



**Annual accounts of the  
European High Performance  
Computing  
Joint Undertaking**

**Financial year 2020**

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## CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of EHPC JU, the European High Performance Computing Joint Undertaking in accordance with Article 52 of the Model Financial Regulation ('MFR')<sup>1</sup> and I hereby certify that the annual accounts of the EHPC for the year 2020 have been prepared in accordance with Chapter 8 of the MFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the EHPC'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 EHPC JU.

Rosa ALDEA BUSQUETS

**Accounting Officer of the  
European High Performance  
Computing Joint Undertaking**

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

## BACKGROUND INFORMATION NOTE

### 1.1. General background on the entity

#### Establishment

The European High Performance Computing Joint Undertaking (EuroHPC JU) was established in 2018 (Council Regulation (EU) N° 2018/1488 of 28/09/2018). The Joint Undertaking is the legal entity responsible for the implementation of research and technological development in European High Performance Computing. Between 2018 and the date when financial autonomy was achieved, on 23 September 2020, the EuroHPC JU operated under the auspices of the European Commission (DG CNECT). The Joint Undertaking is located in Luxembourg.

On 18 September 2020, the European Commission proposed a new Council Regulation allowing the EuroHPC JU to continue the development of HPC in Europe for the next decade in the context of the newly adopted MFF. Once the Council and Parliament adopt the new regulation, it will replace the Council Regulation (EU) 2018/1488 establishing the EuroHPC JU. Adoption is expected by mid-2021.

#### Mission

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

#### Main operational activities

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

The Joint Undertaking currently supports two main activities:

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

#### Governance

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

The Industrial and Scientific Advisory Board provides independent advice to the Governing Board on the strategic research and innovation agenda and on the acquisition and operation of the supercomputers

owned by the Joint Undertaking and/or the Participating States. It includes the representatives of academia and industry as users and technology suppliers. The representatives are appointed by the private members and the Governing Board and are divided into the Research and Innovation Advisory Group (RIAG) and the Infrastructure Advisory Group (INFRAG).

### **Sources of financing**

The EuroHPC JU is funded by its members, i.e. the Union represented by the Commission, the Participating States and the Private Members (the European Technology Platform for High Performance Computing, ETP4HPC and the Big Data Value Association, BDVA)<sup>2</sup>.

The administrative costs are covered by financial contributions of the Commission, on behalf of the Union (Horizon 2020), the Participating States and by Private Members. A contribution to the administrative costs by the Union can be frontloaded to cover the running costs only up to 2023.

The operational costs are covered by financial contributions of the EU and Participating States and in kind contributions. The in kind contributions consist of the costs incurred by the Participating States for the operating costs of the pre-cursor to exascale supercomputers and by the Private Members in implementing indirect actions that are not reimbursed by the EuroHPC JU or any other Union contribution to those costs.

## **1.2. Annual accounts**

### **Basis for preparation**

The legal framework and the deadlines for the preparation of the annual accounts are set by the Model Financial Regulation (MFR)<sup>3</sup>. As per this regulation, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

### **Accounting Officer**

In accordance with the MFR, the Governing Board of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for the preparation of the annual accounts.

Following the decision of the EuroHPC JU's Governing Board of 21 September 2020 (EuroHPC GB 12.2020), the Accounting Officer of the Commission shall act as the Accounting Officer of EuroHPC JU.

### **Composition of the annual accounts**

The annual accounts cover the period from 1 January to 31 December and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

### **Process from provisional accounts to discharge**

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

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

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<sup>2</sup> Regulation (L252/30) Annex, Article 15

<sup>3</sup> Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 142, 29.5.2019, p. 16)

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

## 1.3. Operational highlights

### Achievements of the year

In 2020, EuroHPC Joint Undertaking JU became fully autonomous. The three main highlights of 2020 are as follows:

#### 1. **Autonomy**

- The Governing Board of the JU confirmed that the EuroHPC JU was autonomous on 23 September 2020. The Executive Director, Anders Dam Jensen, was appointed on 19 May 2020 and took office on 16 September 2020.
- The accounting system migration took place in September 2020 and the European Commission transferred funds in October 2020. The Accounting Officer of the Commission was appointed as the Accounting Officer of the JU on 17 June 2020.
- At the end of 2020, a total of 11 recruitments have been completed and the selected staff are working for the Joint Undertaking.

#### 2. **Operational aspects**

##### **Procurement**

The EuroHPC JU Governing Board agreed to launch calls for eight supercomputers (3 precursor to exascale and 5 petascale). The Calls were launched in 2019 and evaluated throughout 2020.

In 2020, four contracts for petascale supercomputers have been signed since the JU's autonomy was granted. They are Meluxina (LU), Euro-IT4I (CZ), VEGA (SI) and PetaSC (BG). The JU will provide up to 35% of the total funding to each of these supercomputers (EC/JU contribution is EUR 25.8 million, total cost is EUR 74.1 million). In 2020, an EU contribution of EUR 1.1 million of pre-financing was provided to PetaSC.

Two contracts for precursor to exascale supercomputers were signed by the JU. The total value of these machines is EUR 264.5 million. They are LEONARDO (IT) and LUMI (FI). The JU will provide up to 50 % of total funding and the consortium will fund the remaining 50%.

The LUMI consortium contains the following participating states : FI, BE, CZ, DK, PL, SE, EE, NO, CH and IS. EuroHPC JU has issued debit notes to the LUMI Consortium for EUR 28.9 million in 2020. EUR 12.3 million has yet to be received on the JU's accounts.

For the LEONARDO supercomputer, the JU provided a pre-financing of EUR 33.2 million. The LEONARDO consortium contains the following member states: IT, SI, HU, GR, SL and AT.

The contracts for the remaining two supercomputers, the petascale Deucalion (PT) and the precursor to exascale Mare Nostrum5 (ES) will be concluded in 2021.

##### **Horizon 2020 Calls activities**

In line with the priorities set in the 2019 Strategic Research and Innovation Agenda (SRA) adopted by the Research and Innovation Advisory Group (RIAG) of the EuroHPC JU, the following indirect actions with a budget of EUR 78 million were launched in 2020:

- H2020-JTI-EuroHPC-2020-01 – Advanced pilots towards the European exascale super computers for Research and Innovation Actions (EuroHPC-RIA)

- H2020-JTI-EuroHPC-2020-02 – Framework Partnership Agreement in European low-power microprocessor technologies (Phase 2) for Research and Innovation Actions (EuroHPC-RIA)

EuroHPC JU launched calls for 23 projects in 2019. Evaluation and grant preparation took place in 2020 and EuroHPC JU will finalise the execution of pre-financing payments for these calls in 2021.

### 3. COVID-19 consequences

In line with the Commission guidance, EuroHPC JU took all possible precautions to ensure business continuity and to ensure health and wellbeing of staff. The offices were open, but only critical staff were partially present. All meetings (including Governing Board, events, evaluations, recruitment and expert meetings) were organised virtually. Staff were refunded for the purchase of office equipment for their home office (in line with Commission's guidance). The IT set up ensured that all processes – including financial transactions – could be done virtually.

#### Budget and budget implementation

The EuroHPC JU Work plan 2020 and the voted budget were adjusted to prepare EuroHPC for autonomy which took place on 23 September 2020. Title 1 and Title 2 were adjusted to take into account increasing staff costs due to additional recruitments during the year as well as the travel restrictions due to COVID-19.

Under Title 3, after autonomy, funding was provided by the Commission in order to enable EuroHPC to launch 8 procurement procedures. Only 6 contracts were signed, and pre-financing payments were made to two HPCs (LEONARDO and PetaSC).

The call H2020-JTI-EuroHPC-2020-03 - 'Training and Education on High Performance Computing' was postponed to allow further consultation. The amount allocated is EUR 7 million and the launch is now planned for 2021.

#### Revenue:

The budget revenue of the EuroHPC JU amounted to EUR 140.7 million in 2020. The majority of the budget came from EU contributions (EUR 124.2 million).

#### Expenditure:

Total commitment appropriations were EUR 509.1 million and total payment appropriations were EUR 181.5 million. Budget implementation was 96% in terms of commitments appropriations and 22% for payment appropriations. In line with the Joint Undertaking N+3 rule, unused appropriations will be reactivated in 2021.

**Title1 + Title 2:** The EuroHPC JU did not use all commitment appropriations on administration.

- Only 29% under Title 1 were committed. Staff costs increased over the year due to newly recruited staff. Due to the COVID-19 pandemic, no staff missions were permitted.
- Under Title 2, most office costs were covered by the Commission until autonomy in September 2020, the new offices were only operational in September 2020 and due to the COVID-19 pandemic no physical meetings were organised. As a result, only 19% under Title 2 were committed. The unused appropriations will be reactivated in 2021.
- 26% of payment appropriations under Title 1 were consumed and 6% of Title 2. This underspending is clearly linked to the COVID-19 pandemic. These funds will be reactivated in 2021.

**Title 3:** EuroHPC JU implemented most of the commitment appropriations (96%) in line with the Work Programme 2019 and 2020. 23% of payment appropriations were implemented.

## **Impact of the activities in the financial statements**

It should be noted that EuroHPC became financially autonomous as from 23 September 2020. The 2020 annual accounts are thus the first annual accounts established for this Joint Undertaking. Consequently, there are no comparative figures to be shown for the financial year 2019.

Before autonomy, the activities related to EuroHPC programmes were carried out by the Commission. As a result kEUR 66 743 of prepayments made on the grant agreements for EuroHPC projects were transferred from DG Connect as the opening balance of the pre-financing (note **2.2**) and the EU cash contributions (note **2.6**).

Other significant balances at 31 December 2020 include kEUR 100 367 on the central treasury liaison accounts with the Commission, which represents the cash available to the joint undertaking (see note **2.3**). In the statement of financial performance the most significant amount relates to operational costs of kEUR 27 855 linked to costs estimated in the respect of the on-going projects.

# FINANCIAL STATEMENTS AND EXPLANATORY NOTES

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

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**BALANCE SHEET**

EUR '000

	Note	31.12.2020
<b>NON-CURRENT ASSETS</b>		
<i>Property, plant and equipment</i>	2.1	14
<i>Pre-financing</i>	2.2	82 013
		<b>82 027</b>
<b>CURRENT ASSETS</b>		
<i>Pre-financing</i>	2.2	21 818
<i>Exchange receivables and non-exchange recoverables</i>	2.3	112 663
		<b>134 481</b>
<b>TOTAL ASSETS</b>		<b>216 509</b>
<b>CURRENT LIABILITIES</b>		
<i>Payables and other liabilities</i>	2.4	(402)
<i>Accrued charges and deferred income</i>	2.5	(24 902)
		<b>(25 303)</b>
<b>TOTAL LIABILITIES</b>		<b>(25 303)</b>
<b>NET ASSETS</b>		<b>191 205</b>
<i>Contributions from Members</i>	2.6	219 781
<i>Economic result of the year</i>		(28 575)
<b>NET ASSETS</b>		<b>191 205</b>

**STATEMENT OF FINANCIAL PERFORMANCE**

	Note	EUR '000 2020
<b>EXPENSES</b>		
<i>Operational costs</i>	3.1	(27 855)
<i>Staff costs</i>	3.2	(341)
<i>Other expenses</i>	3.3	(380)
<b>Total expenses</b>		<b>(28 575)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(28 575)</b>

**CASHFLOW STATEMENT<sup>4</sup>**

EUR '000

2020

<i>Economic result of the year</i>	(28 575)
<b>Operating activities</b>	
<i>Depreciation and amortization</i>	1
<i>(Increase)/decrease in pre-financing</i>	(103 831)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(112 663)
<i>Increase/(decrease) in payables</i>	402
<i>Increase/(decrease) in accrued charges &amp; deferred income</i>	24 902
<i>Increase/(decrease) in cash contributions</i>	219 781
<b>Investing activities</b>	
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(15)
<b>NET CASHFLOW</b>	-
<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>	-

<sup>4</sup> Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of EuroHPC JU, the treasury of EuroHPC JU was integrated into the Commission's treasury system. Because of this, EuroHPC JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading exchange receivables.

## STATEMENT OF CHANGES IN NET ASSETS

	<i>EUR '000</i>		
	Contributions from Members	Economic result of the year	Net Assets
<i>Cash contributions</i>	207 484	-	207 484
<i>Unpaid cash contributions</i>	12 296	-	12 296
<i>Contributions in-kind</i>	-	-	-
<i>Economic result of the year</i>	-	(28 575)	(28 575)
<b>BALANCE AS AT 31.12.2020</b>	<b>219 781</b>	<b>(28 575)</b>	<b>191 205</b>

## NOTES TO THE FINANCIAL STATEMENTS

# 1. SIGNIFICANT ACCOUNTING POLICIES

## 1.1. ACCOUNTING PRINCIPLES

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

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

## 1.2. BASIS OF PREPARATION

### 1.2.1. Reporting period

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

### 1.2.2. Currency and basis for conversion

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

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

#### Euro exchange rates

Currency	31.12.2020	31.12.2019	Currency	31.12.2020	31.12.2019
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.5597</b>	4.2568
<b>CZK</b>	<b>26.2420</b>	25.4080	<b>RON</b>	<b>4.8683</b>	4.783
<b>DKK</b>	<b>7.4409</b>	7.4715	<b>SEK</b>	<b>10.0343</b>	10.4468
<b>GBP</b>	<b>0.8990</b>	0.8508	<b>CHF</b>	<b>1.0802</b>	1.0854
<b>HRK</b>	<b>7.5519</b>	7.4395	<b>JPY</b>	<b>126.4900</b>	121.9400
<b>HUF</b>	<b>363.8900</b>	330.5300	<b>USD</b>	<b>1.2271</b>	1.1234

### 1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, 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.

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

##### **New EAR which are effective for annual periods beginning on or after 1 January 2020**

There are no new EAR which became effective for annual periods beginning on or after 1 January 2020.

##### **New EAR adopted but not yet effective at 31 December 2020**

On 17 December 2020 the Accounting Officer of the European Commission adopted the revised EAR 11 'Financial Instruments', which is effective for accounting periods beginning on or after 1 January 2021. The revised EAR 11 has been updated in line with the new IPSAS 41 'Financial Instruments' and establishes the principles for the financial reporting of the financial assets and financial liabilities held by the EU entities. For more information please refer to the EU annual accounts of 2020. No material impact of this change is expected due to the small amount of financial instruments in the financial statements of the entity.

## 1.3. BALANCE SHEET

### 1.3.1. Property, plant and equipment

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

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

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

### Leases

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

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

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither an asset nor a liability recognised in the balance sheet.

### 1.3.2. Impairment of non-financial assets

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

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

### 1.3.3. Financial assets

Financial assets are classified in the following categories: 'financial assets at fair value through surplus or deficit', 'loans and receivables', 'held-to-maturity investments' and 'available for sale financial assets'. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date. Based on this classification the entity only has 'loans and receivables'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

#### Initial recognition and measurement

Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit, transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

#### Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

### 1.3.4. Pre-financing amounts

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

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

### 1.3.5. Receivables and recoverables

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions,

whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

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

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

### 1.3.6. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding, or pre-financing received (see note **1.4.1**).

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

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

### 1.3.7. Accrued and deferred revenue and charges

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

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

## 1.4. STATEMENT OF FINANCIAL PERFORMANCE

### 1.4.1. Expenses

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

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

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

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

## 1.5. CONTINGENT ASSETS AND LIABILITIES

### 1.5.1. Contingent assets

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

### 1.5.2. Contingent liabilities

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

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

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

## 1.6. CONTRIBUTIONS FROM MEMBERS

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

### 1.6.1. Financial contributions

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

### 1.6.2. In-kind contributions

Members other than the EU can also contribute resources other than cash, e.g. laboratory equipment, specialised staff, etc.

The Regulation L252/1, Annex Art. 15 defines the in-kind contributions as follows:

In-kind contributions by the participating State where the hosting entity is established or by the participating states in a hosting consortium consisting of the operating costs of the pre-exascale supercomputers owned by the JU, incurred by the hosting entities, less the contributions by the JU and any other Union contribution to those costs. (e.g. for installation, preparing site)

In-kind contributions by the private members of their constituent entities and affiliated entities consisting of the costs incurred by them in implementing indirect actions corresponding to the research and innovation agenda, less the contributions by the JU, any other Union contribution to those costs.

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

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

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

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. PROPERTY, PLANT AND EQUIPMENT

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

	EUR '000
	<b>TOTAL</b>
<i>Gross carrying amount at 31.12.2019</i>	-
<i>Additions</i>	15
<b>Gross carrying amount at 31.12.2020</b>	<b>15</b>
<i>Accumulated depreciation at 31.12.2019</i>	-
<i>Depreciation charge for the year</i>	(1)
<b>Accumulated depreciation at 31.12.2020</b>	<b>(1)</b>
<b>NET CARRYING AMOUNT AT 31.12.2020</b>	<b>14</b>
<i>NET CARRYING AMOUNT AT 31.12.2019</i>	-

The assets relate primarily to video conference devices and related accessories.

#### 2.2. PRE-FINANCING

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

	EUR '000
	<b>31.12.2020</b>
<i>Non-current pre-financing</i>	82 013
<i>Current pre-financing</i>	21 818
	<b>103 831</b>

The non-current prefinancing refers for kEUR 34 288 to advance payments for the purchase of supercomputers. The complementary kEUR 47 725 relate to prefinancing paid to beneficiaries of grant agreements.

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

The outstanding pre-financing, presented under this heading, is net of estimated (cut-off) expenses for on going projects without validated cost claims on 31 December 2020. The clearing of pre-financing with cut off expenses amounted to kEUR 3 283. The remaining portion of the cut off expenses is recorded in accrued charges (see note 2.5).

## 2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

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

EuroHPC JU does not have non-exchange recoverables, all the amounts under this heading are of exchange nature and can be broken down as follows:

	EUR '000
	31.12.2020
<i>Central treasury liaison accounts</i>	100 367
<i>Cash contributions due</i>	12 296
<b>Total</b>	<b>112 663</b>

The treasury liaison/intercompany accounts with the Commission that represent a virtual bank account of EuroHPC JU. Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of EuroHPC JU, the treasury of EuroHPC JU was integrated into the Commission's treasury system. Because of this, EuroHPC JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts presented under this heading. The result of the incoming and outgoing payments represents the cash balance available to EuroHPC.

The heading Cash contributions due refer to the amounts invoiced to one participant state for which the payment has not been done yet.

## LIABILITIES

### 2.4. PAYABLES AND OTHER LIABILITIES

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

	EUR '000
	31.12.2020
<i>Payables to Participant Guarantee Fund</i>	380
<i>Payables to EU entities</i>	22
<b>Total</b>	<b>402</b>

For all Horizon 2020 grant agreements signed, there is an automatic guarantee retention of 5% from the pre-financing payment due to beneficiaries. The guarantee is transferred to the Participant Guarantee Fund ("the Fund") and paid to the beneficiary by the Fund only when the project is successfully accomplished. This mechanism arises from EU Regulation 2013/1290 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)". The Commission is responsible for initiating the procedure by which EuroHPC transfers the retained guarantee to the Fund. The payable at the year-end represents automatically retained amounts from the pre-financing of Horizon 2020 projects, which have not yet been transferred to the Fund.

### 2.5. ACCRUED CHARGES

Accruals are liabilities to pay for goods or services that have been received or supplied but - unlike payables - have not yet been invoiced or formally agreed with the supplier. They include amounts due to employees (e.g. accruals for untaken holidays). The calculation of accruals is based on the open amount of budgetary commitments at year-end. The portion of the estimated accrued charges relating to pre-financing paid has been recorded as a reduction of the pre-financing amounts.

EUR '000

31.12.2020

Accrued charges

24 902

The accrued charges are mainly composed of estimated operating expenses of kEUR 24 572 for on-going or ended projects without a validated cost statement where the 2020 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2020. The amounts presented under this heading are net of pre-financing (see note 2.2).

Accrued charges also include estimated administrative expenses kEUR 299 and kEUR 30 related to the accrued staff expenses for untaken leave.

## NET ASSETS

### 2.6. CONTRIBUTIONS FROM MEMBERS

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

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

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

Member	EUR '000		
	EU	Participating States	Total
Running costs contributions	2 370	-	2 370
Operational costs contributions	188 549	28 862	217 411
<b>TOTAL</b>	<b>190 919</b>	<b>28 862</b>	<b>219 781</b>
Voting rights %	50.00%	50.00%	100.00%

It should be noted that included under the cash contribution to operational costs are also kEUR 12 296 unpaid cash contributions related to 2020 for which a recovery order was issued but not yet cashed.

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### EXPENSES

##### 3.1. OPERATIONAL COSTS

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

	Note	EUR '000 2020
<i>Operational costs: estimated EU contributions</i>	2.5	27 855

##### 3.2. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment-related benefits. Based on the service level agreement between the JU and the Commission, the calculations of staff-related costs is carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO). The pensions of the JU staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the JU staff and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the JU accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the JU, as the obligation falls to the Commission. Consequently, both the annual cost to the EU budget, and the future benefits payable to the JU 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 2020
<i>Staff costs</i>	341

### 3.3. OTHER EXPENSES

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

	EUR '000
	2020
<i>External non IT services</i>	175
<i>Office supplies and maintenance</i>	57
<i>External IT services</i>	56
<i>Maintenance and security of buildings</i>	30
<i>Communications &amp; publications</i>	20
<i>Experts expenses</i>	20
<i>Operating leasing expenses</i>	10
<i>Missions</i>	8
<i>Training costs</i>	2
<i>Property, plant and equipment related expenses</i>	1
<b>Total</b>	<b>380</b>

The operating lease expenses relate to the EuroHPC headquarters building in Luxembourg and leasing contract related to IT materials and other equipment. An overview of the amounts to be committed and paid during the remaining term of these lease contracts are as follow:

	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	19	84	-	102
<i>IT materials and other equipment</i>	2	5	-	7
<b>Total</b>	<b>20</b>	<b>88</b>	<b>-</b>	<b>109</b>

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

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

	EUR '000
	<b>31.12.2020</b>
<i>Outstanding commitments not yet expensed</i>	<i>592 194</i>

### 4.2. RELATED PARTIES

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

### 4.3. KEY MANAGEMENT ENTITLEMENTS

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

	31.12.2020
<i>Executive Director</i>	<i>AD 14</i>

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

### 4.4. OTHER EVENTS

#### **Brexit**

On 1 February 2020 the United Kingdom ceased to be a Member State of the European Union. Following the conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the 'Withdrawal Agreement') between the two parties, the United Kingdom committed to pay all its obligations under the current MFF and previous financial perspectives following from its membership of the Union. The United Kingdom has paid into the 2020 EU Budget during the year, and received payments, as if it were a Member State.

At the date of transmission of these accounts, and based on the Withdrawal Agreement concluded and already in operation, there is no financial impact to be reported in these accounts. For further information on the impact of the Withdrawal Agreement on the EU, please see the 2020 consolidated EU annual accounts.

#### **Court case**

On 26 January 2021, the Euro HPC was formally notified that a participant has appealed to the European Court of Justice for the annulment of the decision of the European High Performance Computing Joint Undertaking of 29 September 2020, concerning the procedure for the 'Acquisition, delivery, installation

and hardware and software maintenance of Precursors to Exascale Supercomputers for the European High Performance Computing Joint Undertaking (EuroHPC JU) - SMART 2019/1084 - Lot 3: 'Leonardo'.

The process of engaging a legal firm for the defence of the JU started immediately. Due to the solid expectation that EuroHPC will succeed and because of the very early stage of the case, no provision nor contingent liabilities have been booked.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1. TYPES OF RISK

**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.

### 5.2. CURRENCY RISKS

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

### 5.3. CREDIT RISK

At the end of the year, the financial assets comprise an overdue receivable for kEUR 12 296 issued to recover the operational contribution from a Member with whom a new agreement is ongoing to amend the due date. There is thus no significant credit risk.

### 5.4. LIQUIDITY RISK

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

THE EUROPEAN HIGH PERFORMANCE COMPUTING JOINT UNDERTAKING  
FINANCIAL YEAR 2020

**THE BUDGET IMPLEMENTATION REPORTS AND  
EXPLANATORY NOTES**

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

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# 1. BUDGETARY PRINCIPLES AND STRUCTURE

## 1.1 BUDGETARY PRINCIPLES

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

### **Principles of unity and budget accuracy**

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

### **Principle of annuality**

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December. As specified in its Financial Rules, EuroHPC JU is subject to an exception to the annuality principle, specific only to the joint undertakings (the "N+3" rule), whereby any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years. These appropriations must be used first.

### **Principle of equilibrium**

Revenue and payment appropriations shall be in balance.

### **Principle of unit of account**

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

### **Principle of universality**

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

### **Principle of specification**

Appropriations shall be earmarked for specific purposes at least by title and chapter.

### **Principle of sound financial management**

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

### **Principle of transparency**

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published on EuroHPC JU's internet site within four weeks of adoption and shall be transmitted to the Commission and the Court of Auditors.

## **1.2 STRUCTURE AND PRESENTATION OF THE BUDGET**

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

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

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

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

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

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>
	Title	2020
<b>Revenue</b>		<b>140 741</b>
of which:		
<i>EU Contribution</i>	2	124 176
<i>Other contributions</i>	4	16 565
<b>Expenditure</b>		<b>(40 754)</b>
of which:		
<i>Staff expenditure</i>	1	(289)
<i>Administrative expenditure</i>	2	(94)
<i>Operational expenditure</i>	3	(40 371)
Cancellation of unused appropr. carried over from year n-1		-
<b>Exchange rate differences</b>		<b>-</b>
<b>Budget result</b>		<b>99 987</b>

### 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

2020

<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(28 575)</b>
------------------------------------	-----------------

<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	
---	--

<i>Adjustments for accrual cut-off (net)</i>	28 184
<i>Unpaid invoices at year end but booked in expenses</i>	22
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	1

<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	
--	--

<i>Members' cash contributions collected in the year</i>	140 741
<i>Asset acquisitions (less unpaid amounts)</i>	(15)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(40 371)
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>	

<b>BUDGET RESULT OF THE YEAR</b>	<b>99 987</b>
----------------------------------	---------------

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1 Implementation of budget revenue – Title 2

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing	
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%		
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2		10=5-8
20	Contribution from EU (administrative)	3 101	2 488	2 370	–	2 370	2 370	–	2 370	95 %	–
Total Chapter 20		3 101	2 488	2 370	–	2 370	2 370	–	2 370	95 %	–
21	Contribution from EU (operational)	175 672	117 235	121 806	–	121 806	121 806	–	121 806	104 %	–
Total Chapter 21		175 672	117 235	121 806	–	121 806	121 806	–	121 806	104 %	–
<b>Total Title 2</b>		<b>178 773</b>	<b>119 723</b>	<b>124 176</b>	<b>–</b>	<b>124 176</b>	<b>124 176</b>	<b>–</b>	<b>124 176</b>	<b>104 %</b>	<b>–</b>
30	EEA/EFTA contributions	6 770	4 308	–	–	–	–	–	–	0 %	–
Total Chapter 30		6 770	4 308	–	–	–	–	–	–	0 %	–
31	Non-EEA	–	15	–	–	–	–	–	–	0 %	–
Total Chapter 31		–	15	–	–	–	–	–	–	0 %	–
<b>Total Title 3</b>		<b>6 770</b>	<b>4 323</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0 %</b>	<b>–</b>
40	Participating States	83 062	57 442	28 862	–	28 862	16 565	–	16 565	29 %	12 296
Total Chapter 40		83 062	57 442	28 862	–	28 862	16 565	–	16 565	29 %	12 296
<b>Total Title 4</b>		<b>83 062</b>	<b>57 442</b>	<b>28 862</b>	<b>–</b>	<b>28 862</b>	<b>16 565</b>	<b>–</b>	<b>16 565</b>	<b>29 %</b>	<b>12 296</b>
<b>GRAND TOTAL</b>		<b>268 605</b>	<b>181 489</b>	<b>153 037</b>	<b>–</b>	<b>153 037</b>	<b>140 741</b>	<b>–</b>	<b>140 741</b>	<b>78 %</b>	<b>12 296</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1 Breakdown & changes in commitment appropriations

#### 5.1.1 Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
110 Establishment plan posts	363	8	-	371	-	-	-	371
111 External personnel	483	113	-	597	-	-	-	597
<b>Total Chapter 11</b>	<b>846</b>	<b>122</b>	<b>-</b>	<b>967</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>967</b>
120 Expenditure relating to recruitment	45	(7)	-	38	-	-	-	38
<b>Total Chapter 12</b>	<b>45</b>	<b>(7)</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>
130 Mission and travel expenses	115	(48)	-	68	-	-	-	68
<b>Total Chapter 13</b>	<b>115</b>	<b>(48)</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68</b>
140 Socio-medical infrastructure and training	20	-	-	20	-	-	-	20
<b>Total Chapter 14</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>
<b>Total Title 1</b>	<b>1 026</b>	<b>67</b>	<b>-</b>	<b>1 093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 093</b>

## 5.1.2 Breakdown &amp; changes in commitment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
200 Buildings and associated costs	-	113	-	113	-	-	-	113
<b>Total Chapter 20</b>	-	113	-	113	-	-	-	113
210 Information Technology	432	(60)	-	372	-	-	-	372
<b>Total Chapter 21</b>	432	(60)	-	372	-	-	-	372
220 Movable property and associated costs	20	48	-	68	-	-	-	68
<b>Total Chapter 22</b>	20	48	-	68	-	-	-	68
230 Current administrative expenditure	150	(12)	-	138	-	-	-	138
<b>Total Chapter 23</b>	150	(12)	-	138	-	-	-	138
240 Postage and Telecommunications	20	(10)	-	10	-	-	-	10
<b>Total Chapter 24</b>	20	(10)	-	10	-	-	-	10
250 Expenditure of formal and other meetings	320	27	-	347	-	-	-	347
<b>Total Chapter 25</b>	320	27	-	347	-	-	-	347
260 Running costs in connection with operational activ	100	51	-	151	-	-	-	151
<b>Total Chapter 26</b>	100	51	-	151	-	-	-	151
270 Information and Publishing	70	(60)	-	10	-	-	-	10
<b>Total Chapter 27</b>	70	(60)	-	10	-	-	-	10
280 Expert contracts and meetings	400	(16)	-	384	-	-	-	384
<b>Total Chapter 28</b>	400	(16)	-	384	-	-	-	384
<b>Total Title 2</b>	<b>1 512</b>	<b>81</b>	<b>-</b>	<b>1 593</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 593</b>

5.1.3 Breakdown & changes in commitment appropriations – Title 3

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
300 Grants, HPC Operations, R&I Activities	176 296	(91 296)	-	85 000	-	-	-	85 000
<b>Total Chapter 30</b>	176 296	(91 296)	-	85 000	-	-	-	85 000
310 HPC Infrastructure Activities	375 785	45 605	-	421 389	-	-	-	421 389
<b>Total Chapter 31</b>	375 785	45 605	-	421 389	-	-	-	421 389
<b>Total Title 3</b>	<b>552 081</b>	<b>(45 691)</b>	-	<b>506 389</b>	-	-	-	<b>506 389</b>
<b>GRAND TOTAL</b>	<b>554 619</b>	<b>(45 544)</b>	-	<b>509 075</b>	-	-	-	<b>509 075</b>

## 5.2 Breakdown & changes in payment appropriations

### 5.2.1 Breakdown & changes in payment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
110 Establishment plan posts	363	8	-	371	-	-	-	371
111 External personnel	483	113	-	597	-	-	-	597
<b>Total Chapter 11</b>	<b>846</b>	<b>122</b>	<b>-</b>	<b>967</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>967</b>
120 Expenditure relating to recruitment	45	(7)	-	38	-	-	-	38
<b>Total Chapter 12</b>	<b>45</b>	<b>(7)</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>
130 Mission and travel expenses	115	(48)	-	68	-	-	-	68
<b>Total Chapter 13</b>	<b>115</b>	<b>(48)</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68</b>
140 Socio-medical infrastructure and training	20	-	-	20	-	-	-	20
<b>Total Chapter 14</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>
<b>Total Title 1</b>	<b>1 026</b>	<b>67</b>	<b>-</b>	<b>1 093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 093</b>

5.2.2 Breakdown & changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropriations available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
200 Buildings and associated costs	-	113	-	113	-	-	-	113
Total Chapter 20	-	113	-	113	-	-	-	113
210 Information Technology	432	(174)	-	258	-	-	-	258
Total Chapter 21	432	(174)	-	258	-	-	-	258
220 Movable property and associated costs	20	57	-	77	-	-	-	77
Total Chapter 22	20	57	-	77	-	-	-	77
230 Current administrative expenditure	150	(0)	-	150	-	-	-	150
Total Chapter 23	150	(0)	-	150	-	-	-	150
240 Postage and Telecommunications	20	(20)	-	0	-	-	-	0
Total Chapter 24	20	(20)	-	0	-	-	-	0
250 Expenditure of formal and other meetings	320	24	-	344	-	-	-	344
Total Chapter 25	320	24	-	344	-	-	-	344
260 Running costs in connection with operational activ	100	51	-	151	-	-	-	151
Total Chapter 26	100	51	-	151	-	-	-	151
270 Information and Publishing	70	(60)	-	10	-	-	-	10
Total Chapter 27	70	(60)	-	10	-	-	-	10
280 Expert contracts and meetings	400	(34)	-	366	-	-	-	366
Total Chapter 28	400	(34)	-	366	-	-	-	366
<b>Total Title 2</b>	<b>1 512</b>	<b>(42)</b>	<b>-</b>	<b>1 470</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 470</b>

5.2.3 Breakdown & changes in payment appropriations – Title 3

EUR '000

Item	Budget appropriations			Additional appropriations			Total available	
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriation s	Assigned revenue		Total
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
300 Grants, HPC Operations, R&I Activities	76 000	(31 948)	-	44 052	-	-	-	44 052
<b>Total Chapter 30</b>	<b>76 000</b>	<b>(31 948)</b>	<b>-</b>	<b>44 052</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44 052</b>
310 HPC Infrastructure Activities	190 067	(55 193)	-	134 874	-	-	-	134 874
<b>Total Chapter 31</b>	<b>190 067</b>	<b>(55 193)</b>	<b>-</b>	<b>134 874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134 874</b>
<b>Total Title 3</b>	<b>266 067</b>	<b>(87 141)</b>	<b>-</b>	<b>178 926</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178 926</b>
<b>GRAND TOTAL</b>	<b>268 605</b>	<b>(87 116)</b>	<b>-</b>	<b>181 489</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181 489</b>

## 5.3 IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

### 5.3.1 Implementation of commitment appropriations - Title 1

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
110 Establishment plan posts	371	184	-	-	184	50 %	-	-	-	187	-	-	187
111 External personnel	597	103	-	-	103	17 %	-	-	-	494	-	-	494
<b>Total Chapter 11</b>	<b>967</b>	<b>287</b>	<b>-</b>	<b>-</b>	<b>287</b>	<b>30 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>680</b>	<b>-</b>	<b>-</b>	<b>680</b>
120 Expenditure relating to recruitment	38	3	-	-	3	7 %	-	-	-	35	-	-	35
<b>Total Chapter 12</b>	<b>38</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>7 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>35</b>
130 Mission and travel expenses	68	8	-	-	8	11 %	-	-	-	60	-	-	60
<b>Total Chapter 13</b>	<b>68</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>11 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>60</b>
140 Socio-medical infrastructure and training	20	17	-	-	17	87 %	-	-	-	3	-	-	3
<b>Total Chapter 14</b>	<b>20</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>87 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Total Title 1</b>	<b>1 093</b>	<b>315</b>	<b>-</b>	<b>-</b>	<b>315</b>	<b>29 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>778</b>	<b>-</b>	<b>-</b>	<b>778</b>

## 5.3.2 Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made				Appropriations carried over to 2021			Appropriations lapsing				
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
200 Buildings and associated costs	113	111	-	-	111	98 %	-	-	-	2	-	-	2
<b>Total Chapter 20</b>	<b>113</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>111</b>	<b>98 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
210 Information Technology	372	99	-	-	99	27 %	-	-	-	273	-	-	273
<b>Total Chapter 21</b>	<b>372</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>99</b>	<b>27 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>273</b>	<b>-</b>	<b>-</b>	<b>273</b>
220 Movable property and associated costs	68	0	-	-	0	0 %	-	-	-	67	-	-	67
<b>Total Chapter 22</b>	<b>68</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>67</b>
230 Current administrative expenditure	138	44	-	-	44	32 %	-	-	-	94	-	-	94
<b>Total Chapter 23</b>	<b>138</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>32 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>94</b>
240 Postage and Telecommunications	10	6	-	-	6	63 %	-	-	-	4	-	-	4
<b>Total Chapter 24</b>	<b>10</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>63 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>
250 Expenditure of formal and other meetings	347	6	-	-	6	2 %	-	-	-	342	-	-	342
<b>Total Chapter 25</b>	<b>347</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>2 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>342</b>	<b>-</b>	<b>-</b>	<b>342</b>
260 Running costs in connection with operational activ	151	10	-	-	10	7 %	-	-	-	141	-	-	141
<b>Total Chapter 26</b>	<b>151</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>7 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141</b>	<b>-</b>	<b>-</b>	<b>141</b>
270 Information and Publishing	10	10	-	-	10	100 %	-	-	-	-	-	-	-
<b>Total Chapter 27</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
280 Expert contracts and meetings	384	20	-	-	20	5 %	-	-	-	363	-	-	363
<b>Total Chapter 28</b>	<b>384</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>5 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>363</b>	<b>-</b>	<b>-</b>	<b>363</b>
<b>Total Title 2</b>	<b>1 593</b>	<b>306</b>	<b>-</b>	<b>-</b>	<b>306</b>	<b>19 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 286</b>	<b>-</b>	<b>-</b>	<b>1 286</b>

## 5.3.3 Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
300 Grants, HPC Operations, R&I Activities	85 000	78 000	-	-	78 000	92 %	-	-	-	7 000	-	-	7 000
<b>Total Chapter 30</b>	<b>85 000</b>	<b>78 000</b>	<b>-</b>	<b>-</b>	<b>78 000</b>	<b>92 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 000</b>	<b>-</b>	<b>-</b>	<b>7 000</b>
310 HPC Infrastructure Activities	421 389	408 435	-	-	408 435	97 %	-	-	-	12 954	-	-	12 954
<b>Total Chapter 31</b>	<b>421 389</b>	<b>408 435</b>	<b>-</b>	<b>-</b>	<b>408 435</b>	<b>97 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 954</b>	<b>-</b>	<b>-</b>	<b>12 954</b>
<b>Total Title 3</b>	<b>506 389</b>	<b>486 435</b>	<b>-</b>	<b>-</b>	<b>486 435</b>	<b>96 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 954</b>	<b>-</b>	<b>-</b>	<b>19 954</b>
<b>GRAND TOTAL</b>	<b>509 075</b>	<b>487 056</b>	<b>-</b>	<b>-</b>	<b>487 056</b>	<b>96 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22 018</b>	<b>-</b>	<b>-</b>	<b>22 018</b>

## 5.4 IMPLEMENTATION OF PAYMENT APPROPRIATIONS

### 5.4.1 Implementation of payment appropriations - Title 1

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021				Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
110 Establishment plan posts	371	184	-	-	184	50 %	-	-	-	-	187	-	-	187
111 External personnel	597	103	-	-	103	17 %	-	-	-	-	494	-	-	494
<b>Total Chapter 11</b>	<b>967</b>	<b>287</b>	<b>-</b>	<b>-</b>	<b>287</b>	<b>30 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>680</b>	<b>-</b>	<b>-</b>	<b>680</b>
120 Expenditure relating to recruitment	38	-	-	-	-	0 %	-	-	-	-	38	-	-	38
<b>Total Chapter 12</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>38</b>
130 Mission and travel expenses	68	-	-	-	-	0 %	-	-	-	-	68	-	-	68
<b>Total Chapter 13</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>68</b>
140 Socio-medical infrastructure and training	20	2	-	-	2	12 %	-	-	-	-	18	-	-	18
<b>Total Chapter 14</b>	<b>20</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>12 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>18</b>
<b>Total Title 1</b>	<b>1 093</b>	<b>289</b>	<b>-</b>	<b>-</b>	<b>289</b>	<b>26 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>803</b>	<b>-</b>	<b>-</b>	<b>803</b>

## 5.4.2 Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made				Appropriations carried over to 2021					Appropriations lapsing			
		from final adopt. budget	from re- activation s	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from re- activation ns	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
200 Buildings and associated costs	113	-	-	-	-	0 %	-	-	-	-	113	-	-	113
Total Chapter 20	113	-	-	-	-	0 %	-	-	-	-	113	-	-	113
210 Information Technology	258	47	-	-	47	18 %	-	-	-	-	211	-	-	211
Total Chapter 21	258	47	-	-	47	18 %	-	-	-	-	211	-	-	211
220 Movable property and associated costs	77	0	-	-	0	0 %	-	-	-	-	77	-	-	77
Total Chapter 22	77	0	-	-	0	0 %	-	-	-	-	77	-	-	77
230 Current administrative expenditure	150	28	-	-	28	19 %	-	-	-	-	122	-	-	122
Total Chapter 23	150	28	-	-	28	19 %	-	-	-	-	122	-	-	122
240 Postage and Telecommunications	0	-	-	-	-	0 %	-	-	-	-	0	-	-	0
Total Chapter 24	0	-	-	-	-	0 %	-	-	-	-	0	-	-	0
250 Expenditure of formal and other meetings	344	-	-	-	-	0 %	-	-	-	-	344	-	-	344
Total Chapter 25	344	-	-	-	-	0 %	-	-	-	-	344	-	-	344
260 Running costs in connection with operational activities	151	-	-	-	-	0 %	-	-	-	-	151	-	-	151
Total Chapter 26	151	-	-	-	-	0 %	-	-	-	-	151	-	-	151
270 Information and Publishing	10	-	-	-	-	0 %	-	-	-	-	10	-	-	10
Total Chapter 27	10	-	-	-	-	0 %	-	-	-	-	10	-	-	10
280 Expert contracts and meetings	366	19	-	-	19	5 %	-	-	-	-	347	-	-	347
Total Chapter 28	366	19	-	-	19	5 %	-	-	-	-	347	-	-	347

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021					Appropriations lapsing			
		from final adopt. budget	from re- activation s	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from re- activation ns	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	
<b>Total Title 2</b>	<b>1 470</b>	<b>94</b>	-	-	<b>94</b>	<b>6 %</b>	-	-	-	-	<b>1 376</b>	-	-	<b>1 376</b>	

## 5.4.3 Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021					Appropriations lapsing			
		from final adopt. budget	from re- activation s	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from re- activation ns	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	
300 Grants, HPC Operations, R&I Activities	44 052	6 083	-	-	6 083	14 %	-	-	-	-	37 969	-	-	37 969	
<b>Total Chapter 30</b>	<b>44 052</b>	<b>6 083</b>	-	-	<b>6 083</b>	<b>14 %</b>	-	-	-	-	<b>37 969</b>	-	-	<b>37 969</b>	
310 HPC Infrastructure Activities	134 874	34 288	-	-	34 288	25 %	-	-	-	-	100 586	-	-	100 586	
<b>Total Chapter 31</b>	<b>134 874</b>	<b>34 288</b>	-	-	<b>34 288</b>	<b>25 %</b>	-	-	-	-	<b>100 586</b>	-	-	<b>100 586</b>	
<b>Total Title 3</b>	<b>178 926</b>	<b>40 371</b>	-	-	<b>40 371</b>	<b>23 %</b>	-	-	-	-	<b>138 555</b>	-	-	<b>138 555</b>	
<b>GRAND TOTAL</b>	<b>181 489</b>	<b>40 754</b>	-	-	<b>40 754</b>	<b>22 %</b>	-	-	-	-	<b>140 734</b>	-	-	<b>140 734</b>	

## 6. COMMITMENTS OUTSTANDING

### 6.1 Commitments outstanding – Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
110 Establishment plan posts	-	-	-	-	184	184	-	-	-
111 External personnel	-	-	-	-	103	103	-	-	-
<b>Total Chapter 11</b>	-	-	-	-	<b>287</b>	<b>287</b>	-	-	-
120 Expenditure relating to recruitment	-	0	-	0	3	-	-	3	3
<b>Total Chapter 12</b>	-	<b>0</b>	-	<b>0</b>	<b>3</b>	-	-	<b>3</b>	<b>3</b>
130 Mission and travel expenses	-	-	-	-	8	-	-	8	8
<b>Total Chapter 13</b>	-	-	-	-	<b>8</b>	-	-	<b>8</b>	<b>8</b>
140 Socio-medical infrastructure and training	-	-	-	-	17	2	-	15	15
<b>Total Chapter 14</b>	-	-	-	-	<b>17</b>	<b>2</b>	-	<b>15</b>	<b>15</b>
<b>Total Title 1</b>	-	<b>0</b>	-	<b>0</b>	<b>315</b>	<b>289</b>	-	<b>25</b>	<b>25</b>

## 6.2 Commitments outstanding – Title 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 for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
200 Buildings and associated costs	-	-	-	-	111	-	-	111	111
Total Chapter 20	-	-	-	-	111	-	-	111	111
210 Information Technology	-	128	-	128	99	47	-	52	180
Total Chapter 21	-	128	-	128	99	47	-	52	180
220 Movable property and associated costs	-	0	-	0	0	0	-	-	0
Total Chapter 22	-	0	-	0	0	0	-	-	0
230 Current administrative expenditure	-	-	-	-	44	28	-	16	16
Total Chapter 23	-	-	-	-	44	28	-	16	16
240 Postage and Telecommunications	-	5	-	5	6	-	-	6	11
Total Chapter 24	-	5	-	5	6	-	-	6	11
250 Expenditure of formal and other meetings	-	-	-	-	6	-	-	6	6
Total Chapter 25	-	-	-	-	6	-	-	6	6
260 Running costs in connection with operational activ	-	-	-	-	10	-	-	10	10
Total Chapter 26	-	-	-	-	10	-	-	10	10
270 Information and Publishing	-	-	-	-	10	-	-	10	10
Total Chapter 27	-	-	-	-	10	-	-	10	10
280 Expert contracts and meetings	-	-	-	-	20	19	-	1	1
Total Chapter 28	-	-	-	-	20	19	-	1	1
<b>Total Title 2</b>	-	<b>133</b>	-	<b>133</b>	<b>306</b>	<b>94</b>	-	<b>212</b>	<b>345</b>

### 6.3 Commitments outstanding – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commi- tm. carried for- ward from	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commi- 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	
300 Grants, HPC Operations, R&I Activities	-	126 885	-	126 885	78 000	6 083	-	71 917	198 801
Total Chapter 30	-	126 885	-	126 885	78 000	6 083	-	71 917	198 801
310 HPC Infrastructure Activities	-	40 020	-	40 020	408 435	34 288	-	374 148	414 167
Total Chapter 31	-	40 020	-	40 020	408 435	34 288	-	374 148	414 167
<b>Total Title 3</b>	-	<b>166 904</b>	-	<b>166 904</b>	<b>486 435</b>	<b>40 371</b>	-	<b>446 065</b>	<b>612 969</b>
<b>GRAND TOTAL</b>	-	<b>167 037</b>	-	<b>167 037</b>	<b>487 056</b>	<b>40 754</b>	-	<b>446 302</b>	<b>613 339</b>

## 7. GLOSSARY

### **Administrative appropriations**

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

### **Adopted budget**

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

### **Amending budget**

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

### **Appropriations**

Budget funding.

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

### **Assigned revenue**

Revenue dedicated to finance specific items of expenditure.

### **Budget result**

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

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

### **Budget implementation**

Consumption of the budget through expenditure and revenue operations.

### **Budget item / Budget line / Budget position**

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

### **Budgetary commitment**

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

### **Cancellation of appropriations**

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

### **Carryover of appropriations**

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

## **Commitment appropriations**

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

## **De-commitment**

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

## **Differentiated appropriations**

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

## **Economic result**

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

## **Entitlements established**

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

## **Exchange rate difference**

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

## **Expenditure**

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

## **Grants**

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

## **Lapsing appropriations**

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

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

## **Legal basis / basic act**

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

## **Legal commitment**

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

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

### **Non-differentiated appropriations**

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

### **Operational appropriations**

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

### **Outstanding commitments**

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

### **Payment appropriations**

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

### **RAL (Reste à liquider)**

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

### **Surplus**

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

### **Transfer between budget lines**

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