

FINAL ANNUAL ACCOUNTS

Financial Statements & Implementation of the Budget

Financial Year 2023

Europol Public Information

These final accounts have been prepared in accordance with Articles 98 and 99 of the Financial Regulation applicable to Europol.

These final accounts shall be sent to the Accounting Officer of the European Commission, the European Court of Auditors, the Council of the European Union and the European Parliament by 1 July 2024 in accordance with Article 60 of the Europol Regulation and Article 101 of the Financial Regulation applicable to Europol.

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The Accounting Officer of the
European Union Agency for Law Enforcement Cooperation (Europol)

Catherine De Bolle

Executive Director of the
European Union Agency for Law Enforcement Cooperation (Europol)

Table of Contents

CERTIFICATE (of Accounting Officer)	4
INTRODUCTION	5
FINANCIAL STATEMENTS	9
BALANCE SHEET	10
STATEMENT OF FINANCIAL PERFORMANCE	11
CASH FLOW STATEMENT	12
STATEMENT OF CHANGES IN NET ASSETS	13
NOTES TO THE FINANCIAL STATEMENTS	14
1. SIGNIFICANT ACCOUNTING POLICIES	14
1.1. Accounting rules	14
1.2. Accounting principles	14
1.3. Basis of preparation.	15
1.4. Balance Sheet	16
1.4.1. Intangible fixed assets	16
1.4.2. Tangible fixed assets	16
1.4.3. Leases	17
1.4.4. Pre-financing	17
1.4.5. Receivables	17
1.4.6. Cash and cash equivalents	17
1.4.7. Pensions and other employee benefits	17
1.4.8. Provisions	18
1.4.9. Payables	18
1.4.10. Accrued and deferred income and charges	18
1.5. Statement of Financial Performance	18
1.5.1. Revenue	18
1.5.2. Expenditure	19
1.6. Contingent Assets and Liabilities	19
1.6.1. Contingent assets	19
1.6.2. Contingent liabilities	19
2. NOTES TO THE BALANCE SHEET	19
2.1. Intangible and tangible fixed assets	19
2.2. Long-term receivables	24
2.3. Short-term pre-financing	24
2.4. Current receivables	24
2.5. Sundry receivables	25
2.6. Other receivables	25
2.7. Short-term receivables with consolidated entities	25
2.8. Cash and cash equivalents	26
2.9. Pensions and other employee benefits	26
2.10. Pre-financing received from consolidated entities	28
2.11. Other long-term liabilities	29
2.12. Provisions for risks and charges	30
2.13. Financial liabilities	30
2.14. Current payables	31
2.15. Sundry payables	31
2.16. Other payables	31
2.17. Accounts payable with consolidated entities	32

Europol Public Information

3.	NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE	32
3.1.	Revenue	33
3.2.	Expenditure	33
4.	NOTES TO THE CASH FLOW STATEMENT	35
4.1.	Operating activities	36
4.2.	Investing activities	36
4.3.	Employee benefits	36
5.	CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES	36
5.1.	Contingent assets	36
5.2.	Contingent liabilities	36
5.3.	Other significant disclosures	36
6.	FINANCIAL INSTRUMENTS	37
7.	CHANGES TO ACCOUNTING RULES	38
8.	RELATED PARTY DISCLOSURE	38
9.	EVENTS AFTER THE REPORTING DATE	38
10.	RECONCILIATION BETWEEN STATEMENT OF FINANCIAL PERFORMANCE AND BUDGET RESULT	38
	BUDGET IMPLEMENTATION	40
	REVENUE AND EXPENDITURE IMPLEMENTATION	41
	ASSIGNED REVENUE	42
	APPROPRIATIONS CARRIED OVER 2022-2023	43
	APPROPRIATIONS CARRIED OVER 2023-2024	46
	BUDGET TRANSFERS	47
	BUDGET RESULT	48
11.	NOTES ON THE BUDGET IMPLEMENTATION	49
11.1.	Revenue	50
11.2.	Expenditure	51
11.2.1.	Implementation	51
11.2.2.	Implementation of assigned revenue	53
11.2.3.	Implementation of appropriations carried over 2022-2023	55
11.2.4.	Appropriations carried over 2023-2024	55
11.3.	Transfers	56
11.4.	Budget result	57

CERTIFICATE

The final annual accounts of Europol for the year 2023 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the European Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings, and in accordance with Title IX of the Financial Regulation applicable to Europol.

I acknowledge my responsibility for the preparation and presentation of the final annual accounts of Europol in accordance with Article 77 of the Financial Regulation applicable to the general budget of the European Union and with Article 49 of the Financial Regulation applicable to Europol.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the final accounts that show the assets and liabilities of Europol 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 reasonable assurance that the final accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash flow of Europol.

Rebecca Topham
The Accounting Officer of the
European Union Agency for Law Enforcement Cooperation (Europol)

INTRODUCTION

Basis for preparation

As a general rule, all aspects of the final annual accounts 2023 have been drawn up in accordance with the Financial Regulation applicable to Europol adopted by Europol's Management Board and with the European Commission's accounting rules and methods adopted by the European Commission's Accounting Officer following the principles of accrual-based accounting. The budgetary implementation reports are prepared on the basis of the modified cash-based accounting principle.

The final accounts of Europol include the financial statements and the budgetary implementation reports. They are drawn up by the Accounting Officer in accordance with Article 49 of the Financial Regulation applicable to Europol.

The financial statements comprise of the balance sheet, statement of financial performance, cash-flow statement and statement of changes in net assets. The notes to the financial statements supplement and comment on the information presented in the statements.

The objective of the financial statements is to provide information about the financial position, performance and cash flows of Europol to demonstrate the accountability of the agency for the resources entrusted to it.

Throughout this document, figures are rounded so the sum of the individual amounts may differ from the totals.

Reporting entity

Regulatory context

Europol's work is founded on the Europol Regulation (Regulation 2016/794)¹ which became applicable in full in May 2017, taking effect in all EU Member States that are part of the Europol cooperation framework. The Europol Regulation, concerning which amendments entered into force on 28 June 2022, enables Europol to step up its efforts to fight terrorism, cyber-crime and other serious and organised forms of crime, while, at the same time, enhancing Europol's governance and accountability arrangements towards the European Parliament, in particular by establishing the Joint Parliamentary Scrutiny Group (JPSG) in order to introduce national parliament oversight by EU Member States.

Europol's renewed Strategy, entitled *Delivering Security in Partnership*, which includes the Mission, Vision and Values of the Agency, was endorsed by the Management Board (MB) of Europol in June 2023. It is directly linked to the objective of Europol as laid out in Article 88 of the Treaty of the European Union, i.e. *"to support and strengthen action by the Member States' police authorities and other law enforcement services and their mutual cooperation in preventing and combating serious crime affecting two or more Member States, terrorism and forms of crime which affect a common interest covered by a Union policy."*

Europol's strategy is founded on the following priorities, which aim at effectively and efficiently delivering the services and support that is expected from Member States and operational cooperation partners:

1. Be the EU criminal information hub, including for data acquisition;
2. Deliver agile, real-time operational support;
3. Be a platform for European policing solutions;
4. Bring the relevant partners together for cross-border cooperation and joint action;

¹ Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA, Official Journal of the European Union, L 135/53 – L 135/114, 24 May 2016.

Europol Public Information

5. Be at the forefront of law enforcement innovation and research;
6. Be the model EU organisation for law enforcement cooperation.

Mission

Europol's mission is to support its Member States in preventing and combating all forms of serious international and organised crime, cybercrime and terrorism.

Vision

Europol's vision is to ensure an effective EU response to the threats of serious international and organised crime, cybercrime and terrorism. The Agency does this by acting as the principal information hub, delivering agile operational support and providing European policing solutions in conjunction with our network of partners.

Values

In line with Europol's vision and mission, the following organisational values guide the conduct, activities and goals of Europol:

- **Service:**
We deliver the outcomes our colleagues, partners, and stakeholders need. We do so diligently, effectively, and efficiently, and we adhere to the EU public service principles.
- **Integrity:**
We do the right thing. We do it consistently and reliably, with respect for others. We adhere to our Code of Conduct.
- **Accountability:**
We accept responsibility for our actions. We align our behaviour with the goals of our organisation. We collaborate to achieve desired outcomes.
- **Initiative:**
We pro-actively take action and bring about innovative solutions. We gauge our actions to continuously strive for improved performance.
- **Partnership:**
We build trust relationships across the law enforcement community and beyond. We provide agile operational support to Member States and cooperation partners.
- **Diversity:**
We foster diversity in the workplace. We uphold an inclusive corporate culture. We create and maintain conditions where we have equal opportunities to develop and contribute.

The Code of Conduct of Europol aims to promote an organisational culture that is consistent with the mission, vision and values of Europol. It outlines the standards of integrity and of personal and professional conduct that staff and all other persons working for or at Europol are expected to meet in discharging their responsibilities, individually, towards colleagues and other stakeholders including the law enforcement community, cooperation partners and the public. Europol is committed to providing a work environment, which supports the implementation of this Code at all levels of the organisation. Europol strives to have a high level of awareness by staff on the expected behaviour under Europol's Code of Conduct and a strong ethical culture.

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Nature of Europol's work

Europol uses its unique information capabilities and the expertise of its staff and the Liaison Bureaux community of Member States and cooperation partners hosted at Europol to identify and track the most dangerous criminal and terrorist networks in Europe. Law enforcement authorities in the EU rely on the work and services of Europol's 24/7 operational centre and secure information network, as well as strategic and operational analysis and support, including on-the-spot deployments covering the full range of Europol's capabilities.

The European Counter Terrorism Centre (ECTC) at Europol, including the Internet Referral Unit (IRU) which tackles continuously high levels of terrorism propaganda online, provides a focal point for joint cooperation at EU level, aimed at supporting national counter terrorism efforts.

The European Cybercrime Centre (EC3) at Europol represents the central platform in the EU's fight against cybercrime, contributing to an enhanced response to criminal activity online.

The European Financial and Economic Crime Centre (EFECC) expands Europol's range of operational support in the areas of fraud, money laundering, asset recovery, corruption and counterfeiting.

The European Serious Organised Crime Centre (ESOCC), which incorporates the European Migrant Smuggling Centre (EMSC), supports EU Member States to deliver operational results to address the EU crime priorities: Cybercrime, drug trafficking, facilitation of illegal immigration, organised property crime, trafficking in human beings, excise and Missing Trader Intra Community (MTIC) fraud, illicit firearms trafficking, criminal finances and money laundering, document fraud as well as environmental crime. This is complemented by the High-Value Targets (HVTs) approach, to bring together Operational Taskforces (OTFs) to counteract high risk Organised Crime Groups (OCGs).

The amendments to the Europol Regulation which entered into force at the end of June 2022 contain the following new main tasks and possibilities, for Europol to:

- support criminal investigations in today's digital world with respect to the processing of personal data, in particular when the Data Subject Category (DSC) is not yet determined in complex and large datasets, on the basis of clear maximum retention periods defined in the amendments to Europol Regulation;
- performing joint operational analysis with Member States;
- propose to the competent authorities in Member States the initiation, conduct or coordination of a criminal investigation within Europol's competences, even if only one Member State is concerned;
- carry out research and innovation for the benefit of Member States' law enforcement authorities;
- process data transmitted by third countries or international organisations in the SIS, while proposing to Member States information alerts on third country nationals in the EU's interest;
- enhance cooperation with operational partners, such as the European Public Prosecutor's Office (EPPO) and OLAF, as well as through the transfer of personal data to a competent authority of a third country or to an international organisation, in particular where appropriate safeguards with regard to the protection of personal data are provided for in a legally binding instrument;
- enhance cooperation with private parties, especially in online crises situations and for addressing the dissemination of online child sexual abuse material;
- increase further Europol's accountability arrangements, with the establishment of a Fundamental Rights Officer (FRO) at Europol, expanded reporting obligations for parliamentary scrutiny shared by the European Parliament with national parliaments of EU Member States, as well as enlarged European Data Protection Supervisor (EDPS) competences (e.g. the suspension of data flows to Member States and administrative fines for non-compliance instances).

From an overall perspective, Europol's work contributes to the disruption of criminal and terrorist networks, to the arrest of thousands of dangerous criminals, to the recovery of millions of Euro in criminal proceeds, and to the rescue from harm of hundreds of victims, including children trafficked for sexual exploitation. Europol also acts as a major centre of expertise in key fields of law enforcement activity and as a European centre for strategic analysis on

Europol Public Information

organised crime. 2023 was characterised by continued crime-fighting efforts, undertaken to respond to the crisis stemming from the war in Ukraine, and to support Member States and the Ukrainian National Police. Europol's activities are continuously reported to the general public, in order to explain the benefits that law enforcement cooperation at EU level contributes to the security of EU citizens².

Reporting on the progress of Europol's work in 2023

The Consolidated Annual Activity (CAAR) 2023, which will be released by mid-2024, provides a full account of Europol's progress in relation to the multi-annual strategic goals and objectives, as defined in the Europol Strategy, and the objectives contained in the 2023 Work Programme.

Withdrawal of the United Kingdom from the EU

On 1 January 2021, the Trade and Cooperation Agreement (TCA)³ between the EU and the United Kingdom became applicable which includes dedicated provisions on the cooperation with Europol. Preparations for the departure of the United Kingdom from the Europol cooperation framework as a Member State were successfully completed on time, allowing for continued operational cooperation of the competent authorities of the United Kingdom with and through Europol. No dedicated accounting provisions were required for the financial year 2023 in the annual accounts. The Liaison Bureau (LB) of the United Kingdom at Europol is an integral part of the third party LB community established at Europol.

COVID-19

In response to the Coronavirus Disease (COVID)-19, which was categorised as a global pandemic on 11 March 2020, Europol put in place a permanent Crisis Management Team (CMT), with all core business and administrative functions being maintained from Europol's buildings and through teleworking by Europol staff members. The annual accounts of Europol for the financial year 2023 did not require accounting provisions related to this circumstance, given that the organisational response measures to the COVID-19 pandemic had drawn to a close by the beginning of 2023.

² <https://www.europol.europa.eu/>, <https://www.europol.europa.eu/media-press>

³ Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part, Official Journal of the European Union, L444/14 – L444/1449, 31 December 2020.

FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS	Note	31.12.2023	31.12.2022
NON-CURRENT ASSETS		80,287,799	69,296,692
Intangible assets	2.1.	53,426,406	39,875,105
Computer software		25,975,964	16,871,703
Computer software under Financial lease		-	-
Under construction		27,450,441	23,003,402
Tangible assets	2.1.	26,816,827	29,421,587
Land and buildings		6,073,078	6,630,647
Plant and equipment		342,985	353,039
Computer hardware		14,542,001	17,019,492
Furniture and vehicles		2,629,454	2,449,319
Other fixtures and fittings		3,136,400	2,772,119
Assets under financial lease		92,909	196,971
Non-current receivables and recoverables	2.2.	44,566	-
Long-term receivables		44,566	-
CURRENT ASSETS		50,308,497	64,208,337
Short-term pre-financing paid	2.3.	3,703,650	4,388,201
EMPACT and other grant beneficiaries		3,316,672	4,158,229
Consolidated entities		386,978	229,972
Short-term Receivables		44,920,574	58,032,526
Current receivables	2.4.	35,419,026	48,932,406
Sundry receivables	2.5.	289,078	581,816
Other receivables:			
Accrued exchange income ⁴	2.6.	1,506	43,620
Accrued non-exchange income	2.6.	210,816	10,000
Deferred charges ⁵	2.6.	9,000,148	8,383,852
Receivables with consolidated EU entities	2.7.	-	80,834
Cash and cash equivalents	2.8.	1,684,273	1,787,610
TOTAL ASSETS		130,596,296	133,505,029
LIABILITIES			
NON-CURRENT LIABILITIES		2,591,103	3,228,136
Pensions and other employee benefits	2.9.	2,236,957	1,715,224
Pre-financing received from consolidated EU entities	2.10.	-	1,033,545
Other liabilities	2.11.	354,146	479,366
CURRENT LIABILITIES		19,479,927	26,203,221
Provisions for risks and charges	2.12.	-	-
Financial liabilities	2.13.	43,826	355,748
Payables		19,436,101	25,847,473
Current payables	2.14.	40,292	36,813
Sundry payables	2.15.	632,863	1,318,708
Other payables:			
Accrued charges	2.16.	8,786,589	11,501,398
Deferred income	2.16.	-	-
Accrued charges with consolidated EU entities	2.16.	318,246	325,072
Accounts payable with consolidated EU entities	2.17.	9,658,112	12,665,482
NET ASSETS		108,525,266	104,073,672
Accumulated surplus/deficit		103,956,080	92,602,872
Accumulated re-measurements of employee benefits		-527,153	117,593
Economic result of the year		5,096,339	11,353,207
TOTAL LIABILITIES		130,596,296	133,505,029

⁴ Includes accrued exchange income with consolidated EU entities.

⁵ Includes deferred charges with consolidated EU entities.

STATEMENT OF FINANCIAL PERFORMANCE

	Note	31.12.2023	31.12.2022
REVENUE	3.1.	209,768,797	191,148,055
Non-exchange revenue		201,536,106	182,670,275
European Union Contribution		200,892,815	182,066,681
Grants/agreements with non-consolidated entities		547,027	551,104
Other		95,491	41,000
Income taxes		-	11,489
Recovery of operating expenditure		773	-
Exchange revenue		8,232,692	8,477,780
Contribution from Denmark		4,719,597	4,348,949
Revenue from consolidated EU entities		3,024,716	3,752,953
Other		415,238	338,132
Sales revenue		52,024	33,710
Fixed asset-related		20,238	3,450
Exchange rate gains		878	587
EXPENDITURE	3.2.	204,672,458	179,794,848
Operational expenditure		51,843,811	46,014,430
Administrative expenditure		152,828,648	133,780,417
Staff expenses		102,366,355	87,275,755
Finance expenses		20,190	39,188
Fixed asset-related		18,618,782	18,454,032
Expenses with consolidated EU entities		9,409,050	9,295,667
Other: Administrative and IT expenses		11,656,631	10,449,245
External service provider (non-IT)		3,672,083	3,262,651
Rent and IT operating lease		293,180	290,139
Building – maintenance, insurance and security		6,791,471	4,713,340
Exchange rate losses		906	401
SURPLUS/DEFICIT FROM ORDINARY ACTIVITIES		5,096,339	11,353,207
Extraordinary gains		-	-
Extraordinary losses		-	-
SURPLUS/DEFICIT FROM EXTRAORDINARY ITEMS		-	-
ECONOMIC RESULT OF THE YEAR		5,096,339	11,353,207

CASH FLOW STATEMENT

	Note	31.12.2023	31.12.2022
Economic result of the year		5,096,339	11,353,207
Operational activities			
Amortisation (intangible assets)		8,067,600	8,103,675
Depreciation (tangible assets)		10,475,788	10,349,778
Increase (-)/Decrease in provisions for risks and charges		-	-
Increase (-)/Decrease in short-term pre-financing		841,556	990,587
Increase (-)/Decrease in long-term receivables		-44,566	5,016
Increase (-)/Decrease in short-term receivables		13,031,119	-46,878,275
Increase (-)/Decrease in receivables related to consolidated EU entities		-76,172	-111,745
Increase(-)/Decrease in other long-term liabilities		-125,220	-1,232,792
Increase (-)/Decrease in accounts payable		-3,404,002	3,402,273
Increase (-)/Decrease in liabilities related to consolidated EU entities		-4,040,915	3,492,413
Other non-cash movements		-311,921	97,609
Net cash-flow from operational activities	4.1	29,509,604	-10,428,255
Investing activities			
Increase (-) of tangible and intangible assets		-29,565,323	-27,915,509
Proceeds from tangible and intangible assets		75,394	578
Net cash-flow from investing activities	4.2	-29,489,929	-27,914,931
Increase/decrease (-) in pension and employee benefits liability	4.3	-123,013	-647,986
Net increase/decrease (-) in cash and cash equivalents		-103,337	-38,991,172
Cash and cash equivalents at the beginning of the year		1,787,610	40,778,781
Cash and cash equivalents at year-end		1,684,273	1,787,610

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated Surplus/ Deficit	Economic result of the year	Net Assets (Total)
Balance as at 31 December 2022	92,720,465	11,353,207	104,073,672
Changes in accounting policies	-	-	-
Balance as at 1 January 2023	92,720,465	11,353,207	104,073,672
Re-measurements of employee benefit liabilities ⁶	-644,745	-	-644,745
Allocation of the economic result of previous year	11,353,207	-11,353,207	-
Economic result of the year 2023	-	5,096,339	5,096,339
Balance as at 31 December 2023	103,428,927	5,096,339	108,525,266

⁶ This is the net result of changes to actuarial demographic and financial assumptions in accordance with EU Accounting Rule 12 (Employee benefits).

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Accounting rules

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

The accounting system of Europol comprises general accounts and budget accounts. These accounts are kept in Euro based on the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.⁷ The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet as at 31 December.

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

1.2. Accounting principles

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

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting rule 1 and are the same as those described in IPSAS 1, that is:

Fair presentation

Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the European Commission's Accounting Rules. The application of the European Commission's Accounting Rules, with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation.

Accrual Basis

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

⁷ This differs from cash-based accounting because of elements such as carry-over commitments.

Going concern basis

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

Consistency of presentation

According to this principle, the presentation and classification of items in the financial statements shall be retained from one period to the next.

Aggregation

Each material class of similar items shall be presented separately in the financial statements. Items of a dissimilar nature or function shall be presented separately unless they are immaterial.

Offsetting

Assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by an EU Accounting rule.

Comparative information

Except when an EU Accounting Rule permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements. When the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified unless the reclassification is impracticable).

1.3. Basis of preparation

Functional and reporting currency

The financial statements are presented in Euro, which is the functional and reporting currency of the EU and of Europol (Article 18 of the Financial Regulation applicable to Europol).

Transactions and balances in foreign currencies

Foreign currency transactions are recorded using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions or from the translation of monetary items in foreign currency into Euro at the year-end are recognised in the Statement of Financial Performance.

Chart of Accounts

The chart of accounts used by Europol follows the structure of the chart of accounts of the European Commission.

Use of estimates

Preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect reported amounts presented and disclosed in the Financial Statements of Europol. Significant estimates and assumptions in these financial statements require judgment and are used for, but not limited to, accrued income and charges, provisions, contingent assets and liabilities. Actual results reported in future periods might be different from these estimates. Changes in estimates are reflected in the period in which they become known.

1.4. Balance Sheet

Assets are resources controlled by Europol as a result of past events and from which future economic benefits or service potential are expected to flow.

1.4.1. Intangible fixed assets

Intangible assets are identifiable non-monetary assets without physical substance. Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

Currently Europol uses a 25% amortisation rate for its intangible assets.

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life (EU Accounting Rule 6).

Internally generated intangible assets are capitalised when the relevant criteria of the EU Accounting rules are met. The costs that meet these criteria include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, development costs that do not meet the criteria to be capitalised and maintenance costs are recognised as expenses as incurred.

1.4.2. Tangible fixed assets

All tangible assets (property, plant and equipment) are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction 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 Europol 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.

Assets under construction are not depreciated, as these assets are not yet available for use.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life (EU Accounting Rule 7).

The depreciation is calculated using the straight-line method. Please see note 2.1. for the rates.

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

1.4.3. Leases

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

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

1.4.4. Pre-financing

The initial recognition of pre-financing is based on the original amount received or given. Subsequent recognition is based on the original amount received or given, less eligible expenses, including estimated amounts where necessary, incurred during the period (EU Accounting Rule 5).

1.4.5. Receivables

Receivables are carried at the original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that Europol will not be able to collect all amounts due according to the original terms of receivables. 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.

See note 1.4.10 concerning the treatment of accrued income at the year-end.

1.4.6. Cash and cash equivalents

Cash and cash equivalents are financial instruments and classified as available for sale financial assets. They include cash at hand and deposits held at call with banks.

1.4.7. Pensions and other employee benefits

The EU Staff Regulations provide for various employee benefits (retirement pensions, invalidity pensions, survivors' pensions, medical insurance) for staff in service, invalided staff and retired staff.

Each year of service performed by European Commission employees entitles them to various benefits (sickness, retirement, etc.). These benefits, which are received after a period of activity, constitute a commitment on the part of the European Communities, which must be entered in the accounts. The arrival of new staff, the retirement of serving staff, and changes in interest rates or in mortality tables are all factors or assumptions that have a direct influence on the valuation of those commitments. The commitments are constantly changing and must be valued at the close of each reporting period.

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The principle underlying all the detailed requirements of the applicable accounting rule is that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable. The principal objectives of post-employment accounting are to measure the cost associated with employees' benefits and to recognise that cost over the employees' respective service periods. The periodic costs of post-employment plans have to be assigned properly to the periods in which the related economic benefits are received by the employers incurring these costs.

It should be noted that due to the consolidation of these obligations and the required funding thereto is transferred to the European Commission, the described benefits cannot to be found in Europol's annual accounts but only in the consolidated accounts of the European Commission. Therefore the disclosures under point 2.9. of these accounts, relate solely to the former Europol Pension Fund.

1.4.8. Provisions

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

1.4.9. Payables

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

1.4.10. Accrued and deferred income and charges

According to the EU Accounting rules, transactions and events are recognised in the financial statements 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, which aim at ensuring that the financial statements reflect a true and fair view.

Revenue is also accounted for in the period to which it relates. At the year-end, if an invoice is not yet issued but the service has been rendered/goods have been delivered by Europol or a contractual agreement exists, accrued income is recognised in the financial statements.

In addition, at the 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 or charges will be deferred and recognised in the subsequent accounting period.

1.5. Statement of Financial Performance

Revenue and expenditure are accounted for in accordance with the principle of accrual-based accounting.

1.5.1. Revenue

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

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Non-exchange revenue makes up the vast majority of Europol's revenue, as it includes the European Union contribution.

Exchange revenue is revenue from fees, mission reimbursements, gains from disposals of intangible and tangible fixed assets, bank credit interest and exchange rate conversion gains.

1.5.2. Expenditure

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets. Distributions of the result of the year are not considered as expenses.

According to the principle of accrual-based accounting, the financial statements take account of expenditure relating to the reporting period without taking into consideration the payment date, meaning when the goods or services were delivered/provided.

1.6. Contingent Assets and Liabilities

1.6.1. Contingent assets

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

1.6.2. Contingent liabilities

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

2. NOTES TO THE BALANCE SHEET

NON-CURRENT ASSETS

2.1. Intangible and tangible fixed assets

During 2023, Europol's fixed assets increased by a gross amount of € 29.6M. The largest investments were made in computer hardware (€ 5.6M) and in the development of internally generated intangible assets (€ 21.6M). The Host State carried out a number of additional works within the Europol Headquarters and the Temporary Satellite Building in order to meet the business demands of the organisation. In 2023, as a result of the constantly growing workforce, Europol had to further invest in fixed assets in order to increase the efficiency, use of the available workspace and the quality of the working environment. In addition to ensuring an efficient use of the workspace, Europol invested in fixed assets in order to increase the eco-friendliness of its premises and reduce the environmental footprint. The work was executed by contractors for the Host State, which in turn invoiced Europol. The total amount delivered in 2023,

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fulfilling the recognition criteria for fixed assets as defined in EU Accounting Rule 7, amounted to € 1.6M compared to € 1.8M in 2022.

In 2023, Europol finalised ten disposal procedures involving 987 fixed assets. These disposal procedures (see table below) resulted in the retirement of assets with an initial acquisition value of € 2.5M. The disposals also resulted in a write-off of € 75K, thus increasing the expenditure on the Statement of Financial Performance.

Asset class	Reason for disposal	No of items
Furniture & Vehicles	End of life	52
Other Fixtures and Fittings	End of life	12
Computer hardware	End of life	923

In accordance with EU Accounting Rule 6 regarding internally generated intangible assets, Europol maintained its threshold for capitalisation at € 200K.

There were fifty-three ICT development projects run in 2023. From this total, forty-two projects reached (or are estimated to reach) the threshold set for capitalisation. Six of these projects were finalised and released in 2023 and the other thirty-six are scheduled to be finalised in 2024 or 2025. Five projects under construction were classified as finalised in 2023 and twenty-eight projects classified in previous years as under construction, expected to receive further investments in 2024 and 2025 and will thus be kept as assets under construction. A further € 4.5M was classified as internally generated assets under construction. This steep increase is due to Europol's accelerated effort to meet its strategic goal to become the technology hub within the European Security Union. The projects launched to implement the strategy, will be finalised over a period of 2-4 years.

Research and development costs

Europol has used its time-tracking system as a basis for the calculations. In the time-tracking system, each staff member and external consultant working within the project has recorded the hours worked with a link to the task performed. The tasks have been split into two phases, research and development. In addition to this, the tasks within the development phase have been split into two categories depending on their nature. This has been done in accordance with EU Accounting rule 6; costs directly qualifying for capitalisation and costs expensed for the given year. For the calculation of Europol employees, the average staff costs per salary grade provided by the European Commission, has been used as the basis.

The result:

Non-capitalised cost	Research cost	Non-capitalised development cost
Five projects		
Cost of the year	359,411	221,357

In-house ICT projects capitalised as at 31.12.2023	Research cost	Capitalised development cost
Six projects		
Cost of the year	-	17,171,861

Europol Public Information

Projects under construction as at 31.12.2023	Research cost	Capitalised development cost
Thirty six projects		
Cost of the year	-	27,450,441

Projects under construction released as IGIA at 31.12.2023	Transfer of capitalised development cost
Three projects	
Reclassified asset under construction value	9,873,368

Leasing

Leasing of tangible and intangible fixed assets, where Europol has (substantially) all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The interest element of the finance lease payment is charged to expenditure over the period of the lease at a constant periodic rate in relation to the balance outstanding. The rental obligations, net of finance charges, are included in the financial liabilities (non-current and current). The interest element of the finance cost is charged to the Statement of Financial Performance over the lease period, so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

In 2023, Europol signed one new finance lease contract in order to implement the car fleet strategy.

In total the outstanding liabilities for 2023 and beyond for five leasing contracts amounts to € 95K. The decrease compared to 2022 (€ 413K) is the result of the final payment for a lease contract for IT equipment.

Depreciation

The depreciation rates used by Europol can be found in the following table:

Type of asset	Rate
Intangible (computer software)	25%
Leasehold improvements	25%
Buildings	4%
Plant and equipment	12.5%
Computer hardware	25%
Vehicles	25%
Furniture	10%
Kitchen, cafeteria equipment	12.5%
Telecommunication and audio-visual equipment	25%

Details of the intangible and tangible fixed assets can be found on the next two pages.

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Intangible fixed assets

Year 2023	Internally-generated computer software	Other computer software	Total computer software	Under Financial Lease	Under construction	Total
Gross carrying amounts 01.01.2023	38,953,641	13,337,442	52,291,083	475,346	23,003,402	75,769,831
Additions	7,298,492	-	7,298,492	-	14,320,408	21,618,900
Disposals	-	-4,400	-4,400	-	-	-4,400
Transfer between headings ⁸	9,873,369	-	9,873,369	-	-9,873,369	-
Gross carrying amounts 31.12.2023	56,125,503	13,333,042	69,458,544	475,346	27,450,441	97,384,332
Accumulated amortisation and impairment 01.01.2023	-22,081,938	-13,337,442	-35,419,380	-475,346	-	-35,894,726
Amortisation	-8,067,600	-	-8,067,600	-	-	-8,067,600
Disposals	-	4,400	4,400	-	-	4,400
Transfer between headings	-	-	-	-	-	-
Accumulated amortisation and impairment 31.12.2023	-30,149,538	-13,333,042	-43,482,580	-475,346	-	-43,957,926
Net carrying amounts 31.12.2023	25,975,964	-	25,975,964	-	27,450,441	53,426,406

⁸ Assets previously under construction and capitalised in 2023.

Europol Public Information

Tangible fixed assets

Year 2023	Buildings	Plant and equipment	Computer hardware	Furniture and vehicles	Other fixtures and fittings	Under finance lease	Total
Gross carrying amounts 01.01.2023	12,759,092	1,562,377	59,402,700	8,096,410	25,132,566	5,354,385	112,307,530
Additions	141,068	52,692	5,545,579	630,816	1,538,745	-	7,946,422
Disposals	-120,000	-	-2,025,850	-319,255	-33,352	-	-2,498,458
Other changes	-	-	-	-	-	-	-
Gross carrying amounts 31.12.2023	12,780,161	1,615,069	62,922,429	8,407,970	26,637,959	5,391,906	117,755,494
Accumulated depreciation and impairment 01.01.2023	-6,128,445	-1,209,338	-42,383,209	-5,647,091	-22,360,447	-5,157,414	-82,885,943
Depreciation	-636,637	-62,746	-8,015,393	-444,964	-1,174,464	-141,584	-10,475,788
Disposals	58,000	-	2,018,173	313,538	33,352	-	2,423,064
Other changes	-	-	-	-	-	-	-
Accumulated depreciation and impairment 31.12.2023	-6,707,083	-1,272,084	-48,380,428	-5,778,516	-23,501,559	-5,298,997	-90,938,667
Net carrying amounts 31.12.2023	6,073,078	342,985	14,542,001	2,629,454	3,136,400	92,909	26,816,827

2.2. Long-term receivables

The total amount under long-term receivables relates to the expected income from three litigation cases.

CURRENT ASSETS

2.3. Short-term pre-financing

EMPACT and other grant beneficiaries – this amount represents pre-financing paid out for which a final cost claim had not been finalised as at 31 December 2023, less the estimated expenditure during 2023 (accrued charges) the calculation for which was, for high-value grants, obtained from the beneficiaries.

Consolidated entities – this amount relates to the agreement with Eurojust connected to Phase 2 of the SIRIUS project. The agreement represents the continuation and enhancement of the SIRIUS Project, aiming at further supporting the implementation of new EU legislation in the e-evidence field. This amount also includes the deduction of estimated accrued charges for expenditure during 2023.

2.4. Current receivables

	31.12.2023	31.12.2022
Open debtors (customers)	427,784	201,040
Open debtors (Member States)	186,957	882,592
Open debtors (Non-Member States)	4,963	17,776
Liaison Accounts – Central Treasury	33,772,562	46,901,785
VAT and other taxes	1,026,760	929,213
Total	35,419,026	48,932,406

€ 405K of the receivables from open debtors (customers) relates to a debtor that became insolvent in the later part of 2022. Europol submitted its claims towards the Commercial Court during 2022 and 2023 for the total amount of the debt and has been informed that the full amount has been accepted (no contestation) for the insolvency proceedings.

The funds held on Europol's behalf by the Central Treasury Service of the European Commission are reported as current receivables in the financial statements rather than as cash and cash equivalents (see point 2.8 below), because the bank accounts are not open in the name of Europol but in the name of the European Commission. The decrease compared to 2022 is mainly due to the increase in payment appropriations and decrease in amounts carried over to the following financial year.

Europol pays the invoices from local suppliers including VAT and claims (on invoices with a net amount of € 225 and above) a VAT refund from the Host State on a quarterly basis. The amount mentioned in the table above for VAT and other taxes relates only to the fourth quarter 2023, as the claim will only be prepared and sent in 2024.

2.5. Sundry receivables

All sundry receivables at 31 December 2023 related to staff. Broken down as follows:

	31.12.2023	31.12.2022
Mission advances – deployment officers	110,332	363,946
Salary advances	55,748	111,529
Open debtors (staff)	122,998	104,141
Mission advances - staff	-	2,199
Total	289,078	581,816

2.6. Other receivables

	31.12.2023	31.12.2022
Deferred charges	6,601,501	5,664,492
Deferred charges with consolidated EU entities	2,398,646	2,719,360
Accrued exchange income	1,506	43,620
Accrued non-exchange income	210,816	10,000
Total	9,212,470	8,437,472

Accrued income relates to amounts receivable as at 31 December 2023, where the debts towards Europol will only be recognised in the budget (revenue) 2024. The increase in non-exchange income compared to 2022 relates to the closure of the grant agreement GRACE (Global Response Against Child Exploitation based on big-data technologies supported by advanced AI powered algorithms), for which Europol’s final expenditure exceeded the pre-financing received at the beginning of the agreement (in 2020).

The amounts for deferred charges relate to invoices paid by Europol in 2023, but relating to a period in 2024 (or beyond).

The deferred charges with consolidated EU entities can be broken down as follows:

EU Entity	Description of deferral	Amount
European Commission	Contribution to European School	2,395,062
European Council	Office rental in Brussels	3,585
Total		2,398,646

2.7. Short-term receivables with consolidated entities

There were no short-term receivables with consolidated entities as at 31 December 2023.

2.8. Cash and cash equivalents

These relate only to bank accounts and deposits held for the Europol Pension Fund:

	31.12.2023	31.12.2022
Europol pension fund	1,684,273	1,787,610
Total	1,684,273	1,787,610

The funds held on Europol's behalf (including the reserve for the Local Staff pension liability) by the Central Treasury Service of the European Commission are reported as current receivables in the financial statements (see point 2.4 above) rather than as cash and cash equivalents, because the bank accounts are not open in the name of Europol but in the name of the European Commission.

NON-CURRENT LIABILITIES

2.9. Pensions and other employee benefits

Historic elements

In October 2015, the Council of the European Union decided⁹ to dissolve the Europol Pension Fund as of 1 January 2016 and to consider Europol as the legal successor of the fund in respect of all contracts concluded by, liabilities incumbent on and property acquired by the fund, and of claims of the fund towards third parties. In practice all the fund's assets and liabilities upon the closure of the fund were transferred to Europol.

The assets obtained are considered as Planned Assets (PA) and the liabilities inherited are hereafter referred to as Defined Benefit Obligations (DBO). Due to the link with external assigned revenue (budget fund source R0), the PA can only be used by Europol to make payments related to the DBO. Under the DBO, Europol also recognises surpluses remaining to be paid to former active participants of the fund or their lawful heirs.

Disclosure on DBO (Pursuant to EU Accounting Rule (EAR) 12)

For the financial year 2023, Europol outsourced the actuarial assessment of the DBO for the first time to AON Netherlands. The DBO increased from € 1.7M to € 2.2M.

The table below summarises the DBO 2023, compared to 2022:

	31.12.2023	31.12.2022
Pension liabilities payable	2,172,713	1,650,981
Surplus to Member States	-	-
Surplus to former participants (or lawful heirs)	64,243	64,243
Total	2,236,957	1,715,224

The DBO 2023 is set up in accordance with the actuarial assumption described in the Annex to the Council Decision on the dissolution of the Europol Pension Fund. This Annex does not refer to the most typical assumptions such as annual indexation, pensionable age, change of medical costs, etc. These typical assumptions were not required to be disclosed in the Annex as not changing over time. Therefore Europol only discloses those actuarial assumptions specifically referred to in the Annex. Some have changed during 2023 compared to 2022:

⁹ Council Decision (EU) 2015/1889 on the dissolution of the Europol Pension Fund as published in OJEU L/276, 21.10.2015 pages 60-64.

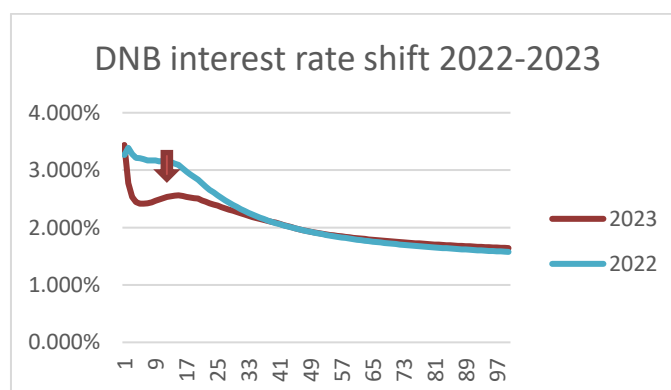
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	31.12.2023	31.12.2022
Discount Rate	DNB ¹⁰ 2023	DNB 2022
Actuarial value for deferred pensioners or persons not entitled to a pension	Max value of pension, transfer right or severance grant	Max value of pension, transfer right or severance grant
Mortality table (healthy people)	EULT 2023 ¹¹ , 2023 data	EULT 2018, 2022 data
Mortality table (invalids)	EULT 2023 + 3 years, 2023 data	EULT 2018 + 3 years, 2022 data
Marriage rate when leaving service	Real situation	Real situation
Age difference between spouses	Real situation	Real situation
Future administrative costs	NPV ¹² of foreseeable costs	NPV of foreseeable costs

The change in DBO 2023 compared to 2022 is due to the new calculation method applied by the Actuary (demographic assumption), a change in the DNB rate (financial assumption), the update of the mortality table and the effect of medical cost adjustments (both demographic assumptions), together with the further decrease due to benefits paid in 2023. The change of the DBO 2023 can be detailed as follows:

	31.12.2023	31.12.2022
Opening balance	1,715,224	3,118,095
Benefits paid in year	-123,013	-647,975
Actuarial G/L demographic assumption	511,575	57,228
Actuarial G/L financial assumption	133,170	-812,124
Total after accounting for actuarial changes	2,236,957	1,715,224

Due to the macroeconomic steps taken by global central banks to tame inflation during 2023, the financial interest rates only marginally increased, and pivoted to a pause, before projecting decreases in interest in 2024. This predominantly decreased interest rates for shorter to mid long-term durations (>1 year but less than 30 years) compared to ultimo 2022. As the majority of future payments fall in the 1 to 30 years' time period the effect of the lower discount rates, being the main financial assumption, was negative. Although from an accounting perspective this negative correction is required, it remains doubtful that Europol will actually incur these lower discount rates whereas Europol's investment policy only exists out of buying 1 year fixed term bank deposits, and thus a deviation to the DNB rate is a certainty.



¹⁰ Each year the Dutch National Bank (DNB) provides discount rates to be used by all NL-based pension schemes.

¹¹ EU life table as provided by the EC's actuary ESTAT (EUROSTAT) for the period 2023-2027 whilst awaiting a review in 2028.

¹² Net present value.

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In order to test the sensitivity of the actuarial assumptions, Europol should disclose a 10 basic point (or 0.1%) upward/downward adjustment on the most important actuarial assumptions. For the DBO of Europol, only a measurement of the sensitivity of the discount rate is required. The sensitivity effect was less than in 2022, but still immaterial:

	0.1% up	0.1% down
Sensitivity analysis 0.1% Discount Rate Adjustment 2023	-24,912	25,400
Sensitivity analysis 0.1% Discount Rate Adjustment 2022	-34,619	34,619

As can be seen above, a 0.1% increase in discount rates creates a reduction of € 25K on the DBO. A 0.1% reduction has an equally sized, but opposite impact increasing the DBO by € 25K.

Disclosure on PA (Pursuant to EAR 12)

All PA are invested in cash held on a ring-fenced bank account (see point 2.8. above) with an EU-based financial institution that did, in 2023, not charge negative interest. The only PA movement in 2023, other than benefits paid, was interest and VAT received in 2023 for a total of € 17.8K.

For future PA inflow, it is important to note that pursuant to Article 4(b) of the Council Decision on the dissolution of the Europol Pension Fund, former active participants of the fund (or their lawful heirs) had until October 2017, being two years after publication of the Council Decision, to communicate their beneficiary details to Europol. If not provided or found by Europol by that date, the remaining portion of the related PA should have become other income for Europol. At 31.12.2023, the amount remained the same as in 2022 at € 64K. Following its own legal advice, Europol did not yet consider the amount of € 64K as other income as a more robust file of administrative actions taken by Europol should support such recognition. This recognition is expected to occur in 2024 if the required pre-audit is finalised.

Disclosure on the net DBO liability (Pursuant to EAR 12)

	31.12.2023	31.12.2022
DBO	2,236,957	1,715,224
PA	-1,682,407 ¹³	-1,787,610
Net DBO liability	554,550	-72,386

The increase in the net DBO liability 2023 significantly changed compared to 2022. Europol has recognised this increase in the DBO liability to € 554,550 (including credits for bank interest) as re-measurements of employee benefit liabilities on its balance sheet. This adjustment is expected to decrease in 2024 by the revenue expected as described above (€ 64K). Further corrections are currently not envisaged to be made, whereas the majority of the DBO is payable in excess of at least the next financial year(s) to come.

2.10. Pre-financing received from consolidated entities

Contrary to previous years, there are no long-term liabilities towards consolidated entities as the open net pre-financing amounts for all grant/cooperation agreements are considered as short-term (see table under point 2.17. below) as at 31 December 2023.

¹³ Covered by the funds held on the designated bank account mentioned under point 2.8 above.

2.11. Other long-term liabilities

Type of liability	31.12.2023	31.12.2022
Local staff pension fund	302,766	302,766
Pre-financing liability with non-consolidated entities	-	118,916
Leasing liability on vehicles	51,380	57,685
Total	354,146	479,366

Leasing liability

See point 1.4.3. above.

Pre-financing liability with non-consolidated entities

Contrary to 2022, there are no long-term liabilities with non-consolidated entities as the open net pre-financing amounts for all grant/cooperation agreements are considered as short-term (see table under point 2.15. below) as at 31 December 2023.

Local staff pension fund

Local staff members recruited prior to 2010, and still having an employment contract after 2010, are entitled to a Defined Benefit old age pension accrual under Dutch labour law pursuant to the applicable pension scheme characteristics. The premium payments needed thereto are given to a third party who provided assurance that the liabilities were accrued by obtaining the required assets thereto periodically. Such an approach classifies this scheme to be a Defined Contributions or DC scheme, even though the underlying entitlement is a defined benefit for the staff member.

Consequently, Europol set aside the employer and employees' contributions on a monthly basis with an EU-based financial institution. The sole purpose of this balance is to finance the premiums to be paid to the new DC pension reinsurer.

In 2014, a tender procedure to secure a new DC pension reinsurer as from 2015 onwards failed. As a result, no premiums have been settled in relation to the employment period beyond 1 January 2015.

In light of the provisions of Article 73(4) of the Europol Regulation adopted in May 2016, allowing local staff members to move to a contract governed by the Conditions of Employment of Other Servants of the European Union ('CEOS') at the latest on 1 May 2018, it was not considered appropriate to launch another tender during this transitional period.

The last local staff member entered into a contract governed by the CEOS effective from 1 January 2018. Consequently, no further Dutch labour law Defined Benefit pension rights were accrued beyond 31 December 2017.

In 2019, Europol requested external legal advice in order to assure compliance with Dutch law whilst tendering for a new DC pension reinsurer for the pension entitlements linked to the period 2015-2017.

In light of the requirements set in this advice (which was only converted into actionable decisions in 2020 and 2021), in 2021 a new tender procedure to secure a new DC pension insurer was drafted and launched in January 2022. The call for tender (2113/C5/N- Dutch Pension Rights) however, did not bring forward an interest from economic operators by its closure date in February 2022. In March 2022 another call for tender (2211/C5/D – Dutch Pension rights) was launched wherefore no submissions were received by its closure in May 2022.

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In September 2022 a negotiated procedure without prior publication of a contract notice based on point 11.1 (a) of Annex 1 to the Financial Regulation was launched. Contrary to previous tender procedures, the call for tender (2216/C2/N – Dutch Pension Rights) did not only follow the traditional publications channels, but was also routed via a Dutch pension advisor AON Nederland CV to potential suppliers via sector-specific IT communication tools. This access through specialised communication channels had led to three offers being obtained by the end of 2022.

After a thorough evaluation of the offers and a lengthy contract negotiation on 20 December 2023, a contract was signed with an external contractor. The € 199K on insurance payments required will be transferred in the first quarter of 2024, thus closing this outstanding pension liability.

Disclosure on the net DBO liability (Pursuant to EAR 12)

	31.12.2023	31.12.2022
DBO	198,812	273,401
PA	-302,766	-302,766
Net DBO liability	-103,954	-29,364

The decline in net DBO liability since 2023 is merely a result of the prudence used in the calculations in 2022. The € 104K is not to be considered a surplus returning to Europol.

Future treatment of possible surplus PA and classification of DC as a long-term liability

In 2019 and 2020, Europol requested external legal advice in relation to how, under Dutch law, material excess funds of the PA should be treated. Following successful finalisation of the tender procedure and conclusion of the contract, it is expected that the amount of € 199K will be paid in 2024 to a pension insurer, in order to settle the liability for 2015-2017. Based on the legal advice Europol will explore the available options to convert the remaining € 104K in pension related entitlements for former Local Staff members.

2.12. Provisions for risks and charges

There were no provisions for risks and charges necessary as at 31 December 2023.

CURRENT LIABILITIES

2.13. Financial Liabilities

The total amount relates to the short-term leasing liabilities:

Description	31.12.2023	31.12.2022
Leasing liability on computer hardware	-	323,016
Leasing liability on vehicles	43,826	32,731
Total	43,826	355,748

As explained under point 1.4.3. above, the decrease compared to 2022 is the result of the final payment for a lease contract for IT equipment.

2.14. Current payables

	31.12.2023	31.12.2022
Amounts payable - vendors	588,865	3,465,694
Amounts payable - Member States	348,847	468,931
Amounts payable – public bodies	-	2,000
Invoices / credit notes / cost claims pending verification	-897,420	-3,899,812
Total	40,292	36,813

2.15. Sundry payables

	31.12.2023	31.12.2022
Pre-financing liability with non-consolidated entities	572,664	1,189,738
Intangible and tangible assets – goods received ¹⁴	59,948	128,971
Returned payments	251	-
Total	632,863	1,318,708

The amount for pre-financing received from non-consolidated entities can be broken down as follows:

Entity	Net pre-financing open	Short description
Airbus Defence and Space	225,430	INFINITY: A flagship project to revolutionise how Law Enforcement Agencies view, analyse and share information to combat crime and terrorism
Commissariat A L Energie Atomique et aux Energies Alternatives	347,234	STARLIGHT: Sustainable Autonomy and Resilience for Law Enforcement Agencies using Artificial Intelligence against High priority Threats.
Total	572,664	

This net pre-financing represents the original pre-financing received minus expenditure (including accrued charges).

2.16. Other payables

	31.12.2023	31.12.2022
Accrued charges ¹⁵	5,890,957	8,854,188
Accrued charges with consolidated entities	318,246	325,072
Accrual for untaken annual leave at year-end	2,895,632	2,647,210
Total	9,104,835	11,826,470

The total amount for accrued charges with consolidated entities can be broken down as follows:

¹⁴ Assets received in 2023, but not paid.

¹⁵ Invoices to be paid in 2024 relating to goods/services delivered in 2023 and expensed (not capitalised).

Europol Public Information

EU Entity	Description of charge	Amount
European Commission (DG SCIC)	Management Board meeting interpretation costs	193,914
European Commission (DG PMO)	Salary management and staff permit (laissez-passer) costs	38,998
European Commission (DG OP)	Publication costs	24,653
Translation Centre of Bodies of the EU	Translation costs	24,491
European External Action Service	Administrative expenses for the Liaison Bureau in the U.S.	19,943
European Commission (DG BUDG)	Annual Financial system (ABAC) Services	7,000
European Commission (DG DIGIT)	Annual ABAC sub-services	5,900
European Commission (DG HR Security)	Public Key Infrastructure Certificates	2,700
European Parliament	EMAS Inter-Institutional Green Public Procurement	647
Total		318,246

Regarding the accrual for untaken annual leave, according to the EU Staff Regulation (Annex V, Article 4), if a person at the time of leaving the service has not used their annual leave, they shall be paid compensation equal to one thirtieth of their monthly remuneration for each leave day due to them. Therefore the calculation (based on average salary rates) for untaken annual leave has been recognised as an accrued charge.

2.17. Accounts payable with consolidated EU entities

Aside from a payable towards the European Commission for an amount of € 49K for multimedia publications, the remaining amount relates to the balances (pre-financing received minus expenditure) of pre-financing received, including the surplus from the European Union contribution, broken down as follows:

Description	31.12.2023	31.12.2022
Surplus from European Union contribution ¹⁶	6,283,397	10,314,092
EaP Region Contribution Agreement	1,504,717	1,399,172
SIRIUS Phase 2 Contribution Agreement	1,230,805	435,994
Service Level Agreements with EUIPO	413,784	244,731
Service Level agreements with CEPOL	176,258	271,494
Total	9,608,962	12,665,482

Details on the agreements can be found under within the implementation of the budget section of these accounts, starting from page 40 below.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

Europol's financial statements are prepared on an accrual-basis by which transactions are recorded in the period to which they relate. The result for the year using this basis is indicated in the Statement of Financial Performance. However, Europol uses a modified cash accounting system for preparing the budget result. In this system, only

¹⁶ This is the budget result (see page 49).

Europol Public Information

payments made and revenue received in the year as well as the carry-over of appropriations to the following year are recorded.

All differences between the statement of financial performance and the budget result can be found in the reconciliation on page 39.

3.1. Revenue

The revenue has been split between non-exchange and exchange transactions in accordance with EU Accounting Rules 4 and 17.

The difference between the revenue in the budgetary result and the statement of financial performance of € 7.4M, is broken down as follows:

Description	Difference
New pre-financing received ¹⁷	9,015,397
Cashed balance sheet recovery orders issued in 2023	1,542,889
Reversal of cut-offs 2022	2,430,384
Budgetary recovery orders issued before 2023 and cashed in the year	30,998
Exchange rate gains	-878
Waivers of debts ¹⁸	-224,698
Uncashed recovery orders	-11,892
Cut-offs 2023	-2,431,968
Pre-financing received in previous years and closed in 2023	-2,953,007
Total	7,397,225

3.2. Expenditure

A total of € 29.3M is included in the statement of financial performance relating to expenditure made from budgetary commitments carried over from 2022. This is not included in the budgetary result 2023, as it relates to the implementation of the European Union contribution 2022. However, details of this implementation can be found in the implementation of the budget section of these accounts on page 46.

Operational

The total amount of expenses (including accruals and deferrals) amounted to € 65.6M broken down as follows:

¹⁷ Includes budget surplus 2023.

¹⁸ Recognised as expenditure in statement of financial performance.

Europol Public Information

Description	Amount
ICT External Service Provison	22,160,458
Maintenance of hardware and software	16,836,675
Grants (including ATLAS € 3,493,776)	10,752,576
Deployments	4,985,436
Meetings	3,684,884
Missions	3,308,164
Training	1,110,873
Telecommunications costs	820,633
External expertise	679,450
Research and development	365,213
Expertise training for third parties	242,614
WEB services, publications, audio visuals and equipment	240,442
EPCC	208,971
Decryption platform	101,074
Heads of Europol National Units	80,882
Total	65,578,346

The difference of € 13.7M between the € 65.6M expenditure and the result in the statement of financial performance of € 51.8M, is due to the adjustment required for the internally generated intangible assets in order to correctly reduce the expenses for consultants that worked on projects considered eligible to be capitalised or expected to be capitalised (under construction).

Staff

These expenses contain personnel-related expenses such as salaries, allowances, social security contributions and other welfare expenses.

All salary calculations resulting in the total staff expenses included in the statement of financial performance of Europol are outsourced to the Office for administration and payment of individual entitlements (also known as the Paymaster's Office - PMO) which is a central office of the European Commission audited by the European Court of Auditors.

The main (€ 7.9M) adjustment made to the staff-related costs in the statement of financial performance, relates to the internally generated intangible assets due to the capitalised and expected to be capitalised (under construction) staff costs.

Finance expenses

This amount relates to interest on late payments (€ 2K), interest on leasing (€ 18K) and bank charges (€ 86).

Fixed asset-related

These expenses contain the charged depreciation of tangible (€ 10.5M) and amortisation of intangible (€ 8.1M) assets. The latter relates exclusively to the internally generated intangible assets. Additionally, these expenses include a total amount of € 75K for amounts written off due to the disposals of tangible fixed assets (see point 2.1. above).

Expenses with consolidated EU entities

The expenses with consolidated EU entities (including accruals and deferrals) can be broken down as follows:

Europol Public Information

Entity	Description of expense	Amount
European Commission HR ¹⁹	European School, HR system, training and other staff-related services	4,654,590
European Commission JRC ²⁰	Decryption Platform running costs and media-monitoring costs	1,337,982
European Commission DIGIT ²¹ and BUDG	Financial system (ABAC) fees, Cloud services and Treasury Management services	1,270,956
European Commission SCIC ²²	Interpretation services	741,261
European Commission PMO ²³	Administrative charges (salaries) and staff permit costs (laissez-passer)	608,568
Eurojust	SIRIUS Phase 2 Contribution Agreement	372,872
European Commission OP ²⁴	Publications, distribution and storage	160,744
Translation Centre for EU Bodies	Translation services	81,838
EUIPO ²⁵	Reimbursement of grant-related funds	64,948
European External Action Service	Liaison Office in Washington DC	49,824
European Food Safety Authority	Permanent secretariat costs	48,886
Council of the European Union	Rental of office space	14,121
European Parliament	Inter-institutional contract for Green Public Procurement helpdesk	2,459
Total		9,409,050

Other administrative and IT expenses

The total amount of € 11.7M can be broken down as follows:

Description of expense	Amount
Experts and related expenditure	8,528,230
Office supplies and maintenance	1,754,610
Communications and publications	1,013,997
Training	132,823
Recruitment	112,145
Transport	63,839
Legal	34,272
Insurance (other than building)	16,714
Total	11,656,631

4. NOTES TO THE CASH FLOW STATEMENT

Cash flow information is used to provide a basis for assessing the ability of Europol to generate cash and cash equivalents, and its needs to utilise those cash flows.

¹⁹ Human Resources and Security

²⁰ Joint Research Centre

²¹ Informatics

²² Interpretation

²³ Paymaster's Office

²⁴ Publications Office

²⁵ European Union Intellectual Property Office

Europol Public Information

The cash flow statement is prepared using the indirect method. This means that the economic result of the financial year (statement of financial performance) is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cash flows.

The cash flow statement presented, reports on cash flows during the period classified by operating and investing activities.

4.1. Operating activities

Operating activities are the activities of Europol that are not investing activities. These are the majority of the activities performed. The amount shown for other non-cash movements under this activity, relates to the decrease to the financial liability for the short-term finance lease (see point 2.13. above) on tangible fixed assets.

4.2. Investing activities

Investing activities are the acquisition and disposal of intangible and tangible fixed assets and of other investments, which are not, included in cash equivalents. The objective is to show the real investments made by Europol.

4.3. Employee benefits

This relates to the increase in the employee benefits liability and the adjustments to demographic and financial remeasurements (see point 2.9. above).

5. CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

5.1. Contingent assets

Europol had no contingent assets to disclose as at 31 December 2023.

5.2. Contingent liabilities

Europol had no contingent liabilities to disclose as at 31 December 2023.

5.3. Other significant disclosures

5.3.1. Services-in-kind

In accordance with EU Accounting rule 17, Europol discloses its free use of its office buildings (including parking facilities) during the year 2023, offered by the Host State. The total amount disclosed for the year 2023 is:

Building	Amount	Offered until
Headquarters	12,500,000	01/03/2031
Temporary satellite	1,387,497	31/12/2025
Total	13,887,497	

5.3.2. Remaining net RAL (Reste à Liquider)

The total amount of budget commitments carried over to 2024 after deducting all eligible 2023 expenses, amounted to € 19.1M.

5.3.3. Other contractual commitments

Europol's contractual obligations as at 31 December 2023 not covered by the RAL (see point 5.3.2. above), totals € 21.9M. This calculation considers contracts up to the earliest date possible to end the contract and possible penalty costs.

6. FINANCIAL INSTRUMENTS

EU Accounting Rule 11 influences the financial risk management disclosures for financial assets and liabilities as follows:

Credit risk

This requires an analysis of the credit quality of financial assets (relevant only to loans and cash and cash equivalents), the changes in the impairment allowance, and age analysis of exchange receivables. For Europol this means:

Cash and cash equivalents: Europol only has one bank account held for the Europol Pension Fund (as Europol's funds are held with the Central Treasury Services of the European Commission). The bank used for this balance is BCEE, which has a sound financial standing, as does its sole shareholder, the state of Luxembourg. That is why the international rating agencies Standard & Poor's and Moody's have granted the bank ratings of AA+/A-1+ and Aa1/P-1 respectively.

Europol discloses its analysis of the age of exchange receivables as follows:

31 December 2023	Not past due	Past due 0-30 days	Past due 31-90 days	Past due 91 days-1 year	Past due > 1 year	Total
Receivables from third parties	12,768	-	-	214,021	200,995	427,784
Receivables from staff ²⁶	150,100	83,992	30,972	23,301	713	289,078
Funds held with central treasury service of EC	33,772,562	-	-	-	-	33,772,562
Receivables from consolidated entities	-	-	-	-	-	-
Receivables for litigation cases and other refunds	1,506	-	-	-	-	1,506
Total	33,936,937	83,992	30,972	237,322	201,708	34,490,930

The amounts overdue for receivables from third parties, relate mainly to the insolvency proceedings mentioned under point 2.4. above.

²⁶ Salary-related debts (for example overpaid allowances) and mission/salary advances.

Liquidity risk

This requires an analysis of the maturity for payables, borrowings and financial guarantee contracts. For Europol this relates only to the long-term liability for the local staff pension fund. The total amount of € 303K (see point 2.11 above) is classed with a maturity period of 1-5 years.

Market risk

This requires an analysis of the foreign currency exposure of financial assets/liabilities and of the interest rate risk for bonds. However for Europol (relating only to the financial assets and liabilities) there was no foreign currency exposure as at 31 December 2023, as all amounts were in Euro.

7. CHANGES TO ACCOUNTING RULES

There were no changes to the accounting rules during 2023.

8. RELATED PARTY DISCLOSURE

In accordance with EU Accounting Rule 15, Europol discloses its related parties as its key management personnel. Key management personnel are the directorate members (top management) of Europol. The total remuneration of the directorate members and the number of individuals, on a full-time equivalent basis, are provided for in the following table:

Position	Grade	Number of Individuals	Total remuneration
Executive Director	AD16	1	285,112
Deputy Executive Director	AD15 ²⁷	1	236,616
Deputy Executive Director	AD14	2	484,154 ²⁸
Total remuneration 2023			1,005,883

9. EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date bekown to the Accounting Officer of Europol as at the date of submission of the final accounts 2023.

10. RECONCILIATION BETWEEN STATEMENT OF FINANCIAL PERFORMANCE AND BUDGET RESULT

The difference between the budget result and the statement of financial performance is explained as follows:

²⁷ AD14 January up to and including October 2023.

²⁸ Includes € 40K relocation upon departure expenses.

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Description	Amount
Economic result (Statement of Financial Performance) 2023	5,096,339
Accruals/deferrals 2023	5,491,969
Accruals/deferrals reversed from 2022	-6,227,852
Adjustment for 2022 carry-over appropriations assigned revenue	7,475,344
Adjustment to employee benefit liability	-123,013
Cancellation of unused payment appropriations from 2022	3,737,470
Cashed balance sheet recovery orders issued in 2023 ²⁹	1,542,889
Cashed recovery orders issued before 2023	30,998
Depreciation and amortisation of fixed assets	18,543,388
Fixed Asset acquisitions (excluding unpaid amounts at 31.12.2023)	-8,311,433
Internally-generated fixed assets	-21,618,900
Open pre-financing paid in 2023	-11,417,689
Open pre-financing received in 2023	8,915,397
Payment appropriations carried over to 2024	-30,754,730
Payments 2023 in Statement of Financial Performance 2022	-296,819
Payments made in 2023 from 2024 budget	383,950
Payments made from carry-over 2022	29,265,407
Pre-financing paid in 2022 and cleared in 2023	8,021,953
Pre-financing received before 2023 and cleared in 2023	-3,549,045
Uncashed revenue recovery orders issued in 2023	-11,892
Unpaid invoices at 31.12.2023	34,510
Value reductions (impact of the year)	55,156
Total = Budget result 2023	6,283,397

²⁹ Classed as revenue in the budget result, but booked to the balance sheet rather than the statement of financial performance. For example grant-related pre-financing claims.

BUDGET IMPLEMENTATION

REVENUE

	Initially adopted	Amending budget	Established revenue	Cashed revenue	Open amount
A-9000 IC1 – European Union contribution	207,176,212	-	207,176,212	207,176,212	-
A-9200 IC4 - Internal assigned revenue	-	-	2,654,515	2,253,413	401,101
A-9200 IC41 - Internal assigned revenue carry-over	-	-	465,207	264,213	200,995
A-9010 IR1 - External assigned revenue (Grants)	-	950,000	2,654,277	2,654,277	-
A-9010 IR11 - External assigned revenue carry-over	-	80,000	80,000	80,000	-
A-9101 IR1 - External assigned revenue (contribution from Denmark)	-	4,719,597	4,719,597	4,719,597	-
A-9200 IR1/IR11 - Other external assigned revenue (Europol Pension Fund)	-	-	18,310	18,310	-
Total Revenue	207,176,212	5,749,597	217,768,118	217,166,022	602,096

EXPENDITURE

	Initial budget	New Established Budget	Actual budget 2023
C1 European Union contribution	207,176,212	-	207,176,212
C4 Re-funds current year	-	2,517,626	2,517,626
C5 Re-funds carried over	1,271,366	-	1,271,366
C8 Carry-over commitments from previous year	33,002,876	-	33,002,876
R0 External assigned revenue	6,203,978	7,472,184	13,676,162
TOTAL	247,654,432	9,989,810	257,644,242

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IMPLEMENTATION - fund source C1

		Commitment appropriations (CA)				Payment appropriations (PA)				
		Actual budget CA 2023	Commitments 2023	Rate	CA not used	Budget PA 2023	Payments 2023	Rate	Carry over to 2024	Carry over rate
A-11	Staff in active employment	105,402,265	105,395,153	100%	7,112	105,402,265	105,325,288	100%	69,865	-%
A-13	Sociomedical infrastructure	880,400	878,665	100%	1,735	880,400	781,322	89%	97,342	11%
A-14	Training	135,000	135,000	100%	-	135,000	81,708	61%	53,292	39%
A-15	Other staff-related expenditure	7,715,700	7,704,910	100%	10,790	7,715,700	6,787,493	88%	917,417	12%
A-16	Entertainment and representation	122,000	120,722	99%	1,278	122,000	96,997	80%	23,726	19%
Total Title 1		114,255,365	114,234,450	100%	20,914	114,255,365	113,072,808	99%	1,161,642	1%
A-20	Rental of buildings and associated costs	10,491,900	10,487,653	100%	4,247	10,491,900	6,509,197	62%	3,978,456	38%
A-21	Administrative information technology	1,920,700	1,919,781	100%	919	1,920,700	1,801,924	94%	117,857	6%
A-22	Movable property and associated costs	644,900	643,909	100%	991	644,900	591,321	92%	52,588	8%
A-23	Current administrative expenditure	398,250	391,968	98%	6,282	398,250	279,184	70%	112,784	28%
A-24	Postal charges and telecommunications	1,009,200	1,009,196	100%	4	1,009,200	945,736	94%	63,460	6%
A-25	Statutory expenditure	931,100	857,695	92%	73,405	931,100	560,302	60%	297,393	32%
Total Title 2		15,396,050	15,310,202	99%	85,848	15,396,050	10,687,663	69%	4,622,539	30%
B3-0	Operations	16,359,552	16,090,786	98%	268,765	16,359,552	12,718,013	78%	3,372,774	21%
B3-1	Operational information technology	40,741,500	40,692,851	100%	48,649	40,741,500	27,099,230	67%	13,593,621	33%
B3-2	Telecomm. costs for operational activities	606,210	606,210	100%	-	606,210	516,912	85%	89,298	15%
B3-3	Seconded National Experts (Operational)	6,538,000	6,508,092	100%	29,908	6,538,000	6,508,092	100%	-	-%
B3-4	EPCC	251,500	251,499	100%	1	251,500	117,212	47%	134,287	53%
B3-5	Heads of Europol National Units	127,500	127,016	100%	484	127,500	126,242	99%	774	1%
B3-8	Decryption Platform	1,128,400	1,128,308	100%	92	1,128,400	1,127,400	100%	908	-%
B3-9	Grants (DA)	11,772,136	11,771,947	100%	189	9,695,336	9,680,843	100%	2,091,104	18%
Total Title 3		77,524,797	77,176,709	100%	348,088	75,447,997	57,893,943	77%	19,282,766	25%
Total		207,176,212	206,721,361	100%	454,851	205,099,412	181,654,414	89%	25,066,947	12%

ASSIGNED REVENUE

Internal assigned revenue - fund source C4

	Budget (Revenue Cashed)	Commitments 2023	Rate	Payments 2023	Rate	CA Carried over to 2024	PA Carried over to 2024
A-1100 Basic salaries	1,240	-	-%	-	-%	1,240	1,240
Total Title 1	1,240	-	-	-	-	1,240	1,240
A-2050 Other building related expenditure	496	-	-%	-	-%	496	496
A-2100 Administrative purchase and maintenance of HW & SW	91,995	-	-%	-	-%	91,995	91,995
A-2210 Furniture and other acquisitions	2,623	-	-%	-	-%	2,623	2,623
A-2320 Legal expenses	23,864	-	-%	-	-%	23,864	23,864
Total Title 2	118,978	-	-	-	-	118,978	118,978
B3-000 Meetings	4,060	-	-%	-	-%	4,060	4,060
B3-003 Missions	10,229	-	-%	-	-%	10,229	10,229
B3-100 Operational purchase and maintenance of HW and SW	230,154	-	-%	-	-%	230,154	230,154
B3-800 Decryption platform	612,228	-	-%	-	-%	612,228	612,228
B3-920 EMPACT grants (DA)	944,414	-	-%	-	-%	944,414	944,414
B3-930 SA Euro CF Grants (DA)	44,020	-	-%	-	-%	44,020	44,020
B3-940 OTF Grants (DA)	552,303	467,067	85%	44,909	8%	85,236	507,394
Total Title 3	2,397,408	467,067	19%	44,909	2%	1,930,340	2,352,499
Total	2,517,626	467,067	19%	44,909	2%	2,050,559	2,472,717

Europol Public Information

Internal assigned revenue carried over from 2022 - fund source C5

	Carry over Budget	Commitments 2023	Rate	Payments 2023	Rate	CA not used	PA Carried over to 2024
A-1100 Basic salaries	3,887	3,887	100%	3,887	100%	-	-
Total Title 1	3,887	3,887	100%	100%	100%	-	-
A-2050 Other building related expenditure	62	62	100%	62	100%	-	-
A-2100 Administrative purchase and maintenance of HW & SW	91,935	91,935	100%	91,935	100%	-	-
A-2210 Furniture and other acquisitions	35,527	35,527	100%	35,527	100%	-	-
A-2320 Legal expenses	7,000	7,000	100%	-	-	-	7,000
Total Title 2	134,524	134,524	100%	127,524	95%	-	7,000
B3-000 Meetings	4,585	4,585	100%	-	-	-	4,585
B3-003 Missions	5,337	5,337	100%	5,337	100%	-	-
B3-009 Deployment	441	441	100%	441	100%	-	-
B3-100 Operational purchase and maintenance of HW and SW	270,608	270,608	100%	270,608	100%	-	-
B3-920 EMPACT grants (DA)	557,238	557,238	100%	557,238	100%	-	-
B3-930 SA Euro CF Grants (DA)	27,397	27,397	100%	27,397	100%	-	-
B3-940 OTF Grants (DA)	257,889	257,889	100%	257,889	100%	-	-
B3-950 ATLAS Grants (DA)	9,460	9,460	100%	9,460	100%	-	-
Total Title 3	1,132,955	1,132,955	100%	1,128,371	100%	-	4,585
Total	1,271,366	1,271,366	100%	1,259,781	99%	-	11,585

Europol Public Information

External assigned revenue - fund source R0

	Carry over Budget	Actual budget 2023	Commitments 2023	Rate	Payments 2023	Rate	Available budget	PA carried over to 2024
A-1100 Basic salaries	-	4,719,597	4,719,597	100%	4,719,597	100%	-	-
A-1184 Pensions under Europol convention	1,787,109	1,805,419	227,404	13%	123,013	7%	1,578,016	1,682,407
Total Title 1	1,787,109	6,525,016	4,947,001	76%	4,842,610	74%	1,578,016	1,682,407
Total Title 2	-	-	-	-%	-	-%	-	-
B3-600 Operational expenditure related to subsidies and grants*	2,490,679	2,562,956	1,458,056	57%	836,376	33%	1,104,900	1,726,580
B3-700 Operational expenditure related to research and developments*	1,926,190	4,588,190	4,145,540	90%	2,702,591	59%	442,650	1,885,599
Total Title 3	4,416,869	7,151,146	5,603,596	78%	3,538,967	50%	1,547,550	3,612,179
Total	6,203,978	13,676,162	10,550,596	77%	8,381,577	61%	3,125,566	5,294,586

*Details for budget lines B3-600 and B3-700:

	Carry over Budget	Actual budget 2023	Commitments 2023	Rate	Payments 2023	Rate	Available budget	PA carried over to 2024
EUIPO - Fraud	11,533	91,533	91,533	100%	28,503	31%	-	63,029
EUIPO - IPC	153,198	1,103,198	1,103,198	100%	752,443	68%	-	350,755
SIRIUS Phase 2	454,668	2,022,668	1,870,673	92%	1,133,763	56%	151,995	888,905
Horizon 2020 - AIDA	478,666	478,666	478,666	100%	478,666	100%	-	-
Horizon 2020 - INFINITY	319,107	319,107	93,677	29%	93,677	29%	225,430	225,430
Horizon 2020 - GRACE	147,539	147,539	144,494	98%	137,293	93%	3,045	10,246
Horizon 2020 - STARLIGHT	361,479	425,479	363,298	85%	78,245	18%	62,180	347,234
EMPACT - Eastern Partnership	2,103,223	2,105,501	1,046,760	50%	555,179	26%	1,058,741	1,550,322
CEPOL EUROMED	176,283	176,283	152,950	87%	79,257	45%	23,333	97,026
CEPOL WBPACT	111,494	111,494	110,000	99%	100,222	90%	1,494	11,272
CEPOL TOPCOP	99,679	169,679	148,346	87%	101,718	60%	21,333	67,961
Total	4,416,869	7,151,146	5,603,596	78%	3,538,967	50%	1,547,550	3,612,179

APPROPRIATIONS CARRIED OVER 2022-2023 - fund source C8

	Carry over from 2022	Payments 2023	Rate	PA not used	Rate
A-11 Staff in active employment	36,984	21,753	59%	15,231	41%
A-13 Sociomedical infrastructure	135,622	76,941	57%	58,681	43%
A-14 Training	31,586	30,719	97%	867	3%
A-15 Other staff-related expenditure	838,774	715,082	85%	123,692	15%
A-16 Entertainment and representation	16,663	12,495	75%	4,168	25%
Total Title 1	1,059,629	856,989	81%	202,640	19%
A-20 Rental of buildings and associated costs	2,396,943	2,203,653	92%	193,291	8%
A-21 Administrative information technology	245,189	237,416	97%	7,772	3%
A-22 Movable property and associated costs	598,232	567,403	95%	30,829	5%
A-23 Current administrative expenditure	212,779	189,167	89%	23,612	11%
A-24 Postal charges and telecommunications	128,767	105,160	82%	23,606	18%
A-25 Statutory expenditure	496,739	240,884	48%	255,855	52%
Total Title 2	4,078,648	3,543,683	87%	534,966	13%
B3-0 Operations	5,747,031	3,086,839	54%	2,660,191	46%
B3-1 Operational information technology	21,186,245	21,014,558	99%	171,687	1%
B3-2 Telecomm. costs for operational activities	684,162	562,102	82%	122,060	18%
B3-3 Seconded National Experts (Operational)	-	-	-%	-	-%
B3-4 European Police Chiefs' Conference	118,550	72,624	61%	45,926	39%
B3-5 Heads of Europol National Units	-	-	-%	-	-%
B3-8 Decryption Platform	128,611	128,611	100%	-	-%
Total Title 3	27,864,599	24,864,734	89%	2,999,864	11%
Total	33,002,876	29,265,407	89%	3,737,470	11%

APPROPRIATIONS CARRIED OVER 2023-2024

	Commitment Appropriations	Payment Appropriations
Fund source C1 – European Union contribution (NDA/DA)	2,091,104	22,975,843
Fund source C4 - Internal assigned revenue (NDA/DA)	2,050,559	2,472,717
Fund source C5 - Internal assigned revenue carried over from N-1 (NDA/DA)	-	11,585
Fund source R0 - External assigned revenue and expenditure (NDA)	5,294,586	5,294,586

BUDGET TRANSFERS

	Initial budget 2023	Transfers	Actual budget 2023	Commitments 2023
A-11 Staff in active employment	86,047,712	1,924,159	87,971,871	87,964,759
A-11CA Staff in active employment (of which external personnel)	16,580,400	849,994	17,430,394	17,430,394
A-13 Sociomedical infrastructure	1,297,700	-417,300	880,400	878,665
A-14 Training	175,000	-40,000	135,000	135,000
A-15 Other staff-related expenditure	8,009,300	-293,600	7,715,700	7,704,910
A-16 Entertainment and representation expenses	109,000	13,000	122,000	120,722
Total Title 1	112,219,112	2,036,253	114,255,365	114,234,450
A-20 Rental of buildings and associated costs	10,689,800	-197,900	10,491,900	10,487,653
A-21 Administrative information technology	1,866,700	54,000	1,920,700	1,919,781
A-22 Movable property and associated costs	798,100	-153,200	644,900	643,909
A-23 Current administrative expenditure	685,500	-287,250	398,250	391,968
A-24 Postal charges and telecommunications	1,162,500	-153,300	1,009,200	1,009,196
A-25 Statutory expenditure	1,064,800	-133,700	931,100	857,695
Total Title 2	16,267,400	-871,350	15,396,050	15,310,202
B3-0 Operations	15,109,100	1,250,452	16,359,552	16,090,786
B3-1 Operational information technology	42,633,600	-1,892,100	40,741,500	40,692,851
B3-2 Telecommunication costs for operational activities	1,840,000	-1,233,790	606,210	606,210
B3-3 Seconded National Experts (Operational)	7,300,000	-762,000	6,538,000	6,508,092
B3-4 European Police Chiefs' Conference	300,000	-48,500	251,500	251,499
B3-5 Heads of Europol National Units	183,000	-55,500	127,500	127,016
B3-8 Decryption Platform	1,440,000	-311,600	1,128,400	1,128,308
B3-9 Grants (DA)	9,884,000	1,888,136	11,772,136	11,771,947
Total Title 3	78,689,700	-1,164,903	77,524,797	77,176,709
Total	207,176,212	-	207,176,212	206,721,361

BUDGET RESULT

	2023	2022
REVENUE		
European Union contribution, cashed	207,176,212	192,380,773
Other revenue, cashed	9,989,810	8,945,076
TOTAL REVENUE (a)	217,166,022	201,325,849
EXPENDITURE		
Title 1: Staff		
Payments current year	117,919,305	104,047,454
Appropriations carried over to next year	2,845,289	2,850,626
Title 2: Administrative		
Payments current year	10,815,187	7,669,416
Appropriations carried over to next year	4,748,517	4,213,172
Title 3: Operational		
Payments current year	62,606,189	53,697,456
Appropriations carried over to next year	23,160,925	33,414,422
TOTAL EXPENDITURE (b)	222,095,411	205,892,546
RESULT FOR THE FINANCIAL YEAR (a-b)	-4,929,389	-4,566,697
Cancellation of unused PA carried over from the previous year	3,737,470	3,802,497
Adjustment for carry-over from the previous year – assigned revenue	7,475,344	11,078,105
Exchange rate differences	-28	186
FINAL BUDGET RESULT	6,283,397	10,314,092

11. NOTES ON THE BUDGET IMPLEMENTATION

Throughout these notes, fund sources for the different types of appropriations are mentioned, the definitions for which are as follows:

Fund Source	Description	Presentation in the reports
Income fund sources		
IC1	Initial Budget	Revenue 2023
IC4(1)	Refunds current year (N-1)	Internal assigned revenue current year (carried over)
IR1(1)	External resources/ grants	External assigned revenue current year (carried over)
Expenditure fund sources		
C1	Initial Budget	Adopted budget for 2023
C4	Refunds current year	Internal assigned revenue (current year)
C5	Refunds carried over	Internal assigned revenue (carried over)
C8	Automatic carry-over	Carried over commitments from 2022 to 2023
R0	External resources/ grants	External assigned revenue

The Europol budget structure is made up of administrative and operational appropriations. Apart from one budget chapter (39), all other appropriations are non-differentiated, meaning that the commitment and the payment appropriations are of the same amount and complied with the principle of annuality (an annual nature). Europol uses differentiated appropriations only for chapter 39, Grants, for multiannual activities for which “Calls” or “Invitations to apply” are committed fully in the first year, while payments follow in subsequent years.

The appropriations are split into:

- Commitment Appropriations– cover the total cost of the legal obligations entered into during the very first financial year of the call or invitation to apply.
- Payment Appropriations– cover the expenditure arising from commitments entered into in the current and/or earlier financial years.

11.1. Revenue

On 13 December 2022, the budget 2023 amounting to € 207.2M was adopted by the Europol Management Board and cashed during the year.

An amount of € 3.1M was established as internal assigned revenue (fund source IC4/IC41) of which € 2.5M was also cashed (paid). This cashed revenue was linked to expenditure budget items and the outstanding amount (non-cashed recovery orders) of € 602K was carried over to 2024.

Europol Public Information

External assigned revenue (fund source IR1/IR11) was amended for an amount of € 1M, relating to various agreements with the European Commission and other agencies and for an amount of € 4.7M relating to the contribution to Europol from the Kingdom of Denmark³⁰ for the budget year 2023, which was fully cashed.

Also included in the revenue cashed under fund source IR1/ IR11, was an amount of € 18K relating to bank credit interest for the Europol Pension fund.

11.2. Expenditure

In order to measure budget performance, several key performance indicators (KPIs) directly linked to the Europol Work Plan 2023 were set at the beginning of the year.

Budget performance was measured based on implementation (commitments and payments) against budget.

- The target set for the commitment implementation rate for the budget 2023 was at least 95%.
- The cancellation of payment appropriations carried over from 2022 should not exceed 5%.

The final outcome of the KPIs for 2023 was as follows:

- The implementation of commitment appropriations was 100% (99.8%) or € 206.7M, which was 3.2% or € 20.9M above 2022.
- The overall payment appropriations rate (which takes into account the budget related to Payments Appropriations of € 205.1M) was 89% or € 181.7M, which was 8.8% or € 28.3M above the same period in 2022.
- The cancelled carry-over payment commitments amounted to 11%: a total of € 3.7M was not used and was incorporated in the final budget result. The amounts not used were due to operational activities not implemented mainly in the areas of Grants (€ 1.7M, of which € 1.1M for EMPACT grants, € 272K for OTF grants and € 348K for ATLAS), meetings (€ 586K), deployments/missions (€ 318K), operational ICT expenses (€ 294K), Management Board meeting costs (€ 256K) and building and facilities related expenditure (€ 193K).

In the sections below, an explanation is provided regarding the implementation of the budget within different fund sources amounting to a total of € 257.6M commitment appropriations in 2023.

11.2.1. Implementation (fund source C1)

As previously mentioned, apart from budget chapter 39 (Grants) included under Title 3, all other appropriations are non-differentiated, meaning that the commitment and the payment appropriations are of the same amount and comply with the principle of annuality (an annual nature).

³⁰ Following the application of the Europol Regulation on 1 May 2017, Denmark is regarded as a third country with respect to Europol. This is a consequence of the application of the Protocol (no 22) annexed to the TFEU on the position of Denmark, under which the Kingdom of Denmark does not take part in the adoption of measures pursuant to Title V of Part Three of the TFEU and such measures are not binding upon nor applicable in Denmark. The Agreement on Operational and Strategic Cooperation between the Kingdom of Denmark and Europol ("Denmark agreement") was signed on 29 April 2017 with the purpose to establish cooperative relations.

Europol Public Information

Title 1 – Staff-related expenditure

The commitment appropriations under Title 1 amounted to € 114.3M with an implementation rate for commitments of 100% (2% above 2022) and for payments of 99% (2% above 2022).

A number of transfers in Title 1 increased the total budget by € 2M (or 1.8%). The increased budget transferred to Title 1 was mainly due to higher weighting coefficient for The Netherlands.

An amount of € 21K of the actual budget remained unused and lapsed.

1% or € 1.2M of the payment appropriations under Title 1 was carried over to 2024, mainly for expenditure relating to the Strategic Housing Roadmap (€ 875K), as well as for recruitment, catering, medical services and training of staff (€ 287K).

Title 2 – Other administrative expenditure

The commitment appropriations under Title 2 amounted to € 15.4M with an implementation rate for commitments of 99% (14% above 2022) and for payments of 69% (14% above 2022).

During the year, transfers for a total of € 871K (or 5.4%) were made out of Title 2. The amounts transferred were the result of savings made from activities not performed as originally planned for the Strategic Housing Roadmap building project, partially offset by higher transfers towards electricity costs.

An amount of € 86K of the actual budget remained unused and lapsed.

In this area, the payment implementation for building-related expenditure is normally slower as it requires the involvement of (sub-) contractors before the Host State can issue invoices. This results in high amounts carried over each year. € 4.6M was carried over to 2024, representing 30% of the budget under Title 2. Commitments carried forward were mainly for building-related expenditure (€ 3.5M) such as replacement and maintenance works both in the Headquarters and Temporary Satellite Building 1 (€ 1.6M), replacement of the Security Information System phase 4B (€ 762K), preventive and corrective maintenance (€ 650K) as well as adjustments of light fixtures the Headquarters (€ 445K). In addition, € 377K was carried over for various administrative and governance activities, € 310K for water, gas and electricity, € 297K for the December Management Board meeting and its Working Groups' activities and € 152K remained open at the end of the year for administrative ICT costs.

Title 3 – Operational activities

The commitment appropriations under Title 3 amounted to € 77.5M, with a commitment rate of 100% (3% above 2022) and a payment rate of 77% (16% above 2022). As mentioned above, in Title 3 the payment rate takes into account the budget for payment appropriations (Budget PA), which was € 75.4M in 2023.

In this area, € 77.2M (or 100%) was committed, of which € 11.8M was used to support strategic operational activities relating to Grants and, more specifically, € 5.8M for the EMPACT grants, € 3.7M for the ATLAS network, € 2M for Operational Task Force grants, € 124K for the Innovation grants and € 113K for the Euro Counterfeiting Grants. Moreover, € 41.3M of the budget available under Title 3 was implemented for ICT strategic priorities (e.g. the Interoperability & Biometrics project, PERCI, New Forensics Environment, Visualisation and Analysis Toolkit), as well

Europol Public Information

as other operational activities, telecommunication and sustainment costs. The remaining € 24.1M was implemented mainly in support of seconded national experts and short-term seconded national experts (€ 6.5M), deployments (€ 5.2M), operational meetings (€ 4.3M), missions (€ 3.3M), operational training (€ 1.2M), decryption platform (€ 1.1M), external expertise (€ 937K) and operational equipment (€ 930K), web services (€ 239K), European Police Chiefs' Conference (€ 251K) and Heads of Europol National Units' meetings (€ 127K).

During the year, a total of € 1.2M (or 1.5%) was transferred out of Title 3 mainly for the need of salaries. Beside covering a high demand for deployment and mission budget, which was increased by € 1.9M during the year, and a transfer in for the EMPACT grants (€ 1.8M), significant budget was reduced in the operational ICT budget (€ 3.1M) in order to cover for these additional needs.

Overall, an amount of € 348K lapsed mainly in the areas of meetings (€ 124K), missions (€ 80K), operational ICT expenditure (€ 49K), operational equipment (€ 41K) and seconded national experts (including short-term) (€ 30K).

An overall amount of € 19.3M was carried over to 2024, representing 25% of the budget available under Title 3. This was € 8.1M less compared to 2022. Areas with carry-over amounts were mainly: € 13.7M which was carried over for operational hardware/software and telecommunication, € 2.1M for operational grants (EMPACT, ATLAS, OTF and Innovation Grants), € 1.4M for operational meetings, € 669K for the Teledyne operational equipment, € 434K for deployments, € 319K relating to external expertise, € 212K to operational trainings, € 143K relating to missions and € 134K to the European Police Chiefs' Conference.

11.2.2. Implementation of assigned revenue (fund sources C4, C5, R0)

Internal Assigned Revenue (fund sources C4, C5)

With regard to the implementation of internal assigned revenue, there is a distinction between funds established in 2023 (fund source C4) and funds carried over from 2022 (fund source C5):

C4: This type of revenue relates to refunds and other revenue, such as repayments, tax reimbursements, revenue from third parties, unspent pre-financing by Member States etc. During the year 2023, an overall amount of € 2.5M was established and cashed. Only € 467K (or 19%) was implemented of which only € 45K (or 2%) was paid. An amount of € 2.1M of commitment appropriations and € 2.5M of payment appropriations were carried over to fund source C5, in order to be implemented in 2024.

C5: The C5 budget relates to cashed and unused assigned revenue from the previous year (under C4 funds) (C4 -> C5). Appropriations carried over from 2022, amounting to € 1.3M, were fully committed mainly in the areas of EMPACT (€ 557K), OTF grants (€ 258K) and ICT (€ 271K). Payment implementation reached 99% and € 12K remained unpaid at the end of the year and carried over (to fund source C8), to be paid in 2024.

External Assigned Revenue

With regard to the implementation of external assigned revenue (fund source R0), there is a distinction between the funds that were established in 2023 (e.g. new agreements) and the funds from before 2023 for which the implementation continued in the year.

External assigned revenue included in the budgetary accounts came to € 13.7M, of which € 6.2M was carried over from 2022 and the remaining € 7.5M was established and cashed in 2023. € 10.6M (or 77%) was committed during

Europol Public Information

the year, of which € 8.4M (or 61%) was also paid. € 3.1M of commitment appropriations and € 5.3M of payment appropriations were carried over to 2024.

The external assigned revenue was implemented for the following activities:

- **Under budget item 1100** (Basic salaries): Following the agreement between Europol and Denmark, a contribution amounting to € 4.7M was received in 2023. The full amount was used and paid under this budget item.
- **Under budget item 1184** (Pensions under the Europol Convention): An amount of € 1.8M was carried over from 2022 for the implementation of the Europol Pension Fund during 2023. Of this amount, € 227K (or 13%) was committed and € 123K (or 7%) was paid. The remaining amount of € 1.7M was carried over to 2024.
- **Under budget item 3600** (Operational expenditure related to subsidies and grants): The actual budget 2023 was € 2.6M of which € 2.5M was carried over from 2022 and € 72K was cashed during the year. Of the available € 2.6M, a total of € 1.5M (or 57%) was committed, of which € 836K (or 33%) was also paid. Two agreements were implemented:
 - **EMPACT EaP**: An amount of € 2.1M was carried over from 2022. Only € 2K was cashed during 2023. A total of € 1.1M (or 50%) was committed and € 555K (or 26%) was paid. The remaining budget was carried over for implementation in 2024. This agreement originates from 2020 with a duration of 4 years.
 - **CEPOL**: An amount of € 387K was carried over from 2022. Budgetary adjustments for the running projects were completed during quarter 2 and quarter 4 of 2023, increasing the budget for the TOPCOP project and reducing the budget for the WBPACT project. During 2023, € 70K was cashed for the TOPCOP agreement. A total of € 411K (or 90%) was committed, of which € 281K (or 68%) was paid. The remaining budget was carried over for further implementation in 2024. This agreement originates from 2020. The Contribution Agreement between CEPOL and DG Near concerning the Euromed project was extended until the end of September 2024.
- **Under budget item 3700** (Operational expenditure related to research and development projects): The actual budget 2023 was € 4.6M of which € 1.9M was carried over from 2022 and € 2.7M was cashed during the year. Of the actual budget, a total of € 4.2M (or 90%) was committed and € 2.7M (or 59%) was paid. Several agreements were implemented under this budget item, for different purposes:
 - **EUIPO Fraud** - to support law enforcement authorities preventing fraud against users of the EU IP Systems. An amount of € 12K was carried over relating to the agreement for 2022. An amending budget amounting to € 80K was established for a new agreement for 2023 and cashed during 2022. Of the total € 92K available, € 92K (or 100%) was committed, of which € 29K (or 31%) was paid (for the 2022 and 2023 agreements together). The remaining payment appropriations of € 63K were carried over to 2024 and will be returned after closure and final reporting.
 - **EUIPO IP Crime** - to support law enforcement authorities preventing crime related to Intellectual Property Rights. An amount of € 153K was carried over relating to the agreement for 2022. An amending budget amounting to € 950K was established for 2023. A total of € 1.1M (or 100% of the actual budget) was committed, of which € 752K (or 68%) was paid. The remaining amount of € 351K relating to payment appropriations was carried over for implementation in 2024.
 - **SIRIUS/SIRIUS2** – of an actual available budget of € 2M for 2023, an amount of € 455K was carried over from 2022 and the rest (€ 1.6M) was cashed during the year. Out of the available budget, € 1.9M (or 92%) was committed and € 1.1M (or 56%) was paid. € 152K was carried over under commitment appropriations and € 889K was carried over under payment appropriations.
 - **HORIZON 2020**: Of the total available budget of € 1.4M, an amount of € 1.3M was carried over from previous years and € 64K was cashed during 2023. € 1.4M (almost 100%) was committed and € 1.1M (or 79%) was paid. The remaining

Europol Public Information

appropriations were carried over to 2024, of which € 291K related to commitment appropriations and € 583K related to payment appropriations. Three out of four H2020 projects ended in 2023 (AIDA INFINITY and GRACE). For the last agreement, STARLIGHT, implementation is ongoing and this agreement will run until September 2025.

11.2.3. Implementation of appropriations carried over 2022-2023 (fund source C8)

The carry over to 2023 came to a total of € 33M, to cover existing commitments established during 2022. The final implementation rate was € 29.3M or 89%. The cancelled commitments amounted to 11%. A total of € 3.7M was not used and was therefore incorporated in the final budget result. The unused funds mainly related to the following:

- € 203K for Title 1, which was 19% of the amount carried over under this Title (€ 1.1M) –related to staff expenditure (e.g. recruitment, medical service and training), catering, and external services.
- € 535K for Title 2, which represented 13% of the total amount carried over under this Title (€ 4.1M) - related to building-related expenditure (e.g. energy, cleaning, car fleet, office supplies etc.), administrative ICT purchases and maintenance and statutory expenditure.
- € 3M for Title 3, which was 11% of the amount carried over under Title 3 (€ 27.9M) - EMPACT grants (€ 1.1M), OTF grants (€ 272K), ATLAS (€ 348K), ICT expenditure (€ 308K), deployments/missions (€ 318K) and meetings (€ 586K).

11.2.4. Appropriations carried over 2023-2024

With regard to the carry-over of appropriations from 2023 to 2024, there is a distinction between commitment and payment appropriations carried over in each fund source. All appropriations were carried over in accordance with Article 12 of the Europol Financial Regulation.

European Union contribution 2023 (fund source C1 to C8)

An amount of € 25.1M covering commitments made during 2023 was automatically carried over to 2024 from fund source C1 to C8. This represents 12% of the overall budget of € 207.2M. Out of the € 25.1M carried over:

- € 1.2M concerned Title 1 (Staff), which was 1% of the total budget in Title 1 (€ 114.3M), mostly relating to the consultancy services for to the Shared Housing Roadmap program, various external services and recruitment costs.
- € 4.6M concerned Title 2 (Administrative Expenditure), which was 30% of the total Title 2 budget (€ 15.4M). Of the expenses carried over, € 3.5M for building-related expenditure, such as replacements or additional works to the two main buildings, and € 478K for water, gas and electricity. An open amount of € 297K was carried over for the Management Board and its Working Groups' activities, € 229K for various administrative and governance activities and € 117K for administrative ICT costs.
- € 17.2M of open commitments for non-differentiated budget items in Title 3 (Operational Expenditure) was automatically carried over to C8 in 2024 as payment appropriations to cover for existing commitments, relating to € 13.7M ICT operational expenditure (of which € 9.8M for consultancies, € 3.8M for hardware/software purchases/maintenance and € 89K for telecom costs), € 1.4M operational meetings, € 639K operational equipment, € 402K deployments, € 382K external expertise, € 213K operational training, € 143K missions and € 134K the European Police Chiefs' Conference.
- € 2.1M of differentiated open commitments related to chapter 39 (Grants) was carried over automatically to the following year, under C8 commitment appropriations, without the payment appropriations. The open grants will be paid from the payment appropriations forecast for 2024 under fund source C1. € 2.1M for operational grants (of which € 1.3M for EMPACT, € 747K for ATLAS, € 77K for OTF and € 25K for the Innovation grant).

Internal assigned revenue (fund source C5 to C8)

Appropriations arising from internal assigned revenue carried over from 2023 to fund source C8 amounted to € 12K, mainly for legal expenses and meetings. These funds will be implemented further in 2024.

Internal assigned revenue (fund sources C4 to C5 and C4 to C8)

For internal assigned revenue, an amount of € 2.1M of commitment appropriations and € 2.5M of payment appropriations under fund source C4 was carried over to fund source C5, as available budget for implementation in 2024.

In addition, the outstanding payment appropriations of fund source C4 to cover existing commitments made in 2023 of € 422K was carried over to fund source C8 for further implementation in 2024.

External assigned revenue (fund source R0 to R0)

For external assigned revenue, € 3.1M of commitment appropriations (available budget) and € 5.3M of payment appropriations were carried over to 2024. The payment appropriations carried over related to:

- € 1.7M - Europol Pension Fund;
- € 1.6M - contribution agreement for EMPACT EaP;
- € 889K - contribution agreement for SIRIUS Phase2;
- € 583K - grant agreements under Horizon 2020;
- € 351K - SLA for EUIPO IP Crime;
- € 63K - SLA for EUIPO Fraud;
- € 176K - SLA with CEPOL.

11.3. Budget transfers

Throughout the year, a total number of 34 transfers for fund source C1 (excluding two transfers relating to internal assigned revenue transfers and two relating to payment appropriations were made, for a total amount of almost € 13.4M (or 6.6% of the budget) which is five less than in 2022.

In Title 1 (Staff), a total of € 2M (or 1.8%) was transferred in, due to a higher weighting coefficient for The Netherlands and additional needs of budget.

In Title 2 (Other Administrative Expenditure), a total of € 871K (or 5.4%) was transferred out, due to savings realised from activities not performed for the Strategic Housing Roadmap, partially offset by higher transfers towards electricity costs.

In Title 3 (Operational activities) overall € 1.2M (or 1.5%) of budget was transferred out mainly for the need of salaries. Beside covering the high demand in the deployments and mission budgets, which was increased by € 1.9M during the year, and a transfer in for the EMPACT grants (€ 1.8M), significant budget was reduced in the operational ICT budget (€ 3.1M) in order to cover these additional needs.

All transfers were approved by the Executive Director in accordance with Article 26(1) of the Financial Regulation applicable to Europol, except one which was approved by the Management Board in accordance with Article 26(2) of the Financial Regulation applicable to Europol.

11.4. Budget result

The overall budget result (surplus) for the financial year 2023 came to € 6.3M. This includes the following:

- € 455K of not committed and lapsed commitment appropriations relating to the European Union contribution, for non-differentiated appropriations in the 2023 budget;
- € 14K of not paid payment appropriations relating to differentiated appropriations in the 2023 budget;
- € 3.7M of not used payment appropriations, carried over from 2022 to 2023, which were not used and lapsed;
- € 2.1M which was cashed for the differentiated appropriations, but was not used for the related payment appropriations;
- The exchange rate difference in 2023 was a loss of € 28.