

EMSO ERIC NOTES TO THE
FINANCIAL STATEMENTS
AS OF 31.12.2022

EMSO-Eric – 2022 Notes to the Financial Statements

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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 host organization.

Members of the Consortium in 2022 together with Italy, as hosting country, are France, Greece, Ireland, Portugal, Romania, Spain, Norway and United Kingdom. It should be highlighted that - as of January 1st2022- Norway is 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 2024

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 (See Table 1). while the contributions from the Member States have been stable.

Table 1. Evolution of on-going funded EC Projects as of December 31st2022.

ACRONYM	COORDINATOR	BUDGET EMSO ERIC	REVENUES 2019	REVENUES 2020	REVENUES 2021	REVENUES 2022	REVENUES 2023*	BALANCE 2024-2025*
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	120.796		-
ERIC Forum	BBMRI ERIC	44.166	3.680	21.424	9.751	14.733		-
Eurofleets+	MI	129.000	45.198	35.778	20.131	22.914	4.979	-
Eurosea	GEOMAR	27.500	355	1.841	2.746	9.387	13.171	-
ATLANTECO	SZN	17.000	-	1.965	2.721	76	5.549	6.689
ERIITC	ESS	109.531	-	25.720	35.123	50.734		
Egl-ACE	EGI Foundation	134.375	-	-		70.144	35.000	29.231
MINKE	CSIC	186.750	-	-	4.006	41.027	70.000	71.717
DOORS	GEOECOMAR	140.000	-	-	3.703	680	47.000	88.617
eRIMOTE	DESY	160.875				24.399	75.000	61.476
EOSC-FUTURE	ATHENA	144.813				75.233	60.000	9.580
GEO-INQUIRE	GFZ	367.026				7.153	120.000	239.873
IMAGINE	STICHTING EG	46.875				6.642	20.000	20.233
OTHER PROJECTS							125.000	200.000
TOTAL		2.400.780	498.272	415.004	269.887	443.920	575.699	727.415

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Table 2. 2022 Income statement and 2023 budget

Revenues	2022 in €	2023 in € (est.)
INGV	220.000	220.000
INGV additional cash contribution (rent)	35.000	35.000
Member state fees	280.000	245.000
In-kind	172.033	129.000
- CSIC	95.168	69.000
- INGV	76.865	60.000
Revenues generated by the projects	443.920	575.000
Other revenues	-	-
Total revenues	1.150.953	1.204.000
Operational costs		
Personnel	870.256	963.550
-In kind contributions	172.033	129.000
-Personnel*	698.223	834.550
Services (utilities, events, professional services)	68.272	70.000
Travel and promotional expenses	40.435	42.000
Other Expenses (including IRAP, office rent, DG indemnities)	205.603	180.000
Physical access to Regional facilities service**	0	50.000
Total operational costs	1.184.566	1.305.550
Net result	-33.613	-101.550
Cash carry over	704.561	603.011

Table 2 shows a number of key aspects:

- the 2022 Income statement and the 2023 provision in a simplified format, highlighting the start of the Physical access to regional facilities services, as a key RI deployment activity started in 2022 and the In-kind contributions decreases in 2022 (-40% with respect to 2021).
- The summary of EMSO ERIC economic results for 2022 income Statement shows for the first time a reduction of the cash carryover as a consequence of (i) the absence of additional in-kind contributions and (ii) the necessary investments carried out for the Personnel to implement the on-going activities.
- The overall trend in terms of newly achieved European projects by the EMSO ERIC, 5 new projects achieved in 2022 and others are in the pipeline which led to a substantial increase of the revenues (+64% in 2022 with respect to 2021).
- The working capital guarantees adequate reserves (cash carry- over of 704.561 Euro by the end of 2022) which still allows EMSO ERIC to finance the growth without engaging the ERIC in undertaking debts and obligations towards third parties. However, the trend shows that the cash carry over will be progressively absorbed by the activities to be deployed also in 2023 and the following years.
- Therefore, the sustainability of EMSO ERIC to face its current and medium-term obligations and carry out its institutional activities will require increased investments, review of the compensation for the inflationary burden and increased in-kind contributions to be provided by 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 2 objectives and related activities carried out by the EMSO ERIC CMO and the Regional Teams of the participating Organizations, in continuity with the Strategic Plan are:

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- 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 data services;
- To expand the European collaborative dimension by:
 - Promoting the Physical access services
 - Giving visibility of the progresses and measuring the impact, providing an assessment of socio-economic impact
 - Improving the General Management quality and efficiency.

During the 2022 EMSO ERIC finalized important implementation steps:

1. The 2022 has marked a key milestone in EMSO ERIC growth since the Data and Information services are almost fully operational and the Physical access program has been launched.
2. Deployment of the licensing Agreement with IFREMER granting 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 members States 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 proposed a revision of the membership fees according to the current inflationary rates, by the end of 2022.
4. A Terms of Reference document ruling the engagement of the Service Group Leaders has been developed highlighting, tasks, possible compensation and duties.
5. A Terms of Reference document ruling the engagement of the Central Procurement Group has been developed .
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 and the effects on EMSO ERIC have been observed in the stabilization of the smart working regime. EMSO Eric allowed 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) . EMSO Eric simplified the conditions to apply the smart working regime (*lavoro agile*) to the workforce in order to encourage employees to ensure, when possible, work continuity.

1.2 Ukraine war effects

Russia's invasion of Ukraine is a source of instability for EMSO ERIC. The RI analyzed 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 .

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2. 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.

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Otherwise they are recognised as “non current liabilities”.

Accrued expenses and deferred incomes

This item includes the amount of funds received for the year 2022 and in the preceding years and not yet fully used, following the accrual basic principle, by 31.12.2022 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.

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3. 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 2022 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.

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4. General information

It is stated that 2022 represents the seventh financial year of EMSO.

1. Assets

Non-current assets

Total non-current assets:

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
26.402	27.005	603

Intangible assets

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
723	1.597	874

The composition is as follows:

Description	Initial cost	Investment /disinvest.	Final cost	Amortization/D epreciation	Amortization/D epreciation fund	Residual value
Intangible Assets						
Software	3.218	1.376	4.594	458	3.677	917
Trademark	850	-	850	43	170	680
Total	4.068	1.376	5.444	501	3.847	1.597

Tangible assets

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
25.679	25.408	(271)

The composition is as follows:

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Description	Initial cost	Investment /disinvest.	Final cost	Amortization/ Depreciation	Amortization/ Depreciation fund	Residual value
Tangible Assets						
Office equipment	27.035	6.592	33.627	4.913	19.733	13.894
Office furniture	21.454	273	21.727	3.420	14.831	6.896
Mobile phones	7.851	2.490	10.341	1.117	7.806	2.535
Other equipment	2.443	-	2.443	366	550	1.893
Other minor tangible assets	3.388	1.174	4.562	984	4.372	190
Total	62.171	10.529	72.700	10.800	47.292	25.408

5. Current assets

Total current assets:

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
1.289.860	1.365.378	75.518

Long-term credits

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
11.843	11.843	

The composition of the amount as at 31/12/2022 is as follows:

Description	After 12 months	Total
Deposit for real estate rent	11.700	11.700
Deposit for utilities	143	143
Total	11.843	11.843

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

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Short-term credits

Total short-terms credits:

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
49.000	188.345	139.345

The composition of the amount as at 31/12/2022 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	143.039	143.039
Other current credits and receivables	10.306	10.306
Total	188.345	188.345

The credit for Members' statutory contribution in cash has been cashed in 2023.

Other credits are referred mainly to advances to supplier and tax credits.

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 31/12/2021	Balance as of 31/12/2022	Difference
Bank deposits	1.225.035	1.161.730	(63.305)
Cash	261	182	(79)
Total	1.225.296	1.161.912	

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Prepayments and accrued income

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
3.721	3.278	(443)

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.

6. 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 31/12/2021	Balance as at 31/12/2022	Difference
14.874	35.805	20.931

Long-term financial debts and loans

No values are entered for in this item.

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Other long-term debts and liabilities

No values are entered for in this item.

Employee's severance indemnity

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
14.874	35.805	20.931

This item represents the actual debt of EMSO-ERIC at 31/12/2022, to employees in force at that date (n. 7 employees) and it is made up as follows:

Description	
Initial value	14.874
Severance accrued during the year	21.183
Severance paid during the year	
Tax	(252)
End value	35.805

As of 31/12/2022 advances have not been required by employees.

In 2022, n.3 staff unit was hired additionally as new employees and one person increased from 20% to 33%.

Current liabilities accrued expenses and deferred income

Total current liabilities and accrued expenses and deferred income:

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
1.301.388	1.356.578	55.190

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Short-term financial debts

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
132.796	173.402	40.606

This item includes the contribution quotas due to the Partners for their participation to following EU Project:

- ENVRI-FAIR: Euro 81.119
- GeoInquire: Euro 92.283

Advance payments for project externally funded

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
335.323	352.988	17.665

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:

Anticipazione EU-Prog. ATLANTECO	3.455
Anticipazione EU-Prog. EUROSEA	3.978
Anticipazione EU-Prog. iMagine	12.108
Anticipazione EU-Prog. EGI-ACE	30.637
Anticipazione EU-Prog. MINKE	45.230
Anticipazione EU-Prog. DOORS	70.283
Anticipazione EU-Prog. GeoINQUIRE	91.041
Anticipazione EU-Prog. eRImote	96.257
	352.988

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Other short-term debts and liabilities

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
95.095	125.624	30.529

Detailed as follows:

Description	31/12/2021	31/12/2022	Difference
Debts to suppliers	28.502	51.689	23.187
Debts to General Director	5.000	-	(5.000)
Payables to employees	26.915	36.498	9.583
Payables to social security institutions	9.700	18.196	8.496
Withholding taxes	9.476	11.119	1.643
Tax payables	13.207	5.359	(7.848)
Other payables	2.295	2.763	468
TOTAL	95.095	125.624	

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 and deferred remuneration for holidays and work permits;
- "Payable to social security institutions" includes the amount of social security contributions related to employees, accrued but not paid as at 31 December 2022;
- "Withholding taxes" includes withheld taxes for employees and collaborators;
- "Tax payables" includes liabilities for taxes and, for the year 2022, represents IRAP (regional tax);
- "Other payables" includes remaining debts of different nature.

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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 31/12/2021	Balance as at 31/12/2022	Difference
738.174	704.564	(33.610)

Accrued expenses

Accrued expenses relates to minor expenses.

Deferred income

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

This item is detailed as follows:

Description	Amount 2021	Amount 2022
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	59.992
Use of carry-over in 2022		(33.613)

The annual monetary contribution by Members was fixed in the amount equal to 500.000 while the resources deducted by the carry over of previous years corresponds to € 33.613.

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The amount of carry-over is composed as follows:

Description	Amount
Resources committed to cover depreciation quotes	27.005
Resources committed to ordinary activities	677.556
TOTAL	704.561

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7. Income statement, Profit and loss account

Revenues

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
1.065.769	1.183.645	117.876

The composition of the “Revenues” at 31/12/2022 is as follows:

	2021	2022
<u>Contribution in cash</u>		
Monetary contribution of EMSO ERIC Members	500.000	500.000
generated carry-over	(59.992)	
used carry-over		33.613
<i>Una tantum</i> cash contribution HC	70.000	35.000
H2020 ERIC FORUM Project	9.751	14.733
H2020 EUROFLEETS PLUS Project	20.131	22.914
H2020 ENVRI FAIR Project	191.708	120.796
H2020 EUROSEA Project	2.745	9.387
H2020 ENRIITC Project	35.123	50.734
H2020 ATLANTECO Project	2.721	76
H2020 MINKE Project	4.005	41.027
H2020 DOORS Project	3.703	680
H2020 Egi-ACE Project		70.144
H2020 eRemote Project		24.399
H2020 IMAGINE Project		6.643
H2020 EOSC Future Project		75.233
H2020 Geo-Inquire Project		7.153
<u>Contribution in kind</u>		
contributions in kind by hosting country	191.609	75.943
contributions in kind by members	92.396	95.168
Total National and international grants and contribution	1.063.900	1.183.643
Total Other revenues	-	1
TOTAL REVENUES	1.063.900	1.183.644

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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 Members).

In 2022 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 2022 *una tantum* cash contribution from Italian R.E. INGV (Euro 35.000);
- the 2022 cash contribution related to projects externally funded (Euro 443.920);
- the 2022 in kind contribution for staff cost made available by R.E. INGV (Euro 75.943);
- the 2022 in kind contribution for staff cost made available by CSIC (Euro 95.168).

Other revenues

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
1.869	1	(1.868)

Others

"Others" refers to minor contingent assets and rounding figures.

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 31/12/2021	Balance as at 31/12/2022	Difference
1.042.337	1.153.779	111.442

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Costs for raw materials, supplies, consumables and goods

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
1.834	9.050	7.216

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

Costs for services

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
462.651	485.353	22.702

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

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Description	31.12.2021	31.12.2022	Difference
General Director - secondment indemnity	60.000	60.000	-
General Director - accomodation	27.422	27.117	(305)
General Director - travel cost	5.797	12.854	7.057
Financial Officer	57.000	57.000	
Strategic Advisor	64.032	31.502	(32.530)
Senior Advisor		11.670	11.670
Data System Engineer		22.091	22.091
IT director	99.857	118.110	18.253
IT consultancy	22.638		(22.638)
IT support	1.621		(1.621)
IT analyst		31.625	31.625
Fiscal, labour and administrative consultancy and accounting services	18.849	20.654	1.805
Auditor fees	7.500	7.500	
Legal consultancy	13.240		(13.240)
Data Protection officer	9.500	3.000	(6.500)
Quality consultancy	3.450	3.450	
RSPP consultant		2.750	2.750
Secretary		5.000	5.000
Other consultancy	14.766	9.677	(5.089)
Travel costs for employees and collaborators	6.286	27.581	21.295
Other personnel costs	506	11.040	10.534
Telephone and utilities	7.393	7.874	481
Other services for the premises	6.656	6.278	(378)
Conference organization	28.625	1.127	(27.498)
Fee for conference and issues	1.706		(1.706)
Publicity, procurement	428	451	23
Trademark registration support			
Insurance	3.213	3.147	(66)
Postage	140	735	595
Bank charges	1.546	1.692	146
Other services	480	1.428	948
Total	462.651	485.353	

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Staff costs

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
237.750	426.225	188.475

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

As of 31/12/2022 EMSO has 7 permanent employees hired whose 1 is 50% part-time .

Staff costs includes:

Description	31.12.2021	31.12.2022
Salaries	173.866	312.136
Social security charges	51.195	92.933
Severance indemnities	12.689	21.153
Other personnel costs		3
TOTAL	237.750	426.225

Costs of rents, concessions and royalties for trademarks

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
42.742	49.342	6.600

This item represents:

- for Euro 32.072 the fee for the rent of the office in Rome (included condominium expenses);
- for Euro 13.627 the cost for licences of the software;
- for Euro 3.643 other minor fees.

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Other operating costs

Balance as at 31/12/2021	Balance as at 31/12/2022	Difference
13.355	12.698	(657)

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 31/12/2021	Balance as at 31/12/2022	Difference
In kind by R.E. INGV	191.609	75.943	(115.666)
In kind by Members	92.396	95.168	2.772
Total	284.005	171.111	(112.894)

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 amount of Euro 76.865,09 is the economic value of the cost of 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
Support to Program Officer	6.988
Science Officer	44.786
Graphic Designer	7.006
ICT System Engineer	18.086
TOTALE	75.865,09

Table 4. 2022 In-Kind contributions provided by INGV and CSIC

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PERSONNEL	2022 (in EURO)	2022 (FTE)
IN-KIND	172.033	1,86
CSIC	95.168	0,86
INGV	76.865	1,00
EMSO ERIC	698.223	8,13
TOTAL	870.256	9,99

The amount of Euro 95.168 is the economic value of the personnel cost of staff contributed in-kind by CSIC (Consejo Superior Investigaciones Cientificas) for the secondment of the Director General.

Professional profile	In kind contribution
General Director	95.168
	95.168

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.

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Description		Depreciation
Intangible Assets		
Software	33,33%	458
Trademark	5,00%	43
Total intangible assets		501
Tangible Assets		
Office equipment - furniture	15,00%	3.420
Office equipment - pc and other electronic machines	20,00%	4.913
Other equipment	15,00%	366
Mobile phones	33,33%	1.117
Other minor tangible assets	100,00%	984
Total tangible assets		10.800
TOTAL		11.301

Financial income and expenses

Description	31.12.2021	31.12.2022	Difference
Interest income	3	1	(2)
Exchange rate losses			
Exchange rate income			
Total	3	1	

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

Income tax

current tax	31/12/2021	31/12/2022	Difference
IRAP	13.207	18.566	5.359
Total	13.207	18.566	

In 2022 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

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employees, for incomes assimilated, for remuneration paid for coordinated and continuous collaborations or for activities of self-employment not practiced professionally.

No other taxation is due because in 2022 Emso didn't realize any commercial activity.

Rome, 3 April 2023

Dr. Juan José Danobeitia Canales
General Director

