

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 31.12.2021**

		2021		2020
<b>ASSETS</b>		<b>1.316.262</b>		<b>2.033.657</b>
<b>non current assets</b>		<b>26.402</b>		<b>29.294</b>
Intangible assets		723		765
Tangible assets (plant, property and equipment)		25.679		28.529
<b>current assets</b>		<b>1.289.860</b>		<b>2.004.363</b>
Inventories		-		-
Long term credits		11.843		11.843
▪ security deposit	11.843		11.843	
Short term credits		49.000		284.551
▪ credits for members' statutory contribution in cash	35.000		-	
▪ credits for other contribution in cash	-		279.724	
▪ other current credits and receivables	14.000		4.827	
Cash and cash equivalents		1.225.296		1.706.813
Prepayments and accrued income		3.721		1.156
<b>EQUITY AND LIABILITIES</b>		<b>1.316.262</b>		<b>2.033.657</b>
<b>equity</b>		<b>-</b>		<b>-</b>
Capital and other permanent contributions from Members		-		-
Reserves		-		-
Accumulated surplus		-		-
<b>non-current liabilities</b>		<b>14.874</b>		<b>12.208</b>
Long-term financial debts and loans		-		-
Other long-term debts and liabilities		-		-
Employee's severance indemnity		14.874		12.208
<b>current liabilities</b>		<b>1.301.388</b>		<b>2.021.449</b>
Short-term financial debts		132.796		894.022
Advance payments for project externally funded		335.323		334.485
Advance payments from Members		-		35.000
Other short-term debts and liabilities		95.095		79.760
Accrued expenses and deferred income		738.174		678.182
▪ accrued expenses	-		-	
▪ deferred income for members' statutory contribution in cash (carryover)	738.174		678.182	
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		133.919	
financial year 2021	59.992			

Dr. Juan José Dancoletta Canales,  
General Director  
EMSO ERIC

Rome, April 2022

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Tax registration number: 97908370584 - VAT registration number: 14062811006

**Profit and loss account as at 31.12.2021**

			2021		2020
<b>Revenues</b>			<b>1.065.769</b>		<b>997.896</b>
	National and international grants and contribution		1.063.900		997.421
	* monetary contribution of EMSO ERIC Members	570.000		465.000	
	* contribution project externally funded	269.887		415.003	
	* contributions in kind by hosting country	191.609		159.632	
	* contributions in kind by members	92.396		91.705	
	* carry over of the year (-)	(59.992)		(133.919)	
<b>Other revenues</b>			<b>1.869</b>		<b>475</b>
	revenues from economic activities	1.746			
	others	123		475	
<b>Operating costs</b>			<b>1.042.337</b>		<b>988.430</b>
	costs for raw materials, supplies and goods	1.834		347	
	costs for services	462.651		536.588	
	staff costs	237.750		147.674	
	costs of rents, concessions and royalties for trademarks	42.742		46.126	
	Other operating costs	13.355		6.358	
	Resources committed in-kind to EMSO from contributors	284.005		251.337	
<b>Ebitda (Earning before Interests, Taxes, Depreciations and Amortizations)</b>			<b>23.432</b>		<b>9.466</b>
<b>Depreciation</b>			<b>10.228</b>		<b>9.166</b>
<b>Write-downs for impairment of tangible and intangible assets</b>			-		-
<b>Ebit (Earnings before interests and taxes)</b>			<b>13.204</b>		<b>300</b>
<b>Financial income and expenses</b>			<b>3</b>		<b>37</b>
	financial income		3		77
	financial charges (-)				(40)
<b>Income from investments</b>			-		-
<b>Value adjustments to financial assets</b>			-		-
<b>Result before tax</b>			<b>13.207</b>		<b>337</b>
<b>Income tax</b>			<b>13.207</b>		<b>337</b>
<b>Result for the year</b>			-		-

Dr. Juan José Danobertía Canales,

General Director

EMSO ERIC

Rome, April 2022



# EMSO ERIC

## European Multidisciplinary Seafloor and water column Observatory

### Statement of Cash Flows

*Financial statements as at 31/12/2021*

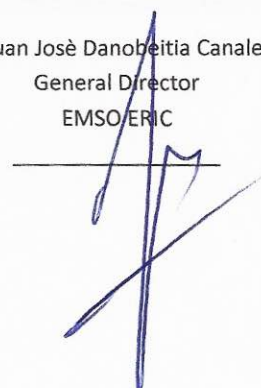
#### Financial Statement - Indirect method

	Amount as at 31/12/2021	Amount as at 31/12/2020
<b>A) Financial flow from operations (indirect method)</b>		
Net profit (loss) for the year	-	-
Income taxes	13.207	337
Interest expenses/(income)	(3)	(71)
(Dividends)		
(Capital gains)/Capital losses resulting from asset disposal		
1) Profit (loss) for the year before income taxes	13.204	266
Adjustments for non-monetary elements with no offset in working capital		
Accruals to provisions	2.666	4.850
Depreciation of assets	10.228	9.166
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	-	-
Total adjustments for non-monetary items with no offset in net working capital	12.894	14.016
2) Financial flow before changes to the net working capital	26.098	14.282
Changes in net working capital		
Decrease/(Increase) of inventories		
Decrease/(Increase) of credits towards contributors - Members	(35.000)	-
Decrease/(Increase) of credits towards other contributors	(1.746)	33.100
Increase/(Decrease) in payables due to suppliers	(20.687)	(2.293)
Decrease/(Increase) in accrued income and deferred expenses	(2.565)	2.101
(Increase)/Decrease in accrued liabilities and deferred income	59.992	133.919
Other decreases/(Other increases) of net working capital	212.407	(230.518)
Total changes in net working capital	212.401	(63.691)
3) Financial flow after changes to the net working capital	238.499	(49.409)
Other adjustments		
Interest collected/(paid)	-	71
(income taxes paid)	(13.207)	(337)
Dividends collected		
(Use of provisions)		
Other collections/(payments)	-	(4.725)
Total other adjustments	(13.207)	(4.991)
Financial flow from operations (A)	225.292	(54.400)
<b>B) Financial flow from investing activities</b>		
Tangible fixed assets		

(Investments)	(7.334)	(5.367)
Disinvestments		
<i>Intangible fixed assets</i>		
(Investments)		
Disinvestments		
<i>Financial fixed assets</i>		
(Investments)		
Disinvestments		
<i>Financial assets not classified as noncurrent</i>		
(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>(7.334)</b>	<b>(5.367)</b>
<b>C) Financial flow from financing activities</b>		
<i>Loan capital</i>		
Increase/(Decrease) in short-term payables due to banks		
New loans (Contribution quotas due to the Partners)	-	462.361
(Reimbursement of loans)	(699.475)	
<i>Equity</i>		
Increase in paid share capital		
(Capital reimbursement)		
Disposal/(Purchase) of treasury shares		
<b>Cash flow from financing activities (C)</b>	<b>(699.475)</b>	<b>462.361</b>
<b>Increase (decrease) in cash and cash equivalents (A ± B ± C)</b>	<b>(481.517)</b>	<b>402.594</b>
Effect of exchange rates on cash and cash equivalents		
<i>Cash and cash equivalents at the beginning of the year</i>		
bank deposits	1.705.786	1.303.515
cheques		
Cash and equivalents on hand	1.027	704
<b>Total cash and cash equivalents at the beginning of the year</b>	<b>1.706.813</b>	<b>1.304.219</b>
<i>Of which, not freely usable</i>		
Cash and cash equivalents at the year end		
bank deposits	1.225.035	1.705.786
cheques		
Cash and equivalents on hand	261	1027
<b>Total cash and cash equivalents at the end of the year</b>	<b>1.225.296</b>	<b>1.706.813</b>
Of which, not freely usable		
Balance difference	-	-

Rome, April 2022

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





# EMSO ERIC NOTES TO THE FINANCIAL STATEMENTS

AS OF 31.12.2021

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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". 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.

Members of the Consortium, together with Italy, as hosting country, are France, Greece, Ireland, Portugal, Romania, Spain and the United Kingdom. It should be highlighted that - as of January 1<sup>st</sup>2021- Norway was accepted as new Member country while the United Kingdom has decided to withdraw from its membership starting from 2023 : as a consequence the Member countries are still 9 in 2022 and will be 8 in 2023 . Negotiations are on-going with the new potential Member countries and the negotiations are expected to be finalized by the end of 2023.

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 activities 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).

**Table 1. Evolution of on-going funded EC Projects as of December 31<sup>st</sup> 2021.**

ACRONYM	COORDINATOR	BUDGET EMSO ERIC	REVENUES 2019	REVENUES 2020	REVENUES 2021	REVENUES 2022	BALANCE 2023-2025
EMSO-Link	EMSO-ERIC	539.926	234.284	171.721	-	-	-
DANUBIUS-PP	GeoEcoMar	47.187	22.972	11.091	-	-	-
ENVRiplus	ICOS ERIC	68.795	43.403	-	-	-	-
ENVRI-FAIR	FZJ	650.862	148.380	145.464	191.708	165.310	0
ERIC Forum	BBMRI ERIC	44.166	3.680	21.424	9.751	9.311	0
Eurofleets+	MI	129.000	45.198	35.778	20.131	23.000	4.893
Eurosea	GEOMAR	27.500	355	1.841	2.746	10.000	12.559
ATLANTECO	SZN	17.000	-	1.965	2.721	3.000	9.314
ERIITC	ESS	109.531	-	25.720	35.123	48.688	0
Egi-ACE	Egi Foundation	134.375	-	-	-	80.000	54.375
MINKE	CSIC	186.750	-	-	4.006	43.000	139.745
DOORS	GEOECOMAR	140.000	-	-	3.703	37.691	98.606
<b>TOTAL</b>		<b>2.095.092</b>	<b>498.272</b>	<b>415.004</b>	<b>269.887</b>	<b>420.000</b>	<b>319.492</b>

Table 2 illustrated the summary of EMSO Eric economic results for 2021(Income statement) and the 2022 budget.

Table 2. 2021 Income statement and 2022 budget

## 2021 P&L Accounts\* & 2022 Budget:

Revenues	2021	2022(est.)
<b>INGV</b>	<b>220.000</b>	<b>220.000</b>
INGV additional cash contribution (rent)	70.000	35.000
<b>Member state fees</b>	<b>280.000</b>	<b>280.000</b>
<b>In-kind</b>	<b>284.005</b>	<b>247.000</b>
- CSIC	92.396	92.000
- INGV	191.609	130.000
- UPC	-	25.000
<b>Revenues generated by the projects</b>	<b>269.887</b>	<b>420.000</b>
<b>Other revenues</b>	<b>1.869</b>	<b>-</b>
<b>Total revenues</b>	<b>1.125.761</b>	<b>1.202.000</b>
Operational costs		
<b>Personnel</b>	<b>740.645</b>	<b>892.500</b>
-In kind contributions	284.005	247.000
-Personnel**	456.640	645.500
<b>Services</b> (utilities, events, professional services)	<b>126.278</b>	<b>120.000</b>
<b>Travel and promotional expenses</b>	<b>12.082</b>	<b>35.000</b>
<b>Other Expenses</b> (including IRAP, office rent, DG indemnities)***	<b>186.764</b>	<b>160.000</b>
<b>Total operational costs</b>	<b>1.065.769</b>	<b>1.207.500</b>
<b>Net result</b>	<b>59.992</b>	<b>-5.500</b>
<b>Cash carry over</b>	<b>738.174</b>	<b>732.674</b>

Table 3 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 (See Table 3).

The cash flow reserve –which increased to the amount of 59,992 Euro in 2021 -has been kept to a steady level in order to be ready to launch the data and the operational services. The expenses (mainly travel cost) in 2021 are still low with respect to the previous years for to the limited mobility of the employees, due COVID-19 pandemic.

Table 3. Evolution of Revenues vs Cash carry-over



Year	Cash-carry-over (Euro)	Revenues (Euro)	Cash-carryover/ Revenues (Ratio)
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	59.992	840.010	0,07
<b>Total</b>	<b>738.174</b>		

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

EMSO ERIC has worked diligently over the past few years to review the budget forecast and determined that both cost containment measures and revenue increase measures were necessary for EMSO ERIC to continue to provide the statutory research services. EMSO ERIC Service Level Agreement (SLA) provisions are already established in the interinstitutional agreements, and the respective roles and duties of EMSO ERIC and its members, are outlined in the EMSO ERIC Work program. The 2021-2022 Work Program has incorporated the EMSO ERIC Services deployment plan identifying the objectives and related activities carried out by the ERIC CMO and the Regional Teams of the participating Organizations, in continuity with the Work Program 2020 and in agreement to the Strategic Plan 2021-2023 and, notably:

- To progress toward the ordinary operation delivery of the fundamental services (Data, Training, Access)
- To consolidate the Central Management Office role to operate as 'singular entry point' for the users (service workflow) and to coordinate the services;
- To expand the European collaborative dimension by:
- Promotion of new collaborative Technologies initiatives (enhance collaboration)
- Attracting new users (communication)
- Giving visibility of the progresses and measuring the impact, providing an assessment of socio-economic impact (communication and Impact assessment)
- To continuously improve the General Management quality and efficiency (OBJ).

During the 2021 TEMSO finalized important implementation steps:

1. The launch of the first service (Data Service) is ongoing as of the date of redaction of the present Report. The 2021 has marked a key milestone in EMSO ERIC growth since the Data and Information services are almost fully operational.
2. Signature of a licensing Agreement setting out the terms and conditions under which IFREMER as designated Lead party hereby grants to EMSO ERIC the rights to use and to exploit the Joint Results EMSODEV Project. EMSO ERIC will have the rights to use and exploit the results of EGIM submarine data collection equipment. EMSO member States reference have the rights to use and exploit the



results of EGIM to achieve the standardized acquisition of oceanographic variables among the Research Institutions that manage the regional facilities.

3. EMSO ERIC has proposed a revision of the membership fees according to the European Consumer Price Index, which shows an average of (rounded) 1.6 %\* per year or 10,4% compound by the end of 2021.
4. A Terms of Reference document ruling the engagement of the Service Group Leaders has been developed highlighting, tasks, possible compensation and duties .
5. EMSO Eric has been assigned the full organization of an international event entitled “EMSO ERIC TIME SERIES CONFERENCE 2021 – OBSERVING OCEAN SOUND”, which was successfully held in Canary Islands, Spain, from OCTOBER 20th to 22th. This event has generated a small amount of sponsorship revenues. Therefore Analytical accountancy has been kept in this case and to be referred to the sponsorship income related to EMSO ERIC TIME SERIES CONFERENCE 2021.
6. EMSO is strengthening its policies for more inclusive work practices to guarantee that all genders can access the same rewards, resources, and professional growth. EMSO GEP foresees an explicit budget dedicated to gender equality policies, which is needed to promote accountability and transparency in fiscal planning, increase gender-responsiveness in the budget process, and promote gender equality and women’s rights.

### 1.1 COVID-19 pandemic effects

COVID-19 appears to be moving to endemicity in some parts of the world. Looking at the pandemic’s lingering effects on EMSO ERIC the major impacts have been observed in the smart working regime. EMSO Eric allowed extensive use of smart working practices to carry out the employees' performance, allowing them to conduct it partly at the employer's premises, and in part outside them (for instance at home) To cope with the COVID-19 crisis, EMSO Eric , via specific communications by the DG, simplified the conditions to apply the smart working regime (*lavoro agile*) to the workforce. The goal was to encourage employees to ensure, when possible work continuity.

### 1.2 Ukraine war effects

The COVID-19 pandemic created short-term disruptions and provoked long-term changes in Europe .Russia’s invasion of Ukraine is now doing the same. EMSO ERIC has evaluated possible consequences on its activities. Among them it has been discussed the likely impacts to the Seafloor and Water Column Observatory and the data access in the Mediterranean sea, though for the time being no major impact is expected - for EMSO Eric- for the on-going activities in eastern Mediterranean sea neither in other parts of the World .

## 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. Noncurrent assets include tangible and intangible assets.

Examples of “non-current” intangible assets may include intellectual property rights, licences, software; examples of “non-current” tangible assets may include plant, equipment, computers and other minor electronic tools.

**“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;
- The collection is due within 12 months from the balance sheet date.

Assets realizable within the operating cycle have been classified as “current”.

### 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.

Otherwise they are recognised as “non current liabilities”.

### Accrued expenses and deferred incomes

This item includes the amount of funds received for the year 2021 and in the preceding years and not yet fully used, following the accrual basic principle, by 31.12.2021 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.

Therefore, this item doesn't represent a liability towards any third party, but only EMSO own funds available to finalize the start-up programme.

## **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.

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. In 2021 the in-kind contributions are referred to resources (personnel) contributed by INGV and CSIC to strengthen EMSO general activities. The value of these resources has been determined by the financial department of each Contributor.

## **3. General information**

It is stated that 2021 represents the sixth financial year of EMSO.

## **4. Assets**

### **Non-current assets**

Total non-current assets:



Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
29.294	26.402	(2.892)

#### Intangible assets

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
765	723	(42)

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	127	723
<b>Total</b>	<b>4.068</b>	<b>-</b>	<b>4.068</b>	<b>42</b>	<b>3.345</b>	<b>723</b>

#### Tangible assets

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
28.529	25.679	(2.850)

The composition is as follows:

Description	Initial cost	Investment /disinvest.	Final cost	Amortization/D epreciation	Amortization/ Depreciation fund	Residual value
<b>Tangible Assets</b>						
Office equipment	23.512	3.523	27.035	4.937	14.821	12.214
Office furniture	21.213	241	21.454	3.387	11.411	10.043
Mobile phones	7.191	660	7.851	1.211	6.689	1.162
Other equipment		2.443	2.443	183	183	2.260
Other minor tangible assets	2.922	466	3.388	467	3.388	-
<b>Total</b>	<b>54.838</b>	<b>7.333</b>	<b>62.171</b>	<b>10.185</b>	<b>36.492</b>	<b>25.679</b>

### Current assets

Total current assets:

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
2.004.363	1.289.860	(714.503)

### Long-term credits

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
11.843	11.843	

The composition of the amount as at 31/12/2021 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 31/12/2020	Balance as at 31/12/2021	Difference
284.551	49.000	(235.551)

The composition of the amount as at 31/12/2021 is as follows:

Description	Within 12 months	Total
Credits for members' statutory contribution in cash	35.000	35.000
Credits for other contribution in cash	-	0
Other current credits and receivables	14.000	14.000
<b>Total</b>	<b>49.000</b>	<b>49.000</b>

The credit for Members' statutory contribution in cash has been cashed in 2022.

Other credits are referred to a sponsorship income (euro 1.746) and to fiscal elements (euro 12.254).

### 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, a dedicated account is opened at the same bank for ENVRI-FAIR EU project.

Description	Balance as of 31/12/2020	Balance as of 31/12/2021	Difference
Bank deposits	1.705.786	1.225.035	(480.751)
Cash	1.027	261	(766)
<b>Total</b>	<b>1.706.813</b>	<b>1.225.296</b>	

### Prepayments and accrued income

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
1.156	3.721	2.565

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 31/12/2020	Balance as at 31/12/2021	Difference
12.208	14.874	2.666

#### 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 31/12/2020	Balance as at 31/12/2021	Difference
12.208	14.874	2.666

This item represents the actual debt of EMSO-ERIC at 31/12/2021, to employees in force at that date (n. 4 employees) and it is made up as follows:

Description	
Initial value	12.208
Severance accrued during the year	9.832
Severance paid during the year	-7.128
Tax	-38
End value	14.874

As of 31/12/2021 advances have not been required by employees. In 2021, a staff unit was dismissed with the payment of the severance from previous years (euro 7.128) and of the severance accrued in 2021 (euro 2.849).

### Current liabilities accrued expenses and deferred income

Total current liabilities and accrued expenses and deferred income:

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
2.021.449	1.301.388	(720.061)

### Short-term financial debts

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
894.022	132.796	(761.226)

This item includes the contribution quotas due to the Partners for their participation to EU Project ENVRI-FAIR as follows:

• Ifremer	Euro	50.025
• CNRS	Euro	17.823
• INGV	Euro	26.281
• Geoecomar	Euro	17.823
• Noc	Euro	20.844
<b>Total</b>	<b>Euro</b>	<b>132.796</b>

### Advance payments for project externally funded

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
334.485	335.323	838

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

• Eurofleets Plus	Euro	8.543
• Envri Fair	Euro	24.587
• Eric Forum	Euro	5.989
• Eurosea	Euro	13.365
• Enriitc	Euro	21.306
• Atlanteco	Euro	3.531
• Egi-Ace	Euro	100.781
• Minke	Euro	86.257
• Doors	Euro	70.963
<b>Total</b>	<b>Euro</b>	<b>335.323</b>



#### Advance payments from Members

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
35.000		(35.000)

The item includes the prepayments received by Members in 2020 but to be allocated to the 2021 financial year.

#### Other short-term debts and liabilities

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
79.760	95.095	15.335

Detailed as follows:

Description	31/12/2020	31/12/2021	Difference
Debts to suppliers	49.188	28.502	(20.686)
Debts to General Director	5.000	5.000	
Payables to employees	15.303	26.915	11.612
Payables to social security institutions	4.074	9.700	5.626
Withholding taxes	5.826	9.476	3.650
Tax payables	-	13.207	13.207
Other payables	369	2.295	1.926
<b>TOTAL</b>	<b>79.760</b>	<b>95.095</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 7.243) and deferred remuneration for holidays and work permits (Euro 19.672);
- "Payable to social security institutions" includes the amount of social security contributions

related to employees, accrued but not paid as at 31 December 2021;

- "Withholding taxes" includes withheld taxes for employees and collaborators;
- "Tax payables" includes liabilities for taxes and, for the year 2021, represents IRAP (regional tax);
- "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 31/12/2020	Balance as at 31/12/2021	Difference
678.182	738.174	59.992

### 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 2020	Amount 2021
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	133.919
Deferred income to carry-over 2021		59.992
<b>TOTAL</b>	<b>678.182</b>	<b>738.174</b>



The annual monetary contribution by Members was fixed in the amount equal to 500.000 while the resources deferred to following years as carry over are € 59.992.

The amount of carry-over is composed as follows:

Description	Amount
Resources committed to cover depreciation quotes	26.401
Resources committed to ordinary activities	711.773
<b>TOTAL</b>	<b>738.174</b>

## 6. Income statement, Profit and loss account

### Revenues

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
997.896	1.065.769	67.873

The composition of the "Revenues" at 31/12/2021 is as follows:

	2020	2021
<u>Contribution in cash</u>		
Monetary contribution of EMSO ERIC Members	465.000	500.000
( carry-over)	(133.919)	(59.992)
<i>Una tantum</i> cash contribution HC	-	70.000
H2020 EMSO-LINK Project	171.721	
H2020 DANUBIUS Project	11.091	
H2020 ENVRI PLUS Project	-	
H2020 ERIC FORUM Project	21.424	9.751
H2020 EUROLLEETS PLUS Project	35.778	20.131
H2020 ENVRI FAIR Project	145.464	191.708
H2020 EUROSEA Project	1.841	2.745
H2020 ENRIITC Project	25.720	35.123
H2020 ATLANTICO Project	1.965	2.721
H2020 MINKE Project		4.005
H2020 DOORS Project		3.703
<u>Contribution in kind</u>		
contributions in kind by hosting country	159.632	191.609
contributions in kind by members	91.705	92.396
<b>Total National and international grants and contribution</b>	<b>997.421</b>	<b>1.063.900</b>

The contribution related to the entire year is equal to € 500.000 (of which euro 220.000 from the Hosting Country and euro 280.000 from the other eight Members).

In 2021 a *una tantum* contribution in cash from the Italian Hosting Country RE (INGV) was also received.

### 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 (Euro 500.000);
- the 2021 *una tantum* cash contribution from Italian R.E. INGV (Euro 70.000);
- the 2021 cash contribution related to projects externally funded (Euro 269.887);
- the 2021 in kind contribution for staff cost made available by R.E. INGV (Euro 191.609);
- the 2021 in kind contribution for staff cost made available by CSIC (Euro 92.396).

### Other revenues

#### revenues from economic activities

Analytical accountancy has been kept for economic activities. We specify that the economic activity realized in 2021 has to be referred to a sponsorship income related to EMSO ERIC TIME SERIES CONFERENCE 2021.

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Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
-	1.746	1.746

#### Others

“Others” refers to minor contingent assets and rounding figures (Euro 123).

#### 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 31/12/2020	Balance as at 31/12/2021	Difference
988.430	1.042.337	53.907

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

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
347	1.834	1.487

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

#### Costs for services

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
536.588	462.651	(73.937)

Description	31.12.2020	31.12.2021	Difference
General Director - secondment indemnity	60.000	60.000	-

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

#### Staff costs

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
147.674	237.750	90.076

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

At 31/12/2021 EMSO has n. 4 people hired with the status of employee of which n. 1 part-time.



Staff costs includes:

Description	31.12.2020	31.12.2021
Salaries	107.709	173.866
Social security charges	32.253	51.195
Severance indemnities	7.448	12.689
Other personnel costs	264	
<b>TOTAL</b>	<b>147.674</b>	<b>237.750</b>

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

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
46.126	42.742	(3.384)

This item represents:

- for Euro 31.121 the fee for the rent of the office in Rome (included condominium expenses);
- for Euro 9.382 the cost for licences of the software;
- for Euro 2.239 other minor fees.

#### Other operating costs

Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
6.358	13.355	6.997

Other operating costs consist for Euro 12.000 of associative contributions (EGIM Foundation and Datacite) and for the remaining part for costs for stationery, administrative costs and other minor costs.

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

Description	Balance as at 31/12/2020	Balance as at 31/12/2021	Difference
In kind by R.E. INGV	159.632	191.609	31.977
In kind by Members	91.705	92.396	691
<b>Total</b>	<b>251.337</b>	<b>284.005</b>	<b>32.668</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 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 191.609 represents the staff contributed in kind by the Hosting Country (INGV), for the secondment of the following collaborators( see Table 4).

Professional profile	In Kind contribution
Program Officer	43.239
Support to Program Officer	36.556
Science Officer	78.816
Liaison with Hosting Institution	8.113
Graphic Designer	7.256
System Engineer	17.630
	<b>191.609</b>

Table 4. 2021 In-Kind contributions provided by INGV and CSIC

PERSONNEL	2021 (in €)	2021 (FTE)
<b>IN-KIND</b>		
CSIC	92.396	1
INGV	191.609	2,67 (32 MM)
	<b>284.005</b>	<b>3,67</b>
<b>EMSO ERIC</b>	<b>456.640</b>	<b>5,05</b>
<b>TOTAL</b>	<b>740.645</b>	<b>8,72</b>

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The cost of Euro 92.396 represents the staff contributed in-kind by CSIC (Consejo Superior Investigaciones Cientificas) for the secondment of the General Director.

### 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%	3.387
Office equipment - pc and other electronic machines	20,00%	4.937
Other equipment	15,00%	183
Mobile phones	33,33%	1.211
Other minor tangible assets	100,00%	467
<b>Total tangible assets</b>		<b>10.185</b>
<b>TOTAL</b>		<b>10.228</b>

### Financial income and expenses

Description	31.12.2020	31.12.2021	Difference
Interest income	77	3	(74)
Exchange rate losses	(6)		6
Exchange rate income	(34)		34
<b>Total</b>	<b>37</b>	<b>3</b>	

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

### Income tax

current tax	31/12/2020	31/12/2021	Difference
IRAP	337	13.207	12.870
<b>Total</b>	<b>337</b>	<b>13.207</b>	

In 2021 EMSO, since is subject to Italian fiscal legislation, it has to calculate IRAP (tax on regional activities).

Regarding IRAP, 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, for remuneration paid for coordinated and continuous collaborations or for activities of self-employment not practiced professionally.

We remind that, regarding 2020 IRAP taxation, EMSO benefited from a tax relief provided by the Italian legislation linked to COVID-19 pandemic crisis.

No other taxation is due because the very limited economic activities didn't realize any taxable profit.

Rome, 25<sup>th</sup> May 2022

Dr. Juan José Danobeitia Canales  
General Director

