

EMSO ERIC

European Multidisciplinary Seafloor and water column Observatory  
European Research Infrastructure Consortium  
established by European Commission Implementing Decision of 29 September 2016 no. 2016/1757/EU

Registered office: VIA DI VIGNA MURATA 605 ROMA (RM)

Tax registration number: 97908370584 - VAT registration number: IT14062811006

**Balance Sheet - Assets and liabilities as at 31.12.2020**

		2020		2019
<b>ASSETS</b>		<b>2.033.657</b>		<b>1.542.487</b>
<b>non current assets</b>		<b>29.294</b>		<b>33.094</b>
Intangible assets		765		808
Tangible assets (plant, property and equipment)		28.529		32.286
<b>current assets</b>		<b>2.004.363</b>		<b>1.509.393</b>
Inventories		-		-
Long term credits		11.843		11.843
• security deposit	11.843		11.843	
Short term credits		284.551		190.074
• credits for members' statutory contribution in cash	-		-	
• credits for other contribution in cash	279.724		189.962	
• other current credits and receivables	4.827		112	
Cash and cash equivalents		1.706.813		1.304.219
Prepayments and accrued income		1.156		3.257
<b>EQUITY AND LIABILITIES</b>		<b>2.033.657</b>		<b>1.542.487</b>
<b>equity</b>		<b>-</b>		<b>-</b>
Capital and other permanent contributions from Members		-		-
Reserves		-		-
Accumulated surplus		-		-
<b>non-current liabilities</b>		<b>12.208</b>		<b>12.084</b>
Long-term financial debts and loans		-		-
Other long-term debts and liabilities		-		-
Employee's severance indemnity		12.208		12.084
<b>current liabilities</b>		<b>2.021.449</b>		<b>1.530.403</b>
Short-term financial debts		894.022		369.910
Advance payments for project externally funded		334.485		490.674
Advance payments from Members		35.000		
Other short-term debts and liabilities		79.760		125.556
Accrued expenses and deferred income		678.182		544.263
• accrued expenses	-		-	
• deferred income for members' statutory contribution in cash (carryover)	678.182		544.263	
financial year 2016	104.124		104.124	
financial year 2017	235.788		235.788	
financial year 2018	129.299		129.299	
financial year 2019	75.052		75.052	
financial year 2020	133.919		-	

Rome, 21 April 2021

Dr. Juan José Danobeitia Canales,  
General Director  
EMSO ERIC



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**Profit and loss account as at 31.12.2020**

			2020	2019
<b>Revenues</b>			<b>997.896</b>	<b>1.135.193</b>
	National and international grants and contribution		997.421	1.135.146
	• monetary contribution of EMSO ERIC Members	465.000		500.000
	• contribution project externally funded	415.003		498.272
	• contributions in kind by hosting country	159.632		127.670
	• contributions in kind by members	91.705		84.256
	• carry over of the year	(133.919)		(75.052)
	other incomes		475	47
<b>Other revenues</b>	revenues from economic activities		-	-
<b>Operating costs</b>			<b>988.430</b>	<b>1.114.199</b>
	costs for raw materials, supplies and goods		347	468
	costs for services		536.588	641.957
	staff costs		147.674	213.699
	costs of rents, concessions and royalties for trademarks		46.126	42.093
	Other operating costs		6.358	4.056
	Resources committed in-kind to EMSO from contributors		251.337	211.926
<b>Ebitda (Earning before Interests, Taxes, Depreciations and Amortizations)</b>			<b>9.466</b>	<b>20.994</b>
<b>Depreciation</b>			<b>9.166</b>	<b>9.074</b>
<b>Write-downs for impairment of tangible and intangible assets</b>			<b>-</b>	<b>-</b>
<b>Ebit (Earnings before interests and taxes)</b>			<b>300</b>	<b>11.920</b>
<b>Financial income and expenses</b>			<b>37</b>	<b>192</b>
	financial income		77	202
	financial charges		(40)	(10)
<b>Income from investments</b>			<b>-</b>	<b>-</b>
<b>Value adjustments to financial assets</b>			<b>-</b>	<b>-</b>
<b>Result before tax</b>			<b>337</b>	<b>12.112</b>
<b>Income tax</b>			<b>337</b>	<b>12.112</b>
<b>Result for the year</b>			<b>-</b>	<b>-</b>

Rome, 21 April 2021

Dr. Juan José Danobeltia Canales,

General Director  
EMSO ERIC



# EMSO ERIC

European Multidisciplinary Seafloor and water column Observatory

## Statement of Cash Flows

Financial statements as at 31/12/2020

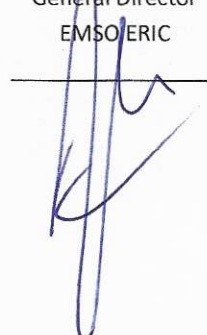
### Financial Statement - Indirect method

	Amount as at 31/12/2020	Amount as at 31/12/2019
<b>A) Financial flow from operations (indirect method)</b>		
Net profit (loss) for the year	-	-
Income taxes	337	12.112
Interest expenses/(income)	(71)	(202)
(Dividends)		
(Capital gains)/Capital losses resulting from asset disposal		
1) Profit (loss) for the year before income taxes	266	11.910
Adjustments for non-monetary elements with no offset in working capital		
Accruals to provisions		
Depreciation of assets	9.166	9.074
Writedowns due to impairment		
Adjustment of value of financial assets and liabilities of derivative financial instruments not involving cash transactions		
Other increasing/(decreasing) adjustments for non-monetary items	4.850	9.137
Total adjustments for non-monetary items with no offset in net working capital	14.016	18.211
2) Financial flow before changes to the net working capital	14.282	30.121
Changes in net working capital		
Decrease/(Increase) of inventories		
Decrease/(Increase) of credits towards contributors - Members		
Decrease/(Increase) of credits towards other contributors	33.100	1.240
Increase/(Decrease) in payables due to suppliers	(2.293)	1.710
Decrease/(Increase) in accrued income and deferred expenses	2.101	678
(Increase)/Decrease in accrued liabilities and deferred income	133.919	75.052
Other decreases/(Other increases) of net working capital	(230.518)	277.010
Total changes in net working capital	(63.691)	355.690
3) Financial flow after changes to the net working capital	(49.409)	385.811
Other adjustments		
Interest collected/(paid)	71	202
(income taxes paid)	(337)	(12.112)
Dividends collected		
(Use of provisions)		
Other collections/(payments)	(4.725)	(97)
Total other adjustments	(4.991)	(12.007)
Financial flow from operations (A)	(54.400)	373.804
<b>B) Financial flow from investing activities</b>		
Tangible fixed assets		

(Investments)	(5.367)	(9.141)
Disinvestments		
Intangible fixed assets		
(Investments)		(850)
Disinvestments		
Financial fixed assets		
(Investments)		
Disinvestments		
Financial assets not classified as noncurrent		
(Investments)		
Disinvestments		
(Acquisition of company branches net of cash and cash equivalents)		
Sale of company branches net of cash and cash equivalents		
<b>Cash flow from investing activities (B)</b>	<b>(5.367)</b>	<b>(9.991)</b>
<b>C) Financial flow from financing activities</b>		
Loan capital		
Increase/(Decrease) in short-term payables due to banks		
New loans (Contribution quotas due to the Partners)	462.361	-
(Reimbursement of loans)		(584.971)
Equity		
Increase in paid share capital		
(Capital reimbursement)		
Disposal/(Purchase) of treasury shares		
<b>Cash flow from financing activities (C)</b>	<b>462.361</b>	<b>(584.971)</b>
<b>Increase (decrease) in cash and cash equivalents (A ± B ± C)</b>	<b>402.594</b>	<b>(221.158)</b>
Effect of exchange rates on cash and cash equivalents		
Cash and cash equivalents at the beginning of the year		
bank deposits	1.303.515	1.525.248
cheques		
Cash and equivalents on hand	704	129
Total cash and cash equivalents at the beginning of the year	1.304.219	1.525.377
Of which, not freely usable		
Cash and cash equivalents at the year end		
bank deposits	1.705.786	1.303.515
cheques		
Cash and equivalents on hand	1027	704
Total cash and cash equivalents at the end of the year	1.706.813	1.304.219
Of which, not freely usable		
Balance difference	-	-

Rome, 21 APRIL 2021

Dr. Juan José Danobeitia Canales,  
General Director  
EMSO/ERIC






# EMSO ERIC NOTES TO THE FINANCIAL STATEMENTS

AS OF 31.12.2020



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## 1. FOREWORD

On September 29th, 2016 the European Commission launched the European Research Infrastructure “The European Multidisciplinary Seafloor and Water Column Observatory through the establishment of the EMSO-ERIC- European Research Infrastructure Consortium”. Members of the Consortium, together with Italy, as hosting country, are France, Greece, Ireland, Portugal, Romania, Spain and the United Kingdom. The registered office of the Consortium is in Rome and is currently hosted c/o Istituto Nazionale di Geofisica e Vulcanologia (INGV) that is the Italian hosting organization.

EMSO ERIC is a not-for-profit legal entity/international organization undertaking mainly non-economic R&D activities which started in 2016. Since then, EMSO ERIC has shown a continuous growth of revenues essentially due to the increase of the number of EC funded projects while the contributions from the Member States have been constant (See Table 1).

It should be noticed that -starting as of January 1<sup>st</sup>2021- EMSO ERIC Members Countries are 9 as a consequence of the admission of Norway as a new Member State.

**Table 1. Evolution of on-going funded EC Projects as of December 31<sup>st</sup> 2020.**

ACRONYM	N.GA CONTRACT	FROM	TO	COORDINATOR	BUDGET EMSO ERIC	REVENUES 2017	REVENUES 2018	REVENUES 2019	REVENUES 2020	REVENUES (est.) 2021	BALANCE 2022-2023
EMSO-Link	731036	01/03/2017	31/08/2020	EMSO-ERIC	539.926	91.266	214.377	234.284	171.721	-	-
DANUBIUS-PP	739562	01/12/2016	30/11/2019	GeoEcoMar	47.187	7.960	16.255	22.972	11.091	-	-
ENVRiplus	654182	01/01/2018	31/07/2019	ICOS ERIC	68.795	-	25.392	43.403	-	-	-
ENVRi-FAIR	824068	01/01/2019	31/12/2022	FZJ	650.862	-	-	148.380	145.464	185.000	172.018
ERIC Forum	823798	01/01/2019	31/12/2022	BBMRI ERIC	44.166	-	-	3.680	21.424	12.000	7.062
Eurofleets+	824077	01/02/2019	31/01/2023	MI	129.000	-	-	45.198	35.778	25.000	23.024
Eurosea	862626	01/11/2019	31/12/2023	GEOMAR	27.500	-	-	355	1.841	8.000	17.304
ATLANTECO	862923	01/09/2020	31/08/2024	SZN	17.000	-	-	-	1.965	5.000	10.035
ERIITC	871112	01/01/2020	31/12/2022	ESS	109.531	-	-	-	25.720	50.000	33.811
Egi-ACE	101017567	01/01/2021	30/06/2023	Egi Foundation	134.375	-	-	-	-	70.000	64.375
MINKE	101008724	01/04/2021	31/03/2025	CSIC	186.750	-	-	-	-	45.000	141.750
<b>TOTAL</b>					<b>1.955.092</b>	<b>99.226</b>	<b>256.024</b>	<b>498.272</b>	<b>415.004</b>	<b>400.000</b>	<b>469.379</b>

Table 2 effectively shows the overall trend in terms of financial strategy followed by the ERIC. In order to sustain growth the working capital has been guaranteed by an adequate creation of reserves (cash carry-over) which allowed EMSO ERIC to finance the growth without engaging the ERIC in undertaking debts and obligations towards third parties.

The cash flow reserve – foreseen to decrease in 2020 -has been kept to a steady level due to the reduced current operational expenses (mainly travel cost) in 2020 due to the reduced expenses generated by the limited mobility of the employees/ consultants and their limited presence in the office due COVID-19 pandemic.



Table 2. Evolution of Revenues vs Cash carry-over

Year	Cash-carry-over (in Euro)	Revenues (in Euro)	Yearly Cash-carryover/ Revenues
2016	104.124	125.999	0,83
2017	235.788	496.954	0,47
2018	129.299	754.625	0,17
2019	75.052	998.319	0,08
2020	133.919	880.479	0,15
2021 (est.)	128.800	900.000	0,14
<b>Total</b>	<b>806.982</b>		

However, the cash carry over is being progressively reduced up to a sustainable level which now allows EMSO ERC to face its current and medium-term obligations and carry out its institutional activities avoiding to charge the Member States.

In fact, in April 2020 EMSO ERIC has submitted and started the discussion with the AoM about the Service deployment plan. The present Report provides an overview of the Research Infrastructure services implementation plan for the period 2021-2023 including the estimation (i) of the required Human Resources for the period, (ii) of the required capital and recurrent costs.

The activities described in the document circulated to the AoM foresee (i) a financial requirement of 300.000 to cover the equipment investments, (ii) an investment in staff and in-kind recruitment for deployment and operation of 648.000 Euro and an estimated capital requirement both in cash and in-kind of 948.000 Euro.

The launch of the first service (Data Service) is ongoing as of the date of redaction of the present Report. The 2021 will mark a key milestone in EMSO ERIC growth since the Data and Information services will be fully operational and the EMSO ERIC Services Deployment Plan is expected to be reviewed and approved by the Assembly of Members during 2021.

EMSO ERIC has strongly relied on its Host Organization (INGV) which since 2016 provided a significant financial support which respect to the other Member States but also on the availability of the In-Kind Contributions which have been full used by EMSO ERIC to guarantee the start-up phase.

In addition, since 2017 the Spanish Institution CSIC started to provide a significant In-Kind contribution covering the salary cost of the Director General (See Table 3) and other in-kind support.



Table 3. 2020 In-Kind contributions provided by INGV and CSIC

Profile	2020 (in €)	2020 (FTE)	2021 (Est. in €)	2021 (FTE)
<b>IN-KIND</b>				
CSIC	91.705	1	92.000	1
INGV	159.632	2,25 (27 MM)	207.000	2,67 (32 MM)
	<b>251.337</b>	<b>3,25</b>	<b>299.000</b>	<b>3,67</b>
<b>PERSONNEL</b>	<b>457.010</b>	<b>4,75</b>	<b>481.200</b>	<b>5,55</b>
<b>TOTAL</b>	<b>708.347</b>	<b>8</b>	<b>780.200</b>	<b>9,22</b>

### 1.1 COVID-19 pandemic effects

The impacts of the current COVID-19 pandemic are still a challenge throughout Europe. At the moment of the redaction of the present Report EMSO ERIC is implementing all the necessary measures foresee a short-term impact on its operations and financial positions as a result of the COVID-19 pandemic. However, some level of information and predictions will be required to duly inform the AoM of material information that may have an impact on the 2020-2021 financial statements and for periods after the 2020 balance sheet approval date.

Measures for protecting workers from exposure to and infection with SARS-CoV-2, the virus that causes Coronavirus Disease 2019 (COVID-19), depends on exposure risk. That risk varies based on the type of work being performed, the potential for interaction (prolonged or otherwise) with people, and contamination of the work environment. EMSO ERIC adopted infection prevention and control strategies based on a thorough workplace hazard assessment, using appropriate combinations of engineering and administrative controls, safe work practices, and personal protective masks to prevent worker exposures.

Some measures applied to preventing occupational exposure to SARS-CoV-2 also required EMSO ERIC to train workers on elements of infection prevention and control, including the social distancing and the use of protective masks.

Nevertheless, though the short-term expected impact of COVID-19 pandemic on EMSO ERIC is relatively low for the time being. However, EMSO ERIC must assume that the uncertainty will occur and an assessment of any future effects should be carried out. Among the possible assumptions to be assessed there is the impact from new possible shutdowns or quarantines, the implication of recently issued Italian and European laws, and the status of companies within the EMSO ERIC supply chain. EMSO ERIC has assessed assumptions and included the related details regarding such assumptions in the Financial Statements projections.

Given the rapid changes, EMSO ERIC will need to be monitoring the going concern assessment, conclusion and disclosures closely up to the point of issuance. In light of the ongoing global health crisis, EMSO ERIC has promptly put in place a plan to ensure: (i) the health and safety of the employees and consultants and of those of our service providers, (ii) continuity of essential internal operations, and (iii) limitation of financial impacts and protection of financial liquidity.

## 1. Evaluation criteria

The financial statements have been compiled in accordance with the principles of clarity and transparency and provide a correct and exhaustive framework of information on ownership relations, as well as economic and financial relations implemented by the Consortium in carrying out its activities. They have been compiled taking into account International Public Sector Accounting Standards (IPSAS), according and conforming to the legal characteristics of a not for profit international institution and the specific scope of EMSO.

### Balance sheet

The items in the balance sheet are classified into non-current/current.

#### Assets

**"Non-current"** assets are long-term investments where the full value will not be realized within the accounting year. Examples of noncurrent assets include intangible assets such as intellectual property, plant and equipment.

The non-current assets may include tangible assets (such as computers and other minor electronic tools), intangible assets (such a licenses and in general all assets not related to the operating cycle and realizable after 12 months from the balance sheet date).

**"Current"** assets are assets that can be converted into cash within one operating cycle.

The assets are classified as "current" assets when:

- They have been realized during the normal operating cycle of the institution;
- They are cash or equivalent complement not restricted in its use.

#### Prepayments and accrued income

The items include deferred expenses and accrued incomes whose competence is advanced or delayed with respect to cash or documentary.

#### Liabilities

**"Non current"** liabilities are long-term financial obligations that are not due within the present accounting year.

**"Current"** liabilities are related to the operating cycle; liabilities have been considered as "current" when:

- They are extinct in the course of the normal operating cycle of the institution;
- The extinction is due within 12 months from the balance sheet date.



### Accrued expenses and deferred incomes

This item includes the amount of funds received for the year 2020 and not yet fully used, following the accrual basic principle, by 31.12.2020 for the purposes they were intended. They will therefore be used in coming years for the same purposes.

This item represents the **carry-over** for balances of subsequent years to that under review. In this regard, the Consortium is obliged to operate in future years in fulfilment of the mandate conferred by the General Assembly in compliance with the scope designated by Statutory monetary yearly contribution.

### In-kind contributions

Contributions in kind have been acquired in the financial statements on the basis of the details contained in the document entitled "Methodology for Defining the Values Involved in the EMSO-ERIC Activities, and to Detail the In-kind Contributions", when available, under the conditions specified therein. The in-kind contributions are referred to resources (personnel) contributed by INGV and CSIC 2020 to strengthen EMSO general activities. The value of these resources has been determined by the financial department of each Contributor.

### Profit and loss account

The drawing-up of the profit and loss account is regulated by the IPSAS, integrated and conformed to be consistent with the characteristics and scopes of EMSO-ERIC.

#### Incomes

Incomes are increases of the benefits connected to the administrative year.

#### Costs/Expenses

Costs/expenses are decreases of the economic benefits of the administrative year. The analysis of costs has been explained in the overview of the profit and loss account using a classification based on their nature.

## 2. In-kind contributions

The Financial Statement includes "In-kind" (non-monetary) contributions from the Members evaluated on the base of the cost of the production factors related (exhausting their utilities during the ordinary cycle).

The Financial Statement does not include "in-kind" contributions related to cover investments (in tangible and intangible assets).

The cost of personnel allocated as in-kind contribution, certified by the Financial Office of each Contributor, is not reported as cost for external funded projects and therefore do not generate revenues for EMSO-ERIC.

In kind contribution are included in the costs and in the revenues for the same value according to IPSAS 23.

### 3. General information

It is stated that 2020 represents the fifth financial year of EMSO.



#### 4. Assets

##### Non-current assets

Total non-current assets:

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
33.094	29.294	(3.800)

##### Intangible assets

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
808	765	(43)

The composition is as follows:

Description	Initial cost	Investment /disinvest.	Final cost	Amortization/D epreciation	Amortization/D epreciation fund	Residual value
<b>Intangible Assets</b>						
Software	3.218	-	3.218	-	3.218	-
Trademark	850	-	850	42	85	765
<b>Total</b>	<b>4.068</b>	<b>-</b>	<b>4.068</b>	<b>42</b>	<b>3.303</b>	<b>765</b>

##### Tangible assets

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
32.286	28.529	(3.757)

The composition is as follows:

Description	Initial cost	Investment /disinvest.	Final cost	Amortization/D epreciation	Amortization/D epreciation fund	Residual value
<b>Tangible Assets</b>						-
Office equipment	40.249	4.476	44.725	7.282	17.909	26.816
Mobile phones	6.411	780	7.191	1.730	5.478	1.713
Other minor tangible assets	2.811	111	2.922	111	2.922	-
<b>Total</b>	<b>49.471</b>	<b>5.367</b>	<b>54.838</b>	<b>9.123</b>	<b>26.309</b>	<b>28.529</b>

### Current assets

Total current assets:

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
1.509.393	2.004.363	494.970

### Long-term credits

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
11.843	11.843	

The composition of the amount as at 31/12/2020 is as follows:

Description	After 12 months	Total
Deposit for real estate rent	11.700	11.700
Deposit for utilities	143	143
<b>Total</b>	<b>11.843</b>	<b>11.843</b>

“Deposit for real estate rent” refers to the caution deposit (security) paid for the General Director’s accommodation.



### Short-term credits

Total short-terms credits:

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
190.074	284.551	94.477

The composition of the amount as at 31/12/2020 is as follows:

Description	Within 12 months	Total
Credits for members' statutory contribution in cash	-	-
Credits for other contribution in cash	<b>279.724</b>	<b>279.724</b>
- Credits to EU (Emso-link funds)	217.973	217.973
- Credits to NERC (Emso-link funds)	61.751	61.751
Other current credits and receivables	<b>4.827</b>	<b>4.827</b>
<b>Total</b>	<b>284.551</b>	<b>284.551</b>

All Members' statutory contribution in cash have been cashed. The contribution related to the entire year is equal to € 465.000 (of which euro 220.000 from the Italian Hosting Country and euro 245.000 from the other Members).

The item "Credits for contribution in cash" to EU represents:

- the credit to European Commission referred to Emso-link EU project (Euro 217.973); the credit has been collected in the first month 2021.
- the credit to NERC referred to project underspending by this Partner within EMSO LINK

### Cash and cash equivalents

The balance represents cash at the bank (ordinary and additional dedicated account) and in hand and thus the existing cash at the end of the financial year. The balance represents the liquid assets and the existing cash at the end of the year. Cash is held at the Bank Crédit Agricole CARIPARMA. In addition to the ordinary account, two dedicated account were opened, at the same bank, for EMSO-Link European Commission project and for ENVRI-FAIR European Commission project.

Description	Balance as of 31/12/2019	Balance as of 31/12/2020	Difference
Bank deposits	1.303.515	1.705.786	402.271
Cash	704	1027	323
<b>Total</b>	<b>1.304.219</b>	<b>1.706.813</b>	

### Prepayments and accrued income

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
3.257	1.156	(2.101)

In general, the item measures expenses calculated on accrual basis irrespectively from cash or documentary. This amount mainly represents prepaid expenses related to costs for insurances and other minor services whose utility is postponed to the next year.

## 5. Equity and liabilities

### EQUITY

#### Capital and other permanent contributions from Members

No values are entered for in this item.

#### Reserves

No values are entered for in this item (with the exception of rounding).

#### Accumulated surplus

No values are entered for in this item.



### Non-current liabilities

Total non-current liabilities:

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
12.084	12.208	124

### Long-term financial debts and loans

No values are entered for in this item.

### Other long-term debts and liabilities

No values are entered for in this item.

### Employee's severance indemnity

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
12.084	12.208	124

This item represents the actual debt of EMSO-ERIC at 31/12/2020, to employees in force at that date (n. 2 employees) and it is made up as follows:

Description	
Initial value	12.084
Severance accrued during the year	4.850
Severance paid during the year	-4.707
Tax	-19
End value	12.208

At 31/12/2020 advances have not been required by employees.

### Current liabilities accrued expenses and deferred income

Total current liabilities and accrued expenses and deferred income:

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
1.530.403	2.021.449	491.046

### Short-term financial debts

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
369.910	894.022	524.112

This item includes the contribution quotas due to the Partners for their participation to EMSO-LINK Project and ENVI-FAIR Project.

### Advance payments for project externally funded

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
490.674	334.485	(156.189)

This item includes the residual prepayment (after reduction for the cost claimed for the period) received from EU for participation to the following projects:

- Eurofleets Plus Euro 28.674
- Envri Fair Euro 216.295
- Eric Forum Euro 15.740
- Eurosea Euro 11.096
- Enriitc Euro 56.429
- Atlanteco Euro 6.251

### Advance payments from Members

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
-	35.000	35.000

The item includes a prepayment received by a Member relate to 2021 monetary contribution.



### Other short-term debts and liabilities

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
125.556	79.760	(45.796)

Detailed as follows:

Description	31/12/2019	31/12/2020	Difference
Debts to suppliers	56.482	49.188	(7.294)
Debts to General Director	5.000	5.000	
Payables to employees	24.160	15.303	(8.857)
Payables to social security institutions	12.522	4.074	(8.448)
Withholding taxes	9.699	5.826	(3.873)
Tax payables	11.145	-	(11.145)
Other payables	6.548	369	(6.179)
<b>TOTAL</b>	<b>125.556</b>	<b>79.760</b>	

Debts are valued at their nominal value and the expiration of the same is as follows:

- "Debts to suppliers" includes liabilities for purchases of goods and services;
- "Payables to employees" includes the remuneration of the month of December (Euro 3.799) and deferred remuneration for holidays and work permits (11.495 Euro);
- "Payable to social security institutions" includes the amount of social security contributions related to employees, accrued but not paid as at 31 December 2020;
- "Withholding taxes" includes withheld taxes for employees and collaborators;
- "Tax payables" includes liabilities for taxes and, for the year 2020, represents IRAP (regional tax) and intra-UE VAT;
- "Other payables" includes remaining debts of different nature.

### Accrued expenses and deferred income

These items are related to incomes and costs referring to the period calculated on an accrual basis.

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
544.263	678.182	133.919

### Accrued expenses

No values are entered for in this item.

### Deferred income

Deferred income stated the amount of members' contribution portion attributable to future financial years.

The item is detailed as follows:

Description	Amount 2019	Amount 2020
Deferred income to carry-over 2016	104.124	104.124
Deferred income to carry-over 2017	235.788	235.788
Deferred income to carry-over 2018	129.299	129.299
Deferred income to carry-over 2019	75.052	75.052
Deferred income to carry-over 2020		133.919
<b>TOTAL</b>	<b>544.263</b>	<b>678.182</b>

The annual monetary contribution by Members was fixed in the amount equal to 465.000 while the resources deferred to following years as carry over are € 133.919.

The amount of carry-over is composed as follows:

Description	Amount
Resources committed to cover depreciation quotes	29.294
Resources committed to ordinary activities	648.888
<b>TOTAL</b>	<b>678.182</b>

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## 6. Income statement, Profit and loss account

### Revenues

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
1.135.193	997.896	(137.297)

The composition of the "Revenues" at 31/12/2020 is as follows:

	2019	2020
<u>Contribution in cash</u>		
Monetary contribution of EMSO ERIC Members	465.000	465.000
( carry-over)	-75.052	-133.919
Una tantum cash contribution RE	35.000	-
H2020 EMSO-LINK Project	234.284	171.721
H2020 DANUBIUS Project	22.972	11.091
H2020 ENVRI PLUS Project	43.403	-
H2020 ERIC FORUM Project	3.680	21.424
H2020 EUROFLEETS PLUS Project	45.198	35.778
H2020 ENVRI FAIR Project	148.380	145.464
H2020 EUROSEA Project	355	1.841
H2020 ENRIITC Project	-	25.720
H2020 ATLANTECO Project	-	1.965
<u>Contribution in kind</u>		
contributions in kind by hosting country	127.670	159.632
contributions in kind by members	84.256	91.705
<b>Total National and international grants and contribution</b>	<b>1.135.146</b>	<b>997.421</b>
<b>Total Other revenues</b>	<b>47</b>	<b>475</b>
<b>TOTAL REVENUES</b>	<b>1.135.193</b>	<b>997.896</b>

### National and international grants and contribution

Contributions items identify:

- the portion of the cash contribution for the financial year allocated by the Members for the Consortium's starting activities to cover the ordinary operating expenses.

- the 2020 cash contribution related to projects externally funded (equal to Euro 415.003);
- the 2020 in kind contribution for staff cost made available by R.E. INGV (€ 159.632)
- the 2020 in kind contribution for staff cost made available by CSIC (€ 91.705).

### Other incomes

“Other incomes” refers to refunds and rounding figures.

### Other revenues

During the year, Emso Eric did not carry out commercial activities, so it did not achieve any other revenue.

### Operating costs

It is stated that the Consortium, in the context of purchases realized and within the limits following the Statute, may use VAT exemptions granted on the basis of Article 143(1)(g) and Article 151(1)(b) of Council Directive 2006/112/EC, and in accordance with Articles 50 and 51 of Implementing Regulation (EU) No. 282/2011 of the Council.

When it was not possible to invoke the exemption, the cost of VAT is included in the cost to which it refers.

Total operating costs:

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
1.114.199	988.430	(125.769)

### Costs for raw materials, supplies, consumables and goods

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
468	347	(121)

This item includes costs incurred for the supply of consumables and tangibles of small amount.



### Costs for services

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
641.957	536.588	(105.369)

It has been decided to detail the item services, to facilitate fair presentation of the budget determined by the operating characteristics of the Consortium.

Description	31.12.2019	31.12.2020	Difference
General Director - secondment indemnity	60.000	60.000	-
General Director - accomodation	27.295	26.645	(650)
General Director - travel cost	40.808	7.723	(33.085)
Financial Officer	58.792	57.448	(1.344)
Support to financial officer	2.625	5.000	2.375
Strategic Advisor	77.012	75.809	(1.203)
Project Management	5.000	-	(5.000)
IT consultancy	-	12.200	12.200
Innovation and external relations office	79.831	60.510	(19.321)
Data Protection officer	5.000	6.750	1.750
Support to strategic plan	14.000	-	(14.000)
IT Director	113.048	117.561	4.513
Conference organization	23.651	24.295	644
Fee for conference and issues	3.515	-	(3.515)
Telephone and communication utilities	9.146	7.153	(1.993)
Other services for the premises	6.550	6.745	195
IT support	10.440	7.208	(3.232)
Publicity, procurement	4.646	313	(4.333)
Auditor fees	6.000	7.500	1.500
Audit progetti finanziati	-	832	832
Fiscal and administrative consultancy and accounting services	18.368	18.231	(137)
Quality consultancy	-	5.250	5.250
Legal consultancy	3.050	457	(2.593)
Other consultancy	-	8.926	8.926
Trademark registration support	936	-	(936)
Travel costs for employees and collaborators	47.353	12.687	(34.666)
Staff training	20.000	-	(20.000)
Insurance	2.006	2.651	645
Postage	1.033	905	(128)
Bank charges	1.596	1.802	206
Other services	256	1.989	1.733
<b>Total</b>	<b>641.957</b>	<b>536.588</b>	

### Staff costs

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
213.699	147.674	(66.025)

This item includes the cost of staff directly employed in EMSO-ERIC.

At 31/12/2020 EMSO has n. 2 people hired with the status of employee of which n. 1 part-time.

Staff costs includes:

Description	31.12.2019	31.12.2020
Salaries	156.238	107.709
Social security charges	48.216	32.253
Severance indemnities	9.137	7.448
Other personnel costs	108	264
<b>TOTAL</b>	<b>213.699</b>	<b>147.674</b>

### Costs of rents, concessions and royalties for trademarks

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
42.093	46.126	4.033

This item represents:

- for Euro 31.032 the fee for the rent of the office in Via Resti (included condominium expenses);
- for Euro 14.303 the cost for licences of the software;
- for Euro 792 other minor fees.



### Other operating costs

Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
4.056	6.358	2.302

Other operating costs consist of costs for stationery, administrative costs and other minor costs.

### Resources committed in-kind to EMSO from contributors

Description	Balance as at 31/12/2019	Balance as at 31/12/2020	Difference
In kind by R.E. INGV	127.670	159.632	31.962
In kind by Members	84.256	91.705	7.449
<b>Total</b>	<b>211.926</b>	<b>251.337</b>	<b>39.411</b>

In-kind contributions have been accounted on the basis of International Public Sector Accounting Standard (IPSAS) n.23.

This accounting standard is focused on contributions from non-exchange transactions, which have the following characteristics:

- 1) are not-reciprocal transfers;
- 2) are transfers of non monetary nature to or from entities acting on the basis of a specific agreement;
- 3) are made or received on a voluntary basis and valorised following to cost to basis criteria;
- 4) in particular, for services contributed in kind, these are accounted even in the cost and in the revenues of the receiving entities, depending on the fact that it is possible and objective to give a proper valorisation to them.

The cost of Euro 159.632 represents the staff contributed in kind by the Hosting Country (R.E. INGV), for the secondment of the following collaborators:

Professional profile	In kind contribution
Programme Officer	28.906
Support to Programme Officer	31.480
Science Officer	64.781
Liason with Hosting Institution	8.801
Graphic Designer	6.409
System Engineer	19.254
	<b>159.632</b>

The cost of Euro 91.705 represents the staff contributed in-kind by CSIC (Consejo Superior Investigaciones Científicas) for the secondment of the General Director.

Professional profile	In kind contribution
General Director	91.705
	<b>91.705</b>

### Depreciation (of intangible and tangible assets)

Depreciation is calculated on the basis of the useful life of the asset and its use in production. For the first year of use, the percentages applied have been reduced by half.

Description		Depreciation
<b>Intangible Assets</b>		
Software	33,33%	-
Trademark	5,00%	43
<b>Total intangible assets</b>		<b>43</b>
<b>Tangible Assets</b>		
Office equipment - furniture	15,00%	3.383
Office equipment - pc and other electronic machines	20,00%	3.899
Mobile phones	33,33%	1.730
Other minor tangible assets	100,00%	111
<b>Total tangible assets</b>		<b>9.123</b>
<b>TOTAL</b>		<b>9.166</b>

### Financial income and expenses

Description	31.12.2019	31.12.2020	Difference
Interest income	202	77	(125)
Exchange rate losses	(10)	(6)	4
Exchange rate income	-	(34)	(34)
<b>Total</b>	<b>192</b>	<b>37</b>	

Financial income refers to bank interest income and interest on security deposits; financial expenses refer to exchange rate differences.



### Income tax

current tax	31/12/2019	31/12/2020	Difference
IRAP	12.112	337	(11.775)
<b>Total</b>	<b>12.112</b>	<b>337</b>	

In 2020 EMSO carried on only no commercial activities, but, since is subject to Italian fiscal legislation, it has to calculate IRAP.

About this tax, EMSO adopts the "remuneration system" (art. 10 of Legislative Decree 446/1997); this system provides that the tax base is determined from the sums paid for salaries of the employees, for incomes assimilated and for remuneration paid for coordinated and continuous collaborations or for activities of self-employment not practiced professionally.

The amount (euro 337) takes into account the fiscal benefit granted by the Italian legislation due to the covid19 pandemic.

Rome, 2 April 2021

Dr. Juan José Danobeitia Canales  
General Director

