

EUROPEAN DEFENCE AGENCY

2022 ANNUAL ACCOUNTS



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# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Contents

<b>Certification by Accounting Officer</b>	3
<b>Activity Report</b>	4
Result of the year	5
EDA Structure and Functions	5
Budgetary implementation reports	10
Balance Sheet	15
Cash Flow Statement	17
Statement of Financial Performance	18
Statement of Changes in Net Assets	18
Reconciliation Between Budget Outturn and Economic Outturn	19
Notes to the Financial Statements	20
<b>Audit opinion</b>	34

## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

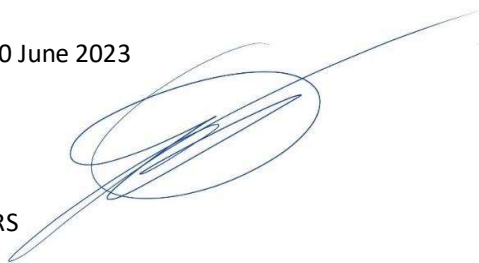
#### Certification by Accounting Officer

The Annual Accounts of EDA for the year 2022 have been prepared in accordance with the European Defence Agency Financial Rules.

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

I hereby certify that 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 EDA.

Brussels, 30 June 2023



David PEERS

Accounting Officer

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### **Activity Report**

The main activities of the Agency in 2022 are outlined in the Annual Report 2022. This publication can be viewed on the Agency Website:

<https://www.eda.europa.eu/info-hub/publications>

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

Result of the year

### 2022 Financial Highlights

Figures in k € - Budgetary Accounting

EUROPEAN DEFENCE AGENCY						
HISTORICAL BUDGETARY FINANCIAL DATA						
Figures in k €	2022	2021	2020	2019	2018	2017
<b>REVENUES</b>						
MEMBER STATE CONTRIBUTIONS	38,076	36,507	35,533	33,268	31,538	29,782
DEDUCTIONS FROM STAFF REMUNERATION	1,939	1,771	1,698	1,614	1,500	1,519
FINANCIAL INCOME	23	7	16	3	2	15
OTHER REVENUES	383	402	375	415	597	323
<b>TOTAL REVENUES</b>	<b>40,421</b>	<b>38,687</b>	<b>37,622</b>	<b>35,300</b>	<b>33,637</b>	<b>31,638</b>
<b>EXPENSES</b>						
PERSONNEL EXPENSES	26,005	23,823	22,858	21,978	20,850	19,724
FUNCTIONING EXPENSES	7,611	6,062	7,917	5,880	5,768	5,021
OPERATIONAL PROJECTS & STUDIES	5,517	6,957	6,254	6,910	6,376	6,394
<b>TOTAL EXPENSES</b>	<b>39,133</b>	<b>36,842</b>	<b>37,029</b>	<b>34,768</b>	<b>32,994</b>	<b>31,140</b>
<b>BUDGETARY SURPLUS REPAYABLE TO pMS</b>	<b>1,288</b>	<b>1,845</b>	<b>593</b>	<b>533</b>	<b>643</b>	<b>498</b>
Figures subject to rounding to nearest '000 Euro						

### EDA Structure and Functions

The European Defence Agency is an Agency of the European Union<sup>(1)</sup>, falling under the direction and authority of the Council, which issues guidance and guidelines to and receives reports from the Head of the Agency, High Representative of the Union for Foreign Affairs & Security Policy/Vice-President of the European Commission.

The Agency is governed by a Steering Board. The Head of the Agency chairs the Steering Board made up of Defence Ministers from 26 participating Member States (all EU members except Denmark)<sup>2</sup> and a representative of the European Commission. In addition to ministerial meetings at least twice a year, the Steering Board also meets at the sub-ministerial level: National Armaments Directors, Research and Technology Directors and in Capabilities formation.

<sup>1</sup> Council Decision (CFSP) 2015/1835 of 12 October 2015 defining the statute, seat and operational rules of the European Defence Agency and repealing Joint Action 2004/551/CFSP.

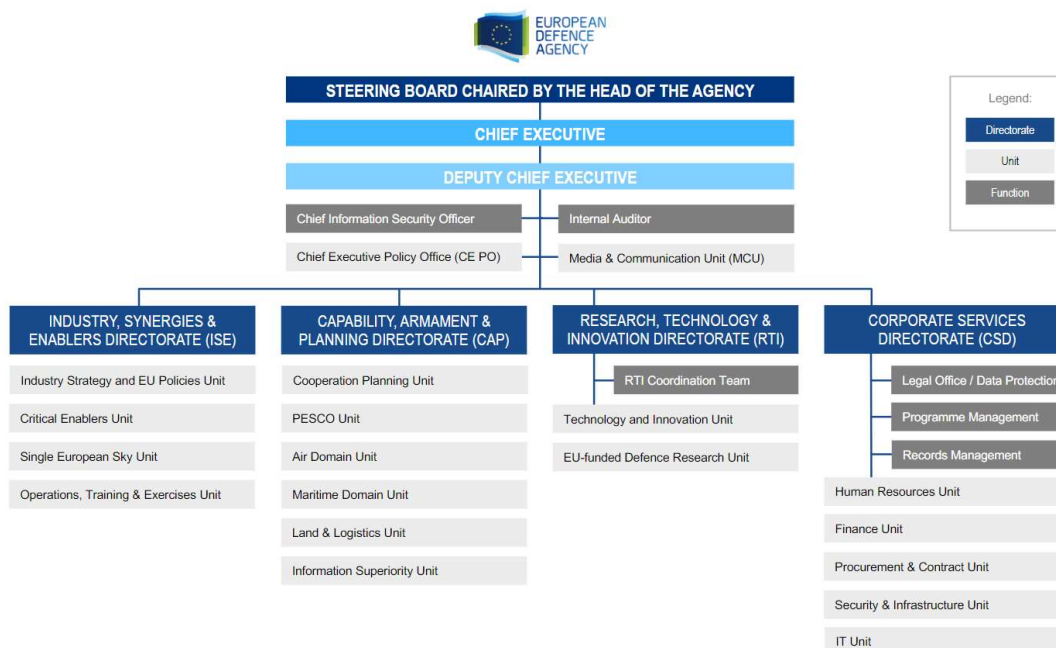
<sup>2</sup> In March 2023, Denmark formally decided to join the EDA.

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

The Agency is established "to support the Member States in their effort to improve European defence capabilities in the field of crisis management and to sustain the Common Foreign and Security Policy as it stands now and develops in the future".

The internal organisation of the Agency during 2022 is represented here below.



### Industry Synergies & Enablers (ISE)

The ISE Directorate facilitates work to address the implications of EU legislation and policies for the defence sector: REACH, procurement, funding instruments and the analysis of developments influencing governmental and industrial stakeholders.

In the wider context of military aviation, the Directorate facilitates the coordination of military views from and in support of Member States and the relevant international military organisations in the framework of Single European Sky (SES) and acts as the interface with the EU institutions and related bodies. The Directorate supports Member States in their efforts to enable RPAS integration in non-segregated airspace and in harmonising military aviation safety issues using a progressive introduction of total system approach to military aviation and addressing the aviation cyber aspects.

The ISE Directorate is responsible for activities on critical enablers to support defence cooperation and enhance interoperability: military airworthiness, standardisation and certification, defence test & evaluation and education and training. The Directorate provides support to CSDP military and civilian operations and missions as well as Member States using all existing EDA instruments cross-directorates.

## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

#### Capability, Armament & Planning (CAP)

The Capability, Armament & Planning Directorate (CAP) identifies, plans and proposes collaborative opportunities in support of EU capability development priorities and tailored to Member States' needs, representing a coherent approach from priority setting to impact.

The Directorate is in charge of elaborating the Capability Development Plan, based on the analysis of military requirements conducted together with Member States. It also identifies output- oriented EU capability development priorities and coordinates the development of Strategic Context Cases to facilitate the implementation of these priorities.

The Directorate coordinates the Coordinated Annual Review on Defence, for which the Agency provides the secretariat, establishing a regularly updated overview of the European defence capability landscape and its coherence.

The Directorate provides EDA's secretariat functions to PESCO, together with the European External Action Service, including the EU Military Staff. Within the PESCO secretariat, the Directorate coordinates EDA's assessment of PESCO project proposals from the capability perspective, as well as the National Implementation Plans of PESCO participating Member States and supports PESCO project implementation.

#### Research, Technology & Innovation (RTI)

The RTI Directorate provides support to Member States and to the European Commission for the Preparatory Action for defence research, including its implementation, and the research dimension of the European Defence Fund. The Directorate also ensures the promotion of innovation in defence and the exploitation of synergies at EU level with civil research in dual-use technology fields.

#### Corporate services directorate (CSD)

The Corporate Services Directorate provides the horizontal services that ensure the functioning of the Agency. It consists of 5 Units providing financial, contracting, IT, human resources, infrastructure and security and administrative services ensuring that the Agency performs in accordance with the principles of sound financial management. In addition, the Agency's Legal Office/Data Protection, the Programme Management and Record Management functions report to the CSD Director.

#### Financial Statements

##### Principles of the budgetary implementation:

The budget of the Agency is established and implemented in compliance with the principles set out in EDA Financial Rules: principle of unity and budgetary accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency. The compliance with the budgetary principles requires effective and efficient internal control.

## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

#### **Principles of unity and of budgetary accuracy**

No revenue shall be collected and no expenditure affected unless booked to a line in the Agency's budget. No expenditure may be committed or authorised in excess of the appropriations authorised by the Agency's budget. An appropriation may be entered in the Agency's budget only if it is for an item of expenditure considered necessary.

#### **Principle of annuality**

The appropriations entered in the Agency's 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 of the European Defence Agency shall be drawn up and implemented in euro and the accounts shall be presented in euro.

#### **Principle of universality**

Total revenue shall cover total payment appropriations. All revenue and expenditure shall be entered into the budget 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. The principle of economy requires that the resources used by the Agency in the pursuit of its activities are made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency concerns the best relationship between resources employed and results achieved. The principle of effectiveness concerns the attainment of the specific objectives set and the achievement of the intended results.

#### **Principle of transparency**

EDA budget shall be established and implemented, and the accounts presented in accordance with the principle of transparency. The Agency's budget, including the staff establishment plan and amending budgets, as adopted, shall be published on the internet site of the Agency within four weeks of their adoption.



# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### 2022 Consolidated Budget Implementation report

EUROPEAN DEFENCE AGENCY CONSOLIDATED BUDGET IMPLEMENTATION REPORT 2022									
BUDGET IMPLEMENTATION REPORT 2022	GENERAL BUDGET EUROPEAN DEFENCE AGENCY			AD HOCS			ADDITIONAL REVENUE		
	2022	2022	2022	2022	2022	2022	2022	2022	2022
<i>Figures in €</i>	Budget <sup>(REV)</sup>	Committed	Paid	Budget	Committed	Paid	Budget	Committed	Paid
<b>EXPENSES</b>									
Title I : PERSONNEL EXPENSES	26,442,010	26,004,908	25,595,075		26,685	21,186		472,374	469,303
Title II : FUNCTIONING EXPENSES	7,772,990	7,611,317	4,842,503		0	0		189,390	153,045
<b>TOTAL PERSONNEL &amp; FUNCTIONING EXPENSES</b>	<b>34,215,000</b>	<b>33,616,225</b>	<b>30,437,578</b>		<b>26,685</b>	<b>21,186</b>		<b>661,764</b>	<b>622,347</b>
Title III : OPERATIONAL BUDGET	5,630,359	5,516,563	584,457		79,241,197	44,471,818		1,378,685	5,685,874
<b>TOTAL EXPENSES</b>	<b>39,845,359</b>	<b>39,132,788</b>	<b>31,022,035</b>		<b>79,267,883</b>	<b>44,493,004</b>		<b>2,040,449</b>	<b>6,308,221</b>
<b>REVENUES</b>									
Title IV : MISC. COMMUNITY TAXES, LEVIES & DUES			1,939,122			0			0
Title V : INCOME FROM OPERATING ACTIVITIES			22,567			401,405			2,920
Title VI : pMS CONTRIBUTIONS			38,076,305			91,025,394			18,323,870
Title VII : OTHER REVENUES			383,007			0			0
<b>TOTAL REVENUES</b>			<b>40,421,001</b>			<b>91,426,799</b>			<b>18,326,791</b>
<b>BUDGETARY SURPLUS REPAYABLE TO pMS</b>			<b>1,288,213</b>			<b>N/A</b>			<b>N/A</b>
<i>(Total revenues less total expenses)</i>									

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Budgetary implementation reports

#### Fund Source C1

The fund source "C1" represents the funds budgeted for and implemented in the current financial year. Below, the budget figures under the heading (Initial) show the figures as initially adopted, while the budget figures under the heading (REV) show the budget after transfers and its amendment.

#### EUROPEAN DEFENCE AGENCY

BUDGET IMPLEMENTATION REPORT 2022						Fund source C1		
Figures in €	Notes	2022 Budget (initial)	2022 Budget (REV)	2022 Committed	2022 Paid	2021 Budget (REV)	2021 Committed	2021 Paid
<b>EXPENSES</b>								
<b>Title I : PERSONNEL EXPENSES</b>	2							
Chapter 11: TEMPORARY STAFF		18.783.000	18.659.550	18.563.680	18.563.680	17.400.000	17.374.862	17.374.862
Chapter 12: SNE, CONTRACT & OTHER STAFF		5.830.000	5.655.100	5.424.098	5.313.449	5.125.885	4.980.882	4.872.934
Chapter 13: STAFF RELATED		1.929.000	2.127.360	2.017.130	1.717.946	1.624.115	1.466.823	1.303.987
<b>TOTAL PERSONNEL EXPENSES</b>		<b>26.542.000</b>	<b>26.442.010</b>	<b>26.004.908</b>	<b>25.595.075</b>	<b>24.150.000</b>	<b>23.822.568</b>	<b>23.551.783</b>
<b>Title II : FUNCTIONING EXPENSES</b>	3							
Chapter 20: BUILDING AND BUILDING RELATED EXPEN		4.539.000	3.821.000	3.744.248	3.355.804	3.997.300	3.433.460	3.092.183
Chapter 21: INFORMATION TECHNOLOGY EXPENSES		1.839.000	3.340.990	3.303.881	1.210.133	2.278.700	2.183.931	1.070.146
Chapter 22: OTHER FUNCTIONING EXPENSES		580.000	611.000	563.187	276.566	574.000	445.079	88.617
<b>TOTAL FUNCTIONING EXPENSES</b>		<b>6.958.000</b>	<b>7.772.990</b>	<b>7.611.317</b>	<b>4.842.503</b>	<b>6.850.000</b>	<b>6.062.470</b>	<b>4.250.947</b>
<b>TOTAL PERSONNEL &amp; FUNCTIONING EXPENSES</b>		<b>33.500.000</b>	<b>34.215.000</b>	<b>33.616.225</b>	<b>30.437.578</b>	<b>31.000.000</b>	<b>29.885.037</b>	<b>27.802.730</b>
<b>Title III : OPERATIONAL BUDGET EXPENSES</b>								
Chapter 30: PROJECTS AND STUDIES	4	4.500.000	5.630.359	5.516.563	584.457	7.007.375	6.956.961	200.323
<b>TOTAL OPERATIONAL BUDGET</b>		<b>4.500.000</b>	<b>5.630.359</b>	<b>5.516.563</b>	<b>584.457</b>	<b>7.007.375</b>	<b>6.956.961</b>	<b>200.323</b>
<b>TOTAL EXPENSES</b>		<b>38.000.000</b>	<b>39.845.359</b>	<b>39.132.787</b>	<b>31.022.035</b>	<b>38.007.375</b>	<b>36.841.998</b>	<b>28.003.053</b>
<b>REVENUES</b>								
<b>Title IV: TAXATION</b>								
Chapter 40: DEDUCTIONS FROM STAFF REMUN	5	1.500.000	1.500.000		1.939.122	1.500.000		1.771.072
<b>Title V: FINANCIAL INCOME</b>								
Chapter 50: FINANCIAL INCOME					22.567			6.607
<b>Title VI: MEMBER STATE CONTRIBUTIONS</b>								
Chapter 60 : MEMBER STATE CONTRIBUTIONS	6	36.500.000	38.345.359		38.076.305	36.507.375		36.507.375
<b>Title VII: OTHER REVENUES</b>								
Chapter 75 : OTHER REVENUES	5	0	0		383.007	0		402.303
<b>TOTAL REVENUES</b>		<b>38.000.000</b>	<b>39.845.359</b>		<b>40.421.000</b>	<b>38.007.375</b>		<b>38.687.358</b>
<b>BUDGETARY SURPLUS</b>	7				<b>1.288.213,00</b>			<b>1.845.359</b>

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Fund source C4

#### EUROPEAN DEFENCE AGENCY

#### BUDGET IMPLEMENTATION REPORT 2022

	Notes	2022 Budget	2022 Committed	Fund source C4 2022 Paid
<i>Figures in €</i>				
<b>EXPENSES</b>				
<b>Title I : PERSONNEL EXPENSES</b>				
Chapter 11: TEMPORARY STAFF		0	0	0
Chapter 12: SNE, CONTRACT & OTHER STAFF		0	0	0
Chapter 13: STAFF RELATED		1.136	0	0
<b>TOTAL PERSONNEL EXPENSES</b>	<b>2</b>	<b>1.136</b>	<b>0</b>	<b>0</b>
<b>Title II : FUNCTIONING EXPENSES</b>				
Chapter 20: BUILDING AND BUILDING RELATED EXPENSES		0	0	0
Chapter 21: INFORMATION TECHNOLOGY EXPENSES		0	0	0
Chapter 22: OTHER FUNCTIONING EXPENSES		0	0	0
<b>TOTAL FUNCTIONING EXPENSES</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PERSONNEL &amp; FUNCTIONING EXPENSES</b>		<b>1.136</b>	<b>0</b>	<b>0</b>
<b>Title III : OPERATIONAL BUDGET EXPENSES</b>				
Chapter 30: PROJECTS AND STUDIES		0	0	0
<b>TOTAL OPERATIONAL BUDGET</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENSES</b>		<b>1.136</b>	<b>0</b>	<b>0</b>

The fund source “C4” fund source represents amounts recovered during 2022 from EDA suppliers, external experts or staff members (e.g. in the context of mission reimbursements).

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Fund source C8 and C2

#### EUROPEAN DEFENCE AGENCY

#### BUDGET IMPLEMENTATION REPORT 2022

Notes	2022 Budget	2022 Implemented	Fund source C8 2022 Paid
<i>Figures in €</i>			
<b>EXPENSES</b>			
<b>Title I : PERSONNEL EXPENSES</b>			
Chapter 11: TEMPORARY STAFF	0	0	0
Chapter 12: SNE, CONTRACT & OTHER STAFF	107.948	107.079	107.079
Chapter 13: STAFF RELATED	164.537	136.031	136.031
<b>TOTAL PERSONNEL EXPENSES</b>	<b>272.485</b>	<b>243.111</b>	<b>243.111</b>
<b>Title II : FUNCTIONING EXPENSES</b>			
Chapter 20: BUILDING AND BUILDING RELATED EXPENSES	341.277	310.018	310.018
Chapter 21: INFORMATION TECHNOLOGY EXPENSES	2.414.471	2.284.100	884.842
Chapter 22: OTHER FUNCTIONING EXPENSES	392.937	382.980	326.435
<b>TOTAL FUNCTIONING EXPENSES</b>	<b>3.148.685</b>	<b>2.977.097</b>	<b>1.521.294</b>
<b>TOTAL PERSONNEL &amp; FUNCTIONING EXPENSES</b>	<b>3.421.170</b>	<b>3.220.208</b>	<b>1.764.404</b>
<b>Title III : OPERATIONAL BUDGET EXPENSES</b>			
Chapter 30: PROJECTS AND STUDIES	11.786.966	11.606.727	6.068.303
<b>TOTAL OPERATIONAL BUDGET</b>	<b>11.786.966</b>	<b>11.606.727</b>	<b>6.068.303</b>
<b>TOTAL EXPENSES</b>	<b>15.208.136</b>	<b>14.826.934</b>	<b>7.832.707</b>

The fund source "C8" represents appropriations which were automatically carried forward from 2021 to 2022, to meet obligations arising from legal commitments signed in previous year(s). Operational Budget expenses (Title III) are paid from the fund source C2.

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Budget Transfers and Amendments:

EUROPEAN DEFENCE AGENCY				
2022 Budget Transfers and Amendments				
<i>Figures in €</i>				
EXPENDITURES	Initial budget	Amending Budget	Transfers	Final
Title I - Personnel expenditures				
Total Personnel expenditures	26.542.000	-	- 99.990	26.442.010
Title II - Functioning Expenditures				
Total Functioning Expenditures	6.958.000	715.000	99.990	7.772.990
Title III - Operational expenditures				
Total Operational expenditures	4.500.000	1.130.359	-	5.630.359
TOTAL EXPENDITURES	38.000.000	1.845.359*	-	39.845.359

### Budget Summary 2022

Budgetary expenditure for 2022						
Title	Budget (REV)	Committed	%	Paid	%	Surplus Budget/Expenditure
	A	B		C		D = A-B
Title I Personnel Expenses	26.442.010,00	26.004.908	98%	25.595.075	97%	437.102
Title II Functioning Expenses	7.772.990,00	7.611.317	98%	4.842.503	62%	161.673
Title III Operational Expenses	5.630.359,00	5.516.563	98%	584.457	10%	113.796
Total	39.845.359	39.132.787	98%	31.022.035	78%	712.572
Budgetary Revenue for 2022						
Title	Budget			Revenue	%	Surplus Revenue
	A			B	C	E = B-A
Title IV Deductions from Staff Remuneration	1.500.000	-	-	1.939.122	129%	439.122
Title V Financial Income	0	-	-	22.567	-	22.567
Title VI pMS Contributions	38.345.359	-	-	38.076.305	99%	-269.054
Title VII Other Revenues	0	-	-	383.007	-	383.007
Total	39.845.359	-	-	40.421.000	101%	575.641
Total Surplus D + E						1.288.213

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Evolution of outstanding commitments

This table shows the evolution of commitments carried forward from previous years and current outstanding commitments. The differences of 1 EUR are due to the rounding of cents.

Carry forwards from previous years				
Title	Initial amount outstanding from previous year(s)	Amounts paid	Carryforwards cancelled in 2022	Final amount from previous year(s)
<b>Title I Personnel Expenses</b>	272.485	243.111	29.374	0
<b>Title II Functioning Expenses</b>	3.148.685	1.521.294	171.588	1.455.803
<b>Title III Operational Expenses</b>	11.786.966	6.068.303	180.240	5.538.424
<b>Totals</b>	<b>15.208.136</b>	<b>7.832.707</b>	<b>381.202</b>	<b>6.994.227</b>

Current outstanding Commitments				
Title	Initial amount from the current financial year	Amounts paid	Amounts cancelled	Committed amount outstanding from the current financial year
<b>Title I Personnel Expenses</b>	26.004.908	25.595.075	0	409.833
<b>Title II Functioning Expenses</b>	7.611.317	4.842.503	0	2.768.814
<b>Title III Operational Expenses</b>	5.516.563	584.457	0	4.932.106
<b>Totals</b>	<b>39.132.787</b>	<b>31.022.035</b>	<b>0</b>	<b>8.110.752</b>

TOTAL outstanding commitments at the end of the financial year

**15.104.980**



# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Balance Sheet

#### Balance Sheet

### EUROPEAN DEFENCE AGENCY

#### BALANCE SHEET

Figures in €	Notes	31.12.2022	31.12.2021
<b>ASSETS</b>			
<b>ASSETS</b>			
<b>A. NON-CURRENT ASSETS</b>			
IT ASSETS UNDER CONSTRUCTION		905,865	789,691
IT EQUIPMENT		619,201	108,739
OFFICE FURNITURE		6,378	0
OFFICE TECHNICAL EQUIPMENT		0	10,177
<b>TOTAL NON-CURRENT ASSETS</b>	8	<b>1,531,444</b>	<b>908,607</b>
<b>B. CURRENT ASSETS</b>			
<b>Short-term receivables</b>			
SUNDRY RECEIVABLES		37,268	51,198
DEFERRED CHARGES		216,339	326,586
MS CONTRIBUTION RECEIVABLES		14,218,675	9,181,009
ACCRUED INCOME		130,888	0
<b>Short-term receivables</b>	13	<b>14,603,170</b>	<b>9,558,793</b>
<b>Cash and cash equivalents</b>			
EDA BANK ACCOUNTS		35,702,082	37,564,820
<b>Cash and cash equivalents</b>	9	<b>35,702,082</b>	<b>37,564,820</b>
<b>TOTAL CURRENT ASSETS</b>		<b>50,305,252</b>	<b>47,123,613</b>
<b>TOTAL ASSETS</b>		<b>51,836,696</b>	<b>48,032,220</b>

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

<b>LIABILITIES &amp; EQUITY</b>		
<b>STAKEHOLDERS EQUITY</b>		
ACCUMULATED SURPLUS	11,495,074	11,469,081
ACCOUNTING SURPLUS/LOSS	-533,307	25,993
<b>STAKEHOLDERS</b> 10	<b>10,961,767</b>	<b>11,495,074</b>
<b>SUPPLIER PAYABLES</b>		
ACCRUED EXPENSES	5,708,039	4,774,715
SUNDRY PAYABLES	526,047	163,815
<b>SUPPLIER PAYABLES</b>	<b>6,234,086</b>	<b>4,938,530</b>
<b>STAFF PAYABLES</b> 12		
STAFF PENSION ACCRUALS	18,240,161	16,529,509
STAFF SUNDRY PAYABLES	38,193	23,863
<b>STAFF PAYABLES</b>	<b>18,278,354</b>	<b>16,553,372</b>
<b>DEFERRED REVENUE</b> 18		
ADVANCE MS CONTRIBUTIONS	15,074,276	13,199,886
FUNDING SURPLUS CURRENT YEAR	1,288,213	1,845,359
AD-HOC PROJECTS SURPLUS	0	0
<b>ADVANCE CONTRIBUTIONS</b>	<b>16,362,489</b>	<b>15,045,245</b>
<b>TOTAL LIABILITIES</b>		
	<b>40,874,929</b>	<b>36,537,147</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		
	<b>51,836,696</b>	<b>48,032,221</b>



# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Cash Flow Statement

<b>EUROPEAN DEFENCE AGENCY</b>			
<b>CASH FLOW</b>			
	<i>Notes</i>	<b>Year ending</b>	
<i>Figures in €</i>		<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>		<b>43.533.490</b>	<b>44.217.118</b>
PMS CONTRIBUTIONS		38.576.742	39.557.287
OTHER RECEIPTS	17	954	38.133
RESIDUAL FUNDS PROJECTS		0	0
PENSION CONTRIBUTIONS ADDITIONAL REVENUE	16	141.312	134.217
BANK INTEREST		12.840	0
REGULARISATION TRANSFERS BETWEEN ACCOUNTS	14	4.801.644	4.487.482
<b>Payments</b>		<b>(45.143.667)</b>	<b>(35.804.373)</b>
EDA GENERAL		(37.461.678)	(28.319.740)
PENSIONS		(2.876.664)	(2.993.007)
OTHER CHARGES		(3.682)	(4.145)
REGULARISATION TRANSFERS BETWEEN ACCOUNTS	14	(4.801.644)	(4.487.482)
<b>Net Cash Flows from Operating Activities</b>		<b>(1.610.177)</b>	<b>8.412.745</b>
<b>Cash Flows from Investing Activities</b>			
PURCHASE OF ASSETS		(252.562)	(742.081)
ADVANCES		0	(0)
<b>Net Cash Flows from Investing Activities</b>		<b>(252.562)</b>	<b>(742.081)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(1.862.739)</b>	<b>7.670.664</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>37.564.820</b>	<b>29.894.156</b>
<b>Cash and cash equivalents at end of period</b>		<b>35.702.082</b>	<b>37.564.820</b>

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Statement of Financial Performance

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>		<b>Reporting period (01.2021-16.2022)</b>	<b>Reporting period (01.2021-16.2021)</b>
<b>I. ECONOMIC RESULT OF THE YEAR (CALCULATED)</b>	<b>NOTES</b>	<b>-533,307</b>	<b>25,993</b>
II.1 REVENUES			
II.1.1 Operating revenues		38,998,491	35,925,713
II.1.2 Financial revenues		149,773	6,616.74
II.1.3 Other revenues		1,136	11,623.18
<b>TOTAL REVENUE</b>		<b>39,149,400</b>	<b>35,943,953</b>
II.2. EXPENSES	2,3,4		
II.2.1 Operational Studies and Projects		7,302,995	6,124,726
II.2.2 Staff expenses		25,286,097	23,433,972
II.2.3 Administrative and IT expenses		6,939,572	6,260,754
II.2.4. Fixed asset related expenses	8	150,771	96,735
II.2.5. Financial expenses	15	3,272	1,773
<b>TOTAL EXPENDITURE</b>		<b>39,682,707</b>	<b>35,917,960</b>

### Statement of Changes in Net Assets

<b>EUROPEAN DEFENCE AGENCY</b>			
<b>STATEMENT OF CHANGES IN NET ASSETS</b>			
	<b>Accumulated Surplus (Deficit)</b>	<b>Economic result of the year</b>	<b>Net Assets</b>
<b>Balance as of 31/12/2021</b>	<b>11.469.081</b>	<b>25.993</b>	<b>11.495.074</b>
Allocation of economic result 2021	25.993	-25.993	0
Economic result 2022		-533.307	-533.307
<b>Balance as of 31/12/2022</b>	<b>11.495.074</b>	<b>-533.307</b>	<b>10.961.767</b>

The statement of changes in net assets reflects the movement in the liabilities as from 31st December 2021 to 31st of December 2022.

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Reconciliation Between Budget Outturn and Economic Outturn

<b>EUROPEAN DEFENCE AGENCY</b>		
<b>RECONCILIATION BETWEEN BUDGET OUTTURN AND ECONOMIC OUTTURN</b>		
Figures in €	<b>2022</b>	<b>2021</b>
<b>Budgetary result</b>	<b>1,288,213</b>	<b>1,845,359</b>
<i>Adjustments for items not in the budgetary result but in the economic result</i>		
Income Projects C4 income	-314	11,874
Accrued income	0	0
Accrued income reversal	0	-7,279
Depreciation	-150,771	-96,735
Accrued assets	-325,178	0
Accrued charges	-5,708,039	-4,774,715
Accrued charges reversals	4,774,715	3,150,034
C4 expenditure	0	-10,174
C8 expenditure	-7,832,707	-6,850,864
Deferred expenditure	216,339	326,586
Deferred expenditure reversal	-326,586	-319,698
Previous year pre-financing/advances expensed in current year	0	-8,030
Invoices with no payment in current year	-362,284	-160,667
Budgetary result (pre-financing) deducted from revenue	-1,288,213	-1,845,359
Direct expenditure accounting entries	-45,300	46,100
<i>Adjustments for items in the budgetary result but not in the economic result</i>		
Asset acquisition	1,098,786	789,691
Carry forward cancellations	-381,202	-401,702
Carry over	8,110,752	8,838,945
Prefinancing payment	398,484	0
Payment of invoices registered in the previous year	0	0
Appropriations current year not committed	0	0
Budget amendment/ Surplus of previous year	0	-593,200
Direct expenditure budget entries	0	85,825
<b>Total</b>	<b>-533,307</b>	<b>25,993</b>
<b>Economic result</b>	<b>533,307</b>	<b>-25,993</b>
<b>Discrepancy</b>	<b>0</b>	<b>0</b>

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Notes to the Financial Statements

#### NOTE 1 – BASIS OF PRESENTATION AND SPECIFIC ACCOUNTING POLICIES

##### BASIS OF PRESENTATION

EDA annual accounts have been established in conformity with:

- Council Decision (CFSP) 2015/1835 of 12 October 2015 defining the statute, seat and operational rules of the European Defence Agency
- Council Decision (EU) 2016/1353/CFSP of 4 August 2016 on the financial rules of the European Defence Agency.

In certain tables figures have been rounded to the nearest '000 € for ease of reference

##### 2022 Budget

The General Budget for 2022 amounting to 38.000.000 € was adopted by the Steering Board on 15 November 2021.

The amending budget for 2022, totalling 39.845.000 € was approved on 15 October 2022.

In the table “2022 Budget transfers and amendments” is provided for information on the budget allocation.

##### pMS Contributions

Contributions from 26 participating Member States<sup>(3)</sup> ('pMS') are calculated in accordance with the principles of the EU budget proportional share of the pMS's GNI in the total GNI aggregate.

Contributions are due in three instalments, by 15 March, 15 June and 15 October (Art. 16, Council Decision (CFSP) 2015/1835 of 12 October 2015 defining the statute, seat and operational rules of the European Defence Agency).

##### Budget structure and presentation

The 2022 EDA general budget was adopted by the Steering Board at chapter level. In accordance with Article 21 of EDA Financial Rules, “the structure of the budgetary implementation report shall be the same as of the budget itself”. The presentation of the budget implementation report in the annual accounts 2022 follows this requirement.

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<sup>30</sup> 27 EU Member States in 2022 excluding Denmark

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### SPECIFIC ACCOUNTING POLICIES

#### Fixed Asset Policy

Items acquired by the Agency purchase price of which is 5k € or more, with a period of use greater than one year, and which are not consumables are recorded in the fixed assets accounts. The Agency performs an annual inventory of its fixed tangible assets, where all qualifying assets are individually monitored and recorded in the fixed asset database.

The cost of fixed assets comprises the purchase price, including any directly attributable costs of bringing the asset into working condition for its intended use. However, routine maintenance and repairs are not capitalised but charged to expenses as incurred.

In line with the Agency's policy, asset-invoices are booked as expenses during the year and transferred to the balance sheet at year-end.

#### Depreciation / amortisation

Depreciation is computed on a straight-line basis, from the date of purchase, over the estimated useful life of the assets:

- 9 years for fitting-out of premises (building related investments),
- 5 years for office furniture and office technical equipment,
- 3 years for IT equipment and software and security equipment;
- 5 years for custom built IT solutions and systems.

#### Accruals

Accrual charges for Title I (personnel related, such as unspent leave) and Title II (administrative expenditure) are calculated based on expected invoices/charges to be received/charged at the beginning of 2023 and relating to goods/services delivered in 2022 and leave entitlements of 2022.

Accruals for Title III are calculated on a pro rata basis to ensure the closest possible estimate.

#### Deferrals

Deferred charges are calculated based on the invoices received during 2022 for services which will be delivered in part or in full during 2023. The majority of the services which fall under this category are software subscriptions and software maintenance services.

#### Pensions

Staff (Temporary and Contract) pension rights, including corresponding interests, are capitalised on the Agency's balance sheet to cover future pension obligations.

## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

Staff pension rights are composed of:

- 2/3 Agency contribution, booked as expenses and capitalised on the balance sheet;
- 1/3 Staff contribution, deducted from Staff remuneration and capitalised on the balance sheet.

The accumulated pension rights liability included in the balance sheet is calculated as the overall employee and employer pension contribution retained via payroll minus all transfers made to extinguish the liability towards individual employees, diverging from IPSAS 39 – Employee benefits.

Considering the employment contracts with limited duration and provisions in this regard, EDA does not have long-term obligations in terms of payment of pensions at the pensionable age, as the concerned obligations are settled by a one-off transfer or severance grant payment at the end of the time-limited employment contract, nor are there any foreseen changes that could give rise to such entitlements in the near future. Furthermore, EDA does not have an influence on the level of contributions to be paid in this regard as this is determined at an EU central level. The calculation of the actuarial equivalent of acquired pension rights is only performed at the end of the service by the EU Paymaster Office. It is to be noted that there is one case of invalidity pension contributions (in 2022, EUR 8,103.75) that will remain payable until the pensionable age of the concerned.

#### **Advance Calls for Contributions**

The first Call for Contributions for the year N+1 is issued in year N. The full value of the calls issued in advance is shown on the balance sheet as deferred revenue and the value of the calls which are not cashed at 31 Dec is shown under the Short-Term Receivables heading.

#### **Revenue**

The revenue is recognized when earned in accordance with the financing rules of the Agency.

The revenue stemming from the annual voted budget plus any amendments not recognized previously into the equity section is recognized as earned based on the implementation rate. The surplus for the year is recognized as a liability on the balance sheet, in line with the financial rules.

#### **NOTE 2 – PERSONNEL EXPENSES**

Personnel budgetary expenses amount to 26.004.908 €.

The remuneration of the members of the temporary and contract Staff is determined according to the European Defence Agency Staff Regulations.

EDA employs different categories of personnel:

##### **1. Temporary Staff**

Staff engaged to fill temporarily a post included in the list of posts appended to the budget of the Agency. They are classified in an administrators' function group (AD), corresponding to administrative,

## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

advisory, linguistic, and scientific duties, and assistants' function group (AST), corresponding to executive, technical and clerical duties.

#### 2. Contract Staff

Staff not included in the Staff Establishment Plan and engaged for the performance of full-time or part-time duties. Contract Staff are subdivided into four function groups corresponding to the duties performed. Each function group is subdivided into grades and steps.

#### 3. Seconded National Experts

Temporarily assigned experts from the participating Member States' administrations in accordance with EDA's requirements and budgetary possibilities and in accordance with the EDA SNE Rules.

#### 4. Experts on cost-free secondment

Temporarily assigned experts from the participating Member States' administrations, from a third country with which the Agency has concluded an administrative arrangement, or from organisations/entities with an Administrative Arrangement with the Agency. These secondments do not entail the payment of any allowances or expenses for the Agency.

#### 5. Trainees

EDA has been running its own traineeship programme since October 2018.

#### Basic Salaries

Staff basic salaries (TBA) are processed through the EU Paymasters Office's (PMO), using the NAP system. Grades and salary parameters are updated annually.

#### Staff Statutory Allowances & Staff Social Protection

Staff Statutory Allowances & Staff Social Protection are governed by the EDA Staff Regulations.

#### Miscellaneous allowances and grants

Orphans Pension: EDA has an obligation to pay orphans' pension to the children of a deceased Staff Member, until each orphan reaches the age of 18 or, subject to confirmation, up to the age of 26 if full-time studies are pursued by the child. EDA paid one orphan allowance in 2022.

Invalidity Pension: following termination of employment with EDA due to invalidity, one former Contract Staff member is currently in receipt of Invalidity Allowance from EDA.

#### Staff Allowances on Entering & Leaving Service

Staff allowances on entering & leaving service are governed by the EDA Staff Regulations.

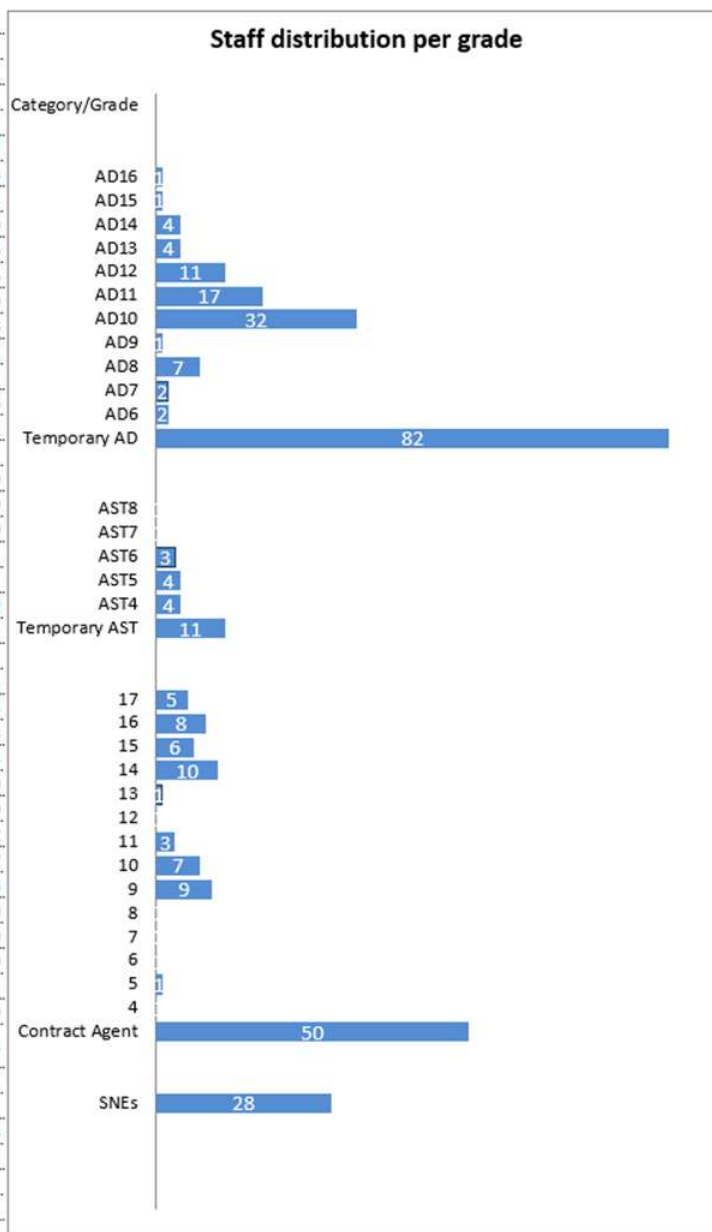


# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Staff present on 31/12/2022

Staff present 31/12/2022			
Category/Grade	Total	Female	Male
AD16	1	0	1
AD15	1	0	1
AD14	4	1	3
AD13	4	0	4
AD12	11	2	9
AD11	17	2	15
AD10	32	7	25
AD9	1	1	0
AD8	7	1	6
AD7	2	1	1
AD6	2	1	1
Temporary AD	82	16	66
		20%	80%
AST8	0	0	0
AST7	0	0	0
AST6	3	3	0
AST5	4	3	1
AST4	4	3	1
Temporary AST	11	9	2
		82%	18%
17	5	1	4
16	8	4	4
15	6	3	3
14	10	6	4
13	1	1	0
12	0	0	0
11	3	1	2
10	7	5	2
9	9	6	3
8	0	0	0
7	0	0	0
6	0	0	0
5	1	0	1
4	0	0	0
Contract Agent	50	27	23
		54%	46%
SNEs	28	5	23
		18%	82%



### Temporary staff

93 Temporary Agents were present in the Agency on 31/12/2022. Payment of salary and allowances of temporary agents are governed by the European Defence Agency Staff Regulations.

### Contract Staff

50 Contract Staff were present in the Agency on 31/12/2022. Payment of salary and allowances of contract staff are governed by the European Defence Agency Staff Regulations.



## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

#### Seconded National Experts (SNEs)

On 31/12/2022, 28 SNEs were present at the Agency. Payment of allowances are governed by the SNE rules of the Agency.

#### Trainees

On 31/12/2022, the Agency had 18 trainees.

#### Recruiting Expenses

Miscellaneous recruiting expenses related travel and accommodation of recruited staff, organisation of selection procedures as well as medical examinations related to recruitment.

#### Mission Expenses

Expenses related to mission travels, including transport, accommodation and daily allowance.

#### Medical Expenses

Relate to annual health examinations of staff.

#### Learning and development

Staff training expenses: mandatory and professional development training.

#### Other external services

Include insurance for staff going on missions, EU Paymasters Office's (PMO) fees.

#### Social dialogue and staff wellbeing

Expenses related to staff social activities.

#### Representation Expenses

Expenses related to official receptions: catering, event organisation.

### NOTE 3 – FUNCTIONING EXPENSES

#### Building and Building Related Expenses

##### Building lease expenditure

The Agency signed a standard Belgian lease for the office building at Rue des Drapiers in Brussels. Rent is settled on a quarterly basis and includes related taxation and indexation.

##### Fitting-out of Premises

Investments related to the fitting-out of office premises, notably: set-up of new meeting rooms, office partitioning to accommodate new Staff members, external lighting, building air-conditioning and other building transformation expenses.

##### Office Furniture

Desks, tables, chairs, conference room equipment, filing cabinets, cupboards and all miscellaneous office furniture.

##### Security services and equipment

## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

Expenses related to 24-hour building surveillance, notably security services and guards, surveillance cameras, surveillance locks, cabinets, security doors and other equipment to ensure security of EDA premises.

#### Cleaning and facility services

Building cleaning and maintenance contracts, including cleaning supplies.

Expenses related to waste removal, recycling services.

#### Preventive and corrective maintenance of technical installations and other building related expenditure

Services for maintenance and repair of technical equipment and installations: electrical systems, air conditioning, elevators and other technical installations, plumbing, heating.

#### Utility Services

Building utility expenses related to water, electricity, and heating.

#### Insurances

Selected insurance policies related to EDA premises.

#### Health and Safety

Expenses related to the review and implementation of EDA health and safety policy.

#### Office Supplies

Standard office supplies, including paper, stationery and office consumables.

#### Postal & Delivery Expenditures

Postage, express mail.

#### Mobility related expenditures

Rental fees for office vehicles and maintenance costs.

### Information Technology Expenses

#### IT hardware and Software

All expenses related to the Agency's IT systems: servers, desktops, laptops and other IT equipment and software.

#### IT Services and Development

Expenses related to development and installation of software, banking software, financial management and accounting systems.

#### Telecommunication costs

Telecommunication expenses: mobile, internet and dedicated lines.

#### EUCI

Dedicated budget line for EU classified information project.

#### Other Functioning

#### Translation and interpretation services

Expenses related to translation (ex: contracts, brochures etc.)

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Subscriptions and Publication services

Expenses related to specialised information sources and press subscriptions.

### Corporate Communication expenditures

Expenses related to EDA corporate communication and EDA annual conference.

### Meetings, conferences, and seminars

Meeting supplies such as: water, coffee, and sandwiches.

### Other Services

Other services include legal support, audits, and consultancies.

## NOTE 4 – OPERATIONAL EXPENDITURE

The operational expenditure relates to operational projects and studies coordinated by the Industry Synergies & Enablers (ISE) Directorate, the Capability, Armament & Planning Directorate (CAP) Directorate and the Research, Technology & Innovation (RTI) Directorate.

## NOTE 5 – BUDGETARY REVENUES

### Operating revenues

The operating revenues consist of the participating Member States contributions (38.076k €); the taxation on Staff salaries (approx. 1,9M €); carry forward cancellations of previous years (381k €) and other revenues (approx. 2k €).

### Financial Revenues

Financial revenue consists mainly of the interest on late payments of pMS Contributions and bank interest (approx. 22k €).

## NOTE 6 – PMS CONTRIBUTIONS

In 2022 calls for an amount totalling to 36.500.000 € were issued. Additionally, the budgetary surplus 2021 (1.845.359 €) was inscribed. Consequently, pMS contributions for the 2022 budget amount to 38.345.359 €. However, an amount of 269k was not transferred yet in 2022.

## NOTE 7 – BUDGETARY SURPLUS

The 2022 budgetary surplus of 1,288,213 € is the difference between revenues received and expenses incurred during the financial year. The surplus comprises:

- difference in expenditure between the budget plan and its implementation (712,572 €);
- higher than estimated revenue (194,439 €) and

## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

- cancellations of amounts carried forward from previous years (381,202 €) which represent open balances de-committed after final payments of administrative and operational contracts.

During the first months of 2022, the COVID-19 pandemic continued to impact EDA, with some activities postponed or organised in virtual or hybrid formats, resulting in lower than initially planned implementation of the functioning (administrative) budget. With the progressive lifting of restrictions, activities such as missions, on-site working groups and conferences could gradually be organised again at expected levels and budget implementation gradually returned to normal. The 2022 budget implementation (committed budget versus amended 2022 budget stood at 98,2% (96,9% in 2021). In Title I, budget implementation was mainly impacted by the unpredictable evolution of consumer price inflation, which reached an exceptionally high level in 2022. Consequently, a conservative approach was necessary to ensure that the statutory indexation of staff salaries and allowances could be covered. Statutory indexation of 6,9% was applied to salaries and allowances in December and covered by the planned budget for 2022. Savings in Title I come mainly from the personnel costs due to high staff turn-over and resulting gaps in recruitment as well as the continuing difficulty to recruit Seconded National Experts. The COVID-19 restrictions also impacted Title I budget implementation, although to a much lesser extent than in 2021.

In Title II, the 2022 budget implementation reached 97,9% of the planned budget. As EDA is currently working on selecting a new building for future relocation, a conservative approach has been taken with regard to investments in structural works and fitting out of the current building. Nevertheless, as the EUCI system implementation is moving from development to operation and maintenance, more investments have been made to support this transition, funded by a part of the 2021 budget surplus, which was inscribed in the budget following the adoption of the budget amendment in October.

Budget implementation in Title III reached 98% of the initially planned budget, which was increased by the Steering Board in October via an amending budget (to inscribe the comparatively high budget surplus of the previous year). Considering the high surplus in 2021 and the date of adoption of the amending budget, the implementation rate of 98% is high.

The higher than estimated revenue is mainly the result of the higher indexation on salaries, which led to an increase in revenue resulting from deductions from staff remuneration. This increase was moderated due to an amount offset in the call for contributions for concerned participating Member States following the surplus at the closure of an Ad-Hoc project.

The cancellation of amounts carried forward, which cannot be anticipated in the budget planning, is slightly lower than in 2021, 381,202 € compared to 401,702 €.

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### NOTE 8 – FIXED ASSETS AND DEPRECIATION

Figures in €

EUROPEAN DEFENCE AGENCY							
Fixed Assets							
In €							
Fixed Asset Classes	2022 Net Asset Value	2022 Depreciation	2022 Asset Additions	2022 Asset Disposals / Transfers / Other	2021 Net Asset Value	Gross Asset Value	Accumulated Depreciation
INFRA SEC Equipment	0	10.177	0	0	10.177	306.790	306.790
Office Furniture	6.378	108	6.486	0	0	133.753	127.375
IT Equipment (Software / Hardware)	619.201	140.486	33.225	617.722	108.739	1.629.044	1.009.843
Tangible AuC	806.513	0	891.355	-505.346	420.505	806.513	0
Intangible AuC	99.352	0	167.720	-437.554	369.186	99.352	0
<b>Total</b>	<b>1.531.444</b>	<b>150.771</b>	<b>1.098.786</b>	<b>-325.178</b>	<b>908.607</b>	<b>2.975.452</b>	<b>1.444.008</b>

During 2021 a donation procedure has been launched for IT equipment decommissioned during the year. The IT assets decommissioned in 2021, with a gross value of 226.233 €, have been de-recognised from the accounts of the Agency. The assets were fully depreciated before 1<sup>st</sup> of January 2021. In 2022, the asset donation activities were finalised, no other assets had been donated and no tangible assets had been further disposed of in 2022.

The tangible assets under construction relate to the on-going build of a new IT system which is partially finalised and brought into use in 2022 (505.346 €).

The intangible asset under construction is related to the on-going development of software which is in progress (99.352 €). In 2022, certain items have been either finalised (112.376 €) or the development has been terminated (325.178 €) in 2022.

## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

#### NOTE 9 – CASH

##### EDA BANK ACCOUNTS

As at 31/12/2022, the global balance on the Agency's bank accounts related to EDA general budget totalled 35.702.082 €.

EUROPEAN DEFENCE AGENCY		
Bank Accounts		
In €		
EDA Bank Accounts	2022	2021
Opening balance	37.564.820	29.894.156
Closing balance	35.702.082	37.564.820

Employee pension rights are managed in a separate bank account. The figure in the table above shows the consolidated closing balance at the end of 2022 on both bank accounts: 18.461.218,86 € on the EDA pensions bank account and 17.240.863,04 € on the EDA General bank account.

The 2022 closing balance on the EDA General bank account includes an amount of 169.586,09 EUR posted in 2022, but only processed by the EDA Bank on 2 January 2023. The concerned amount represents a transfer from the IF CEED and ENER III bank accounts to the EDA General bank account for staff cost regularisations for the last 2 quarters of 2022.

#### NOTE 10 – STAKEHOLDERS

The equity comprises the accumulated economic result (11.495.074 €) of past periods and the economic result for the year (-533.307 €).

#### NOTE 11 – ACCRUED CHARGES

The Accrued charges amount to 5.708.038,82 € with the following composition:

- Accrued charges for employee remuneration: 479.810,5 €
- Accrued charges for administrative expenditure: 1.824.380,4 €
- Accrued charges for operational expenditure: 3.403.847,95 €

The accrued charges for employee remuneration are calculated based on the allowances and leave entitlements due as at 31 December 2022.

## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

The accrued charges are calculated based on expected invoices/charges to be received/charged at the beginning of 2023 relating to goods/services delivered in 2022.

The accrued charges for contracted studies and on-going support services are calculated on a pro rata basis to ensure the closest possible estimate.

#### NOTE 12— STAFF PAYABLES

##### Pensions

Total Statutory Staff pension rights accumulated on the Agency's balance sheet as per 31/12/2022 amount to 18.2M €. Pension provision for 2022 amounts to 1.71M € and is composed of the following items:

EUROPEAN DEFENCE AGENCY		
Pension Provision		
In k €		
EDA Staff Pension Accruals	2022	2021
EDA Contribution for Temporary Agents	2.545	2.207
EDA Contribution for Contract Staff	508	418
Staff Contribution for Temporary Agents	1.272	1.186
Staff Contribution for Contract Staff	254	224
Invalidity Contribution	8	201
Payments for Severance Grants	(2.560)	(2.359)
Payments for Maintenance of Pension Rights	(317)	(634)
Financial Interest	0	0
<b>Total</b>	<b>1.710</b>	<b>1.243</b>

A total of approx. 4.58M € was cashed in the Pensions dedicated bank account. This amount is composed of the staff pensions right from the EDA general budget (approx. 4.48M €) and EDA Additional revenue budget (approx. 0.1M €).

The bank interest yielded on the Pensions bank account was 0 €. A total of approx. 2.87M € was transferred out. This includes payments of severance grants and maintenance of pension rights.

#### NOTE 13— SHORT-TERM RECEIVABLES

The pMS contribution receivables 14.218.675 € relates to the advance call for contribution 2023 which was launched in 2022 (13.946.861 €) and EDA's advance payments for translation of documents which will be reimbursed by the pMS in 2022 (2.760 €), and CBRN surplus receivable (269.054 €). The Sundry receivables includes the following:

## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

<b>SUNDRY RECEIVABLES</b>	<b>37.268</b>
<i>STAFF RECEIVABLES</i>	<i>32.967</i>
<i>ADVANCE PAYMENTS ON SUPPLIERS</i>	<i>800</i>
<i>AR CUSTOMERS</i>	<i>3.501</i>

The deferred charges (216.339 €) relate mainly to payments for IT licences and subscriptions with a validity extending beyond 31 Dec 2022. Accrued income relates to bank interest corrections received only in 2023.

#### **NOTE 14— TRANSFERS BETWEEN ACCOUNTS**

- EDA has a dedicated Pension bank account onto which it keeps the pension contributions acquired by the employees. The main part of the transfers between accounts is made up by the transfers of EDA's pension contributions (approx. 4.5M €) to this account.
- Due to technical reasons the payroll for ENER 3 and IF CEED staff is processed under the EDEA company code and is regularised on a regular basis with the EDAR company code (approx. 311K).

In addition to the above, the category comprises internal transfers in/out for payments received on or executed from a different bank account than the one intended for a given transaction.

#### **NOTE 15— FINANCIAL EXPENSES**

The financial expenses of interest expense on late payment (2.9K €) and currency exchange loss (0.36K €) incurred by EDA during 2022 are related to exchange losses stemming from regularisation of payroll payments in other currencies as staff members are entitled to request the transfer of part of their salary to a bank account denominated in a currency different from EUR.

#### **NOTE 16— PENSION CONTRIBUTIONS ADDITIONAL REVENUE**

Pension Contributions acquired by employees recruited under EDA Additional Revenue budget are also transferred into the dedicated Pension bank account. This amount totals to approx. 141k €.

#### **NOTE 17— OTHER RECEIPTS**

This category contains supplier refunds (approx. 1k €). There were no refunded bank charges in 2022.

#### **NOTE 18— DEFERRED REVENUE**

The deferred revenue is composed of:



## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

- The first Call for Contributions for 2023 which has been issued to the pMS for a total value of 14.201.620 €, including advance contributions.
- The calls for contribution of new ad-hoc projects for a total value of 872.656 €
- The surplus for the year 2022 at the value of 1.288.213 €

In December 2022, new bank account numbers had to be set up by the EDA Bank for new Ad Hoc projects HYBRID 2, RECBALL, ASCALS I and BC-EX, while the corresponding calls for contribution had to be submitted to the Member States authorities before the year-end. As the concerned bank accounts were not yet available at the time of submission, the EDA's current account had been indicated on the concerned debit notes as an interim solution. On 22/12/2022, the new bank accounts were available. Amounts paid to the EDA current account as contributions to the above Ad-Hoc projects have been transferred in the meantime to their respective, dedicated bank accounts.

#### **NOTE 19 – CONTINGENT ASSETS AND LIABILITIES**

The Agency was the defendant in one legal proceeding before the General Court. In accordance with the Court's judgement EDA has won the case. In March 2023 an agreement was finally reached which will lead to a recovery of expenses in EDA's favour.

# EUROPEAN DEFENCE AGENCY

## 2022 ANNUAL ACCOUNTS

### Audit opinion

#### **INDEPENDENT AUDITOR'S REPORT TO THE STEERING BOARD OF THE EUROPEAN DEFENCE AGENCY**

In accordance with Article 43 of the Financial Rules the College of Auditors have audited the accompanying Annual Accounts of the European Defence Agency ("Agency") for the year ended 31 December 2022, which comprise the 2022 Consolidated Budget Implementation Report, the 2022 Budget Implementation Report, the 2022 Balance Sheet, the 2022 Cash Flow Statement, the 2022 Statement of Financial Performance, the 2022 Statement of Changes in Net Assets and Notes to the 2022 Annual Accounts. We report to you on the performance of our mandate of Independent Auditor and present our opinion on the annual accounts.

#### Management's Responsibility for the Financial Statements

Following articles 20 and 39 of the Financial Rules the financial statements shall be drawn up in accordance with rules based on internationally accepted accounting standards for the public sector. The Steering Board appointed an Accounting Officer, responsible for the preparation and fair presentation of the financial statements. According to Article 23 (1) of the Financial Rules this responsibility includes:

- a) proper implementation of payments, collection of revenue and recovery of amounts established as being receivable;
- b) keeping, preparing and presenting the accounts;
- c) implementing the accounting rules and the chart of accounts;
- d) validating systems laid down by the Authorising Officer to supply or justify accounting information;
- e) treasury management.

In connection with the financial statements of the Agency the Chief Executive provided us with a Management Representation Letter dated 19 April 2023, which formed part of the audit procedure and is stored in the audit documentation.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit in order to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal controls relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates, if any, made by the Accounting Officer, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We have also examined the Activity Report, Budget Implementation Report and the Notes to the Annual Accounts, to identify any material inconsistencies with the audited financial statements.

## EUROPEAN DEFENCE AGENCY

### 2022 ANNUAL ACCOUNTS

#### Opinion

In our opinion the annual accounts present fairly, in all material respects, (give a true and fair view of) the financial position of the European Defence Agency as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with

- Council Decision (CFSP) 2015/1835 of 12 October 2015 defining the statute, seat and operational rules of the European Defence Agency,
- Council Decision (EU) 2016/1353 of 4 August 2016 on the financial rules of the European Defence Agency.

Audit findings and comments of the auditor without impact on the audit opinion are included in the associated audit report.

**Brussels, 30 June 2023**

#### **College of Auditors of the European Defence Agency**

Represented by



Josephina MELETIOU  
Chairperson of the College of Auditors



Maria Annunziata RUCIRETA  
Member of the College of Auditors



Radu-Viorel MARCU  
Member of the College of Auditors