and OIB has only accepted to pay the taxes based on the 'older' clause. For the above reason HaDEA did not put aside any funds to cover this part and OIB had not put aside any funds either. Moreover, the result of the legal dispute between the OIB and

the landlord has been completed in favor of the European Commission. Consequently, HaDEA is not going to be charged with any property taxes for the concerned period (2021-2022).

4.2.3. Transfer of tasks from CHAFEA to HaDEA

With Commission Implementing Decision (EU)2021/173, article 21, CHAFEA ceased to exist as of 1 April 2021 and thereafter it shall be wound up in accordance with Article 3(2) of Regulation (EC) No 58/2003 and paragraphs (2) to (5) of this Article. The European Health and Digital Executive Agency (HaDEA), the European Innovation Council and SMEs Executive Agency (EISMEA) and the European Research Executive Agency (REA) took over all assets and liabilities linked to the activities taken over from CHAFEA and all assets and liabilities linked to the support activities not attached to a specific programme. Moreover, the two liquidators appointed by the Commission in accordance with Article 3(2) of Regulation (EC) No 58/2003 shall verify and confirm that all activities of CHAFEA are either terminated or taken over, and that all remaining assets and liabilities have been taken over by HaDEA, EISMEA and REA. HaDEA only facilitated the liquidators' work.

The liquidators completed the report on the winding up of the CHAFEA on 18.07.2023²¹. Considering the termination of its activities and the completion of the transfer of all its remaining assets and liabilities, the liquidators acknowledged the winding up of CHAFEA.

Following Communication to the Commission C(2020) 7876 of 11 November 2020 on Delegation of implementation tasks to Executive Agencies for the 2021-2027 EU programmes, the tasks of the CHAFEA were transferred to other executive agencies. Consequently, the staff of CHAFEA was recruited by other executive agencies and they benefitted from installation and daily allowances, as well as removal expenses. DG HR confirmed that all the allowances (installation, removal, daily allowances) are paid/borne by each receiving Executive Agency. The ex-CHAFEA was entitled to receive the daily allowance and the installation allowance for their families by March 2022, the removal expenses by September 2022, but they are still entitling the installation allowance for themselves.

⁽²¹⁾ *Report on the winding up of the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA), prepared in accordance with Article 2 of Commission Decision C(2021) 2050 final of 24 March 2021 (Ares(2023)5002879 – 18/07/2023)*

4.2.4. Related parties

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

4.2.5. Key Management Entitlements

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

The Director is remunerated in accordance with the Staff Regulations of the EU that are published on the Europa website, which is the official document describing the rights and the obligations of all officials of the EU. HaDEA's interim Director was paid under Commission's payroll.

31.12.2023

Director

AD 14

Civil servants with the Highest grade in HaDEA are presented in the table below.

Highest grade description	Grade	Number of persons in this grade
Director, Heads of Department, Heads of Unit	AD 14	6
Heads of Department, Heads of Unit and Deputy Head of Units	AD 13	5

4.2.6. The HaDEA's staffing

The number of staff in 2023 including EU officials, EU temporary agents, EU contract staff and seconded national experts (SNE) ⁽²²⁾, but excludes interim workers and consultants are 443.

	2023	2022
Staff as at 31 December	443	418

5. FINANCIAL INSTRUMENTS

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

⁽²²⁾ HaDEA has zero staff of SNEs

impairment requirements of the revised EAR 11 to the receivables and has recognised the required adjustment of the loss allowance in the accumulated surplus or deficit on 1 January 2023.

5.1. Type of Risks

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

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

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

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

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

5.1.1. Currency and Interest rate risk exposure at 31 December 2023

At 31 December 2023, the financial assets are composed of exchange receivables and non-exchange recoverables, represented by accrued income. The financial liabilities are composed of accounts payable represented by accrued charges. Their ending balances are mainly quoted in EUR, the entity is thus not exposed to currency risk.

In addition, the interest rate risk is zero because HaDEA does not own any security or bonds.

5.1.2. Credit risk

At 31 December 2023, the financial assets comprise exchange receivables and non-exchange recoverables that are neither past due nor impaired, the entity is thus not exposed to credit risk.

Financial assets by risk category

The receivables from consolidated entities are considered receivables from entities with prime and high grade. They are mainly related to the liason account with EC amounted to kEUR 2 310 at year end. The remaining amount relates to other consolidated entities or counterparties without external credit rating risk.

31-12-2023	Not past due	Past due 0-30 days	Past due 31-90 days	Past due 91 days - 1 year	Past due > 1year	Total
	940	944	945	946	947	
Receivables gross carrying amount	2,310,386.48		137.62			2,310,524.10
Impairment (-)*						0.00
Net receivables	2,310,386.48	0.00	137.62	0.00	0.00	2,310,524.10

5.1.3. Liquidity risk

Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are mainly composed of accounts payable of an amount of kEUR 34. All the accounts payable have remaining contractual maturity of less than 1 year.

**THE BUDGET IMPLEMENTATION REPORTS AND
EXPLANATORY NOTES**

BUDGETARY PRINCIPLES AND STRUCTURE

HaDEA receives its own operating budget in the form of an annual subsidy. As an autonomous EU body the revenue of the Agency comprises an annual subsidy from the European Commission as stipulated in Article 25 of the “Delegation Act”, and additional revenue from the Next Generation EU budget (NGEU) and from participation of EFTA and Third countries to certain of the delegated programmes.

The subsidy is transferred by the Commission to the Agency in several instalments. If the budget result is positive, it shall be the subject of a recovery order issued by the Commission at the annual closure of the Agency's accounts. The amounts recovered shall be considered as general revenue.

The Director of the Agency is the Authorising Officer responsible for the implementation of the Agency's operating budget, in line with article 25 of the COMMISSION REGULATION (EC) No 1653/2004.

BUDGETARY PRINCIPLES

HaDEA as an executive agency has an operating budget governed by the Commission Regulation 1653/2004. According to Article 15 of Regulation EC 58/2003, the operating budget covers exclusively the administrative expenditure for the financial year.

The establishment and implementation of the HaDEA budget is governed by the following principles:

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 HaDEA budget. No expenditure may be committed or authorised more than the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

Principle of annuality

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

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

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

Principle of universality

Total revenue shall cover total expenditure with the exception of revenue assigned to specific items of expenditure, and all revenue and expenditure shall be entered in full without any adjustment against each other.

Principle of specification

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

Principle of sound financial management

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

Principle of transparency

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

STRUCTURE AND PRESENTATION OF THE BUDGET

HADEA has a separate legal personality, and its administrative budget consists of the revenue statement, the expenditures statement and the establishment plan. Revenue and expenditure of the Agency are shown in the budget in accordance with a binding nomenclature, which reflects the nature and purpose of each item, as imposed by the budgetary authority. It is organised by: TITLE → CHAPTER → ARTICLE → ITEM.

The Operating budget of HaDea consists only of non-differentiated appropriations.

Title 1: “Staff expenditures”

This title includes expenses for personnel linked to the agency: salaries, allowances and social costs, recruitment expenses, training, services provided by DG HR and PMO, social benefits and interim services.

Title 2: “Infrastructure and operating expenditures”

This title includes expenses related to: rent and charges, purchase of equipment, furniture, office supplies, service legal agreements with DG Budget, DIGIT and other services related to the operating activities.

Title 3: “Programmes support expenditures”

This title includes expenses linked to the agency's operations: expert meetings, missions, expenditure link to IT cooperate tools, communication and dissemination activities, ex-post audits directly related to operational activities.

BUDGET RESULT – HaDEA

EUR '000

	Title	2023	2022
Revenue		50 339	42 025
of which:			
CONTRIBUTION FROM EU <i>(Note 1)</i>	20	50 336	42 013
OTHER INCOME	90	3	12
Expenditure		(48 428)	(39 007)
of which:			
Staff expenditure	1	(40 586)	(33 258)
Administrative expenditure	2	(5 949)	(5 038)
Operational expenditure	3	(1 893)	(711)
Payment appropriat. carried over to the following year		(1 585)	(2 422)
of which:			
Staff expenditure	1	(488)	(950)
Administrative expenditure	2	(347)	(568)
Operational expenditure	3	(750)	(904)
Cancellation of unused appropr. carried over from year n-1		482	991
Exchange rate differences		(0)	(0)
Budget result		809	1 587

Note 1. Contribution from EU includes NGEU and EFTA contribution.

RECONCILIATION OF THE ACCRUAL BASED RESULT WITH THE BUDGET RESULT

	EUR '000	
	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
ECONOMIC RESULT OF THE YEAR	475	(779)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	618	1 753
<i>Adjustments for Accrual Cut-off (reversal 31.12.N-1)</i>	(2 305)	(3 491)
<i>Adjustments for Accrual Cut-off (cut- off 31.12.N)</i>	1 699	2 143
<i>Unpaid invoices at year end but booked in charges (class 6)</i>	30	102
<i>Depreciation of intangible and tangible assets</i>	82	45
<i>Provisions</i>	11	11
<i>Recovery Orders issued for 2022 in class 7 and not yet cashed</i>	-	(58)
<i>Prefinancing received in previous year and cleared in the year</i>	-	(1 333)
<i>Payments made from carry over of payment appropriations</i>	1 940	4 296
<i>Other (2023: Advance payment to EC services)</i>	(834)	36
<i>Other (2023: gain from transfer of asset)</i>	(4)	1
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	(284)	613
<i>Asset acquisitions (less unpaid amounts)</i>	(48)	(140)
<i>New pre-financing received in the year 2023 and remaining open as at 31.12.2023</i>	809	1 587
<i>Entitlements established in previous year and cashed in the year</i>	58	-
<i>Budgetary recovery orders issued before 2022 and cashed in the year</i>	-	1
<i>Budgetary recovery orders issued in 2022 on balance sheet accounts (not 7 or 6 accounts) and cashed</i>	-	12
<i>Payment appropriations carried over to next year</i>	(1 585)	(2 422)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	482	991
<i>Other (2022: Cancellation of the unused amount from Current Year)</i>	-	584
BUDGET RESULT OF THE YEAR	809	1 587

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IMPLEMENTATION OF BUDGET REVENUE

EUR '000

	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
20	CONTRIBUTION FROM EU	50 336	50 336	50 336	0	50 336	50 336	0	50 336	100 %	0
Total Chapter 20		50 336	50 336	50 336	0	50 336	50 336	0	50 336	100 %	0
Total Title 20		50 336	50 336	50 336	0	50 336	50 336	0	50 336	100 %	0

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	
90	OTHER INCOME	0	0	1	2	3	1	2	3	-	0
Total Chapter 90		0	0	1	2	3	1	2	3	-	0
Total Title 90		0	0	1	2	3	1	2	3	-	0

GRAND TOTAL		50 336	50 336	50 337	2	50 339	50 337	2	50 339	100 %	0
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BREAKDOWN AND CHANGES IN COMMITMENT APPROPRIATIONS

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
1111	Temporary agents: remunerations	11 644	210	(15)	11 839	0	0	0	11 839
1112	Temporary agents: allowances	2 980	(235)	43	2 788	0	0	0	2 788
1121	Contract agents: remunerations	17 615	570	(60)	18 124	0	0	0	18 124
1122	Contract agents: allowances	4 951	70	33	5 054	0	0	0	5 054
1141	Support services & Trainees	1 247	50	0	1 297	0	0	0	1 297
Total Chapter 11		38 438	665	0	39 103	0	0	0	39 103
1211	Recruitment expenses	5	0	(3)	2	0	0	0	2
1221	Individual entitlements of staff	480	0	0	480	0	0	0	480
1231	Training	430	41	75	546	0	0	0	546
1241	Medical services	139	0	(39)	100	0	0	0	100
1242	Mobility & social expenses for staff	850	88	(33)	905	0	0	0	905
1251	Representation expenses, events and internal meetings	25	(10)	0	15	0	0	0	15
Total Chapter 12		1 929	119	0	2 048	0	0	0	2 048
Total Title 1		40 367	784	0	41 151	0	0	0	41 151
	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
2111	Rental of building and associated expenses	4 387	(537)	0	3 850	0	0	0	3 850
Total Chapter 21		4 387	(537)	0	3 850	0	0	0	3 850
2211	IT-Purchases, hard - and softwares and maintenances	30	10	(5)	35	0	0	0	35
2212	ICT Services	2 325	(132)	5	2 198	0	0	0	2 198
Total Chapter 22		2 355	(122)	0	2 233	0	0	0	2 233
2311	Furniture, Technical Installations and associated expenses	250	(90)	0	160	0	0	0	160
2312	Office supplies, documentation & correspondance	114	(23)	0	91	0	0	0	91
2313	Charges, insurances & other operating expenses	41	(2)	0	39	0	0	0	39
Total Chapter 23		405	(115)	0	290	0	0	0	290
Total Title 2		7 147	(774)	0	6 373	0	0	0	6 373

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BREAKDOWN AND CHANGES IN COMMITMENT APPROPRIATIONS (2)

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3111	Experts and external meetings	458	(133)	0	325	0	0	0	325
3112	Missions: Programme management	599	(185)	0	414	0	0	0	414
3113	Audit	549	(282)	0	267	0	0	0	267
3114	Communication, information & linguistic services	1 217	(210)	0	1 007	0	0	0	1 007
3116	Programme related IT expenses	0	800	0	800	0	0	0	800
Total Chapter 31		2 822	(10)	0	2 813	0	0	0	2 813
Total Title 3		2 822	(10)	0	2 813	0	0	0	2 813
GRAND TOTAL		50 336	(0)	0	50 336	0	0	0	50 336

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BREAKDOWN AND CHANGE IN PAYMENT APPROPRIATIONS (1)

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
1111	Temporary agents: remunerations	11 644	210	(15)	11 839	0	0	0	11 839
1112	Temporary agents: allowances	2 980	(235)	43	2 788	0	0	0	2 788
1121	Contract agents: remunerations	17 615	570	(60)	18 124	0	0	0	18 124
1122	Contract agents: allowances	4 951	70	33	5 054	0	0	0	5 054
1141	Support services & Trainees	1 247	50	0	1 297	440	0	440	1 737
Total Chapter 11		38 438	665	0	39 103	440	0	440	39 542
1211	Recruitment expenses	5	0	(3)	2	2	0	2	4
1221	Individual entitlements of staff	480	0	0	480	148	0	148	628
1231	Training	430	41	75	546	151	0	151	697
1241	Medical services	139	0	(39)	100	91	0	91	191
1242	Mobility & social expenses for staff	850	88	(33)	905	114	0	114	1 019
1251	Representation expenses, events and internal meetings	25	(10)	0	15	5	0	5	20
Total Chapter 12		1 929	119	0	2 048	510	0	510	2 558
Total Title 1		40 367	784	0	41 151	950	0	950	42 101
	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
2111	Rental of building and associated expenses	4 387	(537)	0	3 850	230	0	230	4 080
Total Chapter 21		4 387	(537)	0	3 850	230	0	230	4 080
2211	IT-Purchases, hard - and softwares and maintenances	30	10	(5)	35	6	0	6	42
2212	ICT Services	2 325	(132)	5	2 198	283	0	283	2 481
Total Chapter 22		2 355	(122)	0	2 233	290	0	290	2 523
2311	Furniture, Technical Installations and associated expenses	250	(90)	0	160	32	0	32	192
2312	Office supplies, documentation & correspondance	114	(23)	0	91	17	0	17	108
2313	Charges, insurances & other operating expenses	41	(2)	0	39	0	0	0	39
Total Chapter 23		405	(115)	0	290	49	0	49	339
Total Title 2		7 147	(774)	0	6 373	568	0	568	6 941

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BREAKDOWN AND CHANGE IN PAYMENT APPROPRIATIONS (2)

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropri. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3111	Experts and external meetings	458	(133)	0	325	87	0	87	412
3112	Missions: Programme management	599	(185)	0	414	65	0	65	479
3113	Audit	549	(282)	0	267	277	0	277	544
3114	Communication, information & linguistic services	1 217	(210)	0	1 007	476	0	476	1 483
3116	Programme related IT expenses	0	800	0	800	0	0	0	800
Total Chapter 31		2 822	(10)	0	2 813	904	0	904	3 717
Total Title 3		2 822	(10)	0	2 813	904	0	904	3 717
GRAND TOTAL		50 336	(0)	0	50 336	2 422	0	2 422	52 759

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IMPLEMENTATION OF COMMITMENT APPROPRIATIONS (1)

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	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
1111	Temporary agents: remunerations	11 839	11 839	0	0	11 839	100 %	0	0	0	0	0	0	0
1112	Temporary agents: allowances	2 788	2 788	0	0	2 788	100 %	0	0	0	0	0	0	0
1121	Contract agents: remunerations	18 124	18 116	0	0	18 116	100 %	0	0	0	9	0	0	9
1122	Contract agents: allowances	5 054	5 054	0	0	5 054	100 %	0	0	0	0	0	0	0
1141	Support services & Trainees	1 297	1 248	0	0	1 248	96 %	0	0	0	49	0	0	49
Total Chapter 11		39 103	39 045	0	0	39 045	100 %	0	0	0	58	0	0	58
1211	Recruitment expenses	2	1	0	0	1	38 %	0	0	0	1	0	0	1
1221	Individual entitlements of staff	480	480	0	0	480	100 %	0	0	0	0	0	0	0
1231	Training	546	529	0	0	529	97 %	0	0	0	17	0	0	17
1241	Medical services	100	100	0	0	100	100 %	0	0	0	0	0	0	0
1242	Mobility & social expenses for staff	905	905	0	0	905	100 %	0	0	0	0	0	0	0
1251	Representation expenses, events and internal meetings	15	15	0	0	15	99 %	0	0	0	0	0	0	0
Total Chapter 12		2 048	2 029	0	0	2 029	99 %	0	0	0	19	0	0	19
Total Title 1		41 151	41 074	0	0	41 074	100 %	0	0	0	77	0	0	77

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IMPLEMENTATION OF COMMITMENT APPROPRIATIONS (2)

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	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
2111	Rental of building and associated expenses	3 850	3 793	0	0	3 793	99 %	0	0	0	57	0	0	57
Total Chapter 21		3 850	3 793	0	0	3 793	99 %	0	0	0	57	0	0	57
2211	IT-Purchases, hard - and softwares and maintenances	35	23	0	0	23	66 %	0	0	0	12	0	0	12
2212	ICT Services	2 198	2 198	0	0	2 198	100 %	0	0	0	0	0	0	0
Total Chapter 22		2 233	2 221	0	0	2 221	99 %	0	0	0	12	0	0	12
2311	Furniture, Technical Installations and associated expenses	160	159	0	0	159	100 %	0	0	0	1	0	0	1
2312	Office supplies, documentation & correspondance	91	87	0	0	87	95 %	0	0	0	4	0	0	4
2313	Charges, insurances & other operating expenses	39	36	0	0	36	93 %	0	0	0	3	0	0	3
Total Chapter 23		290	282	0	0	282	97 %	0	0	0	8	0	0	8
Total Title 2		6 373	6 296	0	0	6 296	99 %	0	0	0	77	0	0	77

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IMPLEMENTATION OF COMMITMENT APPROPRIATIONS (3)

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	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
3111	Experts and external meetings	325	313	0	0	313	96 %	0	0	0	11	0	0	11
3112	Missions: Programme management	414	350	0	0	350	84 %	0	0	0	65	0	0	65
3113	Audit	267	264	0	0	264	99 %	0	0	0	4	0	0	4
3114	Communication, information & linguistic services	1 007	916	0	0	916	91 %	0	0	0	90	0	0	90
3116	Programme related IT expenses	800	800	0	0	800	100 %	0	0	0	0	0	0	0
Total Chapter 31		2 813	2 643	0	0	2 643	94 %	0	0	0	170	0	0	170
Total Title 3		2 813	2 643	0	0	2 643	94 %	0	0	0	170	0	0	170
GRAND TOTAL		50 336	50 013	0	0	50 013	99 %	0	0	0	324	0	0	324

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IMPLEMENTATION OF PAYMENT APPROPRIATIONS (1)

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2024				Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	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
1111	Temporary agents: remunerations	11 839	11 839	0	0	11 839	100 %	0	0	0	0	0	0	0	0
1112	Temporary agents: allowances	2 788	2 788	0	0	2 788	100 %	0	0	0	0	0	0	0	0
1121	Contract agents: remunerations	18 124	18 116	0	0	18 116	100 %	0	0	0	0	9	0	0	9
1122	Contract agents: allowances	5 054	5 054	0	0	5 054	100 %	0	0	0	0	0	0	0	0
1141	Support services & Trainees	1 737	1 007	402	0	1 409	81 %	241	0	0	241	49	38	0	87
Total Chapter 11		39 542	38 804	402	0	39 206	99 %	241	0	0	241	58	38	0	95
1211	Recruitment expenses	4	1	0	0	1	21 %	0	0	0	0	1	2	0	3
1221	Individual entitlements of staff	628	437	117	0	555	88 %	43	0	0	43	0	31	0	31
1231	Training	697	434	138	0	572	82 %	95	0	0	95	17	13	0	30
1241	Medical services	191	37	41	0	78	41 %	63	0	0	63	0	50	0	50
1242	Mobility & social expenses for staff	1 019	864	30	0	894	88 %	41	0	0	41	0	84	0	84
1251	Representation expenses, events and internal meetings	20	9	2	0	11	56 %	5	0	0	5	0	3	0	3
Total Chapter 12		2 558	1 782	328	0	2 110	82 %	247	0	0	247	19	182	0	201
Total Title 1		42 101	40 586	730	0	41 316	98 %	488	0	0	488	77	220	0	296

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IMPLEMENTATION OF PAYMENT APPROPRIATIONS (2)

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2024				Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	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
2111	Rental of building and associated expenses	4 080	3 717	38	0	3 756	92 %	76	0	0	76	57	191	0	248
Total Chapter 21		4 080	3 717	38	0	3 756	92 %	76	0	0	76	57	191	0	248
2211	IT-Purchases, hard - and softwares and maintenances	42	23	6	0	30	71 %	0	0	0	0	12	0	0	12
2212	ICT Services	2 481	2 005	281	0	2 286	92 %	193	0	0	193	0	2	0	2
Total Chapter 22		2 523	2 028	288	0	2 316	92 %	193	0	0	193	12	2	0	14
2311	Furniture, Technical Installations and associated expenses	192	99	21	0	121	63 %	60	0	0	60	1	10	0	11
2312	Office supplies, documentation & correspondance	108	73	17	0	90	83 %	14	0	0	14	4	0	0	4
2313	Charges, insurances & other operating expenses	39	32	0	0	32	81 %	5	0	0	5	3	0	0	3
Total Chapter 23		339	204	38	0	242	71 %	78	0	0	78	8	10	0	18
Total Title 2		6 941	5 949	364	0	6 314	91 %	347	0	0	347	77	204	0	281

Final Annual Accounts of the Health and Digital Executive Agency (HaDEA)
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IMPLEMENTATION OF PAYMENT APPROPRIATIONS (3)

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2024				Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	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
3111	Experts and external meetings	412	163	87	0	250	61 %	150	0	0	150	11	0	0	11
3112	Missions: Programme management	479	255	38	0	293	61 %	95	0	0	95	65	26	0	91
3113	Audit	544	112	273	0	385	71 %	151	0	0	151	4	4	0	7
3114	Communication, information & linguistic services	1 483	563	447	0	1 010	68 %	353	0	0	353	90	29	0	120
3116	Programme related IT expenses	800	800	0	0	800	100 %	0	0	0	0	0	0	0	0
Total Chapter 31		3 717	1 893	845	0	2 738	74 %	750	0	0	750	170	59	0	229
Total Title 3		3 717	1 893	845	0	2 738	74 %	750	0	0	750	170	59	0	229
GRAND TOTAL		52 759	48 428	1 940	0	50 368	95 %	1 585	0	0	1 585	324	482	0	806

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COMMITMENTS OUTSTANDING (1)

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. Revaluatio n 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
1111	Temporary agents: remunerations	0	0	0	0	11 839	11 839	0	0	0
1112	Temporary agents: allowances	0	0	0	0	2 788	2 788	0	0	0
1121	Contract agents: remunerations	0	0	0	0	18 116	18 116	0	0	0
1122	Contract agents: allowances	0	0	0	0	5 054	5 054	0	0	0
1141	Support services & Trainees	440	(38)	402	0	1 248	1 007	0	241	241
Total Chapter 11		440	(38)	402	0	39 045	38 804	0	241	241
1211	Recruitment expenses	2	(2)	0	0	1	1	0	0	0
1221	Individual entitlements of staff	148	(31)	117	0	480	437	0	43	43
1231	Training	151	(13)	138	0	529	434	0	95	95
1241	Medical services	91	(50)	41	0	100	37	0	63	63
1242	Mobility & social expenses for staff	114	(84)	30	0	905	864	0	41	41
1251	Representation expenses, events and internal meetings	5	(3)	2	0	15	9	0	5	5
Total Chapter 12		510	(182)	328	0	2 029	1 782	0	247	247
Total Title 1		950	(220)	730	0	41 074	40 586	0	488	488

Final Annual Accounts of the Health and Digital Executive Agency (HaDEA)
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COMMITMENTS OUTSTANDING (2)

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. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2111	Rental of building and associated expenses	230	(191)	38	0	3 793	3 717	0	76	76
Total Chapter 21		230	(191)	38	0	3 793	3 717	0	76	76
2211	IT-Purchases, hard - and softwares and maintenances	6	0	6	0	23	23	0	0	0
2212	ICT Services	283	(2)	281	0	2 198	2 005	0	193	193
Total Chapter 22		290	(2)	288	0	2 221	2 028	0	193	193
2311	Furniture, Technical Installations and associated expenses	32	(10)	21	0	159	99	0	60	60
2312	Office supplies, documentation & correspondance	17	(0)	17	0	87	73	0	14	14
2313	Charges, insurances & other operating expenses	0	0	0	0	36	32	0	5	5
Total Chapter 23		49	(10)	38	0	282	204	0	78	78
Total Title 2		568	(204)	364	0	6 296	5 949	0	347	347

Final Annual Accounts of the Health and Digital Executive Agency (HaDEA)
Financial Year 2023

COMMITMENTS OUTSTANDING (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
3111	Experts and external meetings	87	0	87	0	313	163	0	150	150
3112	Missions: Programme management	65	(26)	38	0	350	255	0	95	95
3113	Audit	277	(4)	273	0	264	112	0	151	151
3114	Communication, information & linguistic services	476	(29)	447	0	916	563	0	353	353
3116	Programme related IT expenses	0	0	0	0	800	800	0	0	0
Total Chapter 31		904	(59)	845	0	2 643	1 893	0	750	750
Total Title 3		904	(59)	845	0	2 643	1 893	0	750	750
GRAND TOTAL		2 422	(482)	1 940	0	50 013	48 428	0	1 585	1 585

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 Steering Committee.

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. The budget shall contain differentiated appropriations, which consist of commitment appropriations and payment appropriations, and non-differentiated appropriations. 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 during the 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. Non-differentiated appropriations apply to administrative expenditure and the amounts on the budget line are the same for commitments and payment appropriations.

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).

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.