
DECISION No GB/2025/9

of

**The Governing Board of the European Cybersecurity Industrial,
Technology and Research Competence Centre
Adopting the opinion on final accounts for the financial year 2024**

THE GOVERNING BOARD,

Having regard to:

- Regulation (EU) 2021/887 of the European Parliament and of the Council of 20 May 2021 establishing the European Cybersecurity Industrial, Technology and Research Competence Centre (ECCC) and the Network of National Coordination Centres, in particular Article 13 (3. (d)) thereof;
- Decision No GB/2024/3 on the Financial Rules applicable to ECCC in particular Article 100 (4) thereof; and
- the draft audit report of the European Court of Auditors on the 2024 annual accounts of the European Cybersecurity Industrial, Technology and Research Competence Centre received by the Executive Director of ECCC on 28 May 2025;

Whereas:

- a) On receipt of the Court of Auditors' preliminary observations on ECCC's Provisional Annual Accounts, the Accounting Officer shall draw up the ECCC's Final Annual Accounts and the Executive Director shall forward them to the Management Board for an opinion;
- b) The Governing Board shall deliver an opinion on ECCC's Final Annual Accounts;
- c) By 1 July 2025, the Accounting Officer shall send the Final Annual Accounts 2024, together with the opinion of the Governing Board, to the European Parliament, the Council, the Commission and the Court of Auditors.

HAS DECIDED TO GIVE THE FOLLOWING OPINION:

On the basis of the examination of the final accounts, the Governing Board of the European Cybersecurity Industrial, Technology and Research Competence Centre

1. Notes that ECCC's 2024 annual accounts were verified by an independent external auditor as provided in the Financial Regulation, and that the European Court of Auditors considered the verification results when preparing its own final audit opinion;
2. Notes that the draft audit report of the European Court of Auditors concluded that ECCC's 2024 annual accounts are, in all material respects, presented fairly and are reliable. Moreover, the revenue and payments underlying ECCC's accounts are legal and regular in all material respects;

-
3. Notes that ECCC shall address ECA's identified weaknesses by drawing up relevant corrective actions;
 4. Considers that sufficient assurances exist to conclude that the accounts for the financial year 2024 present a true and fair view of ECCC's overall financial position as reflected on 31 December 2024 and properly reflect the implementation of ECCC's budget for the year 2024.

Done at Bucharest on 30/06/2025,

For the European Cybersecurity Industrial, Technology and Research
Competence Centre

(e-signed)

Pascal Steichen

Chairperson of the Governing Board



ECCC FINAL ACCOUNTS 2024

16/06/2025



DOCUMENT HISTORY

| Date | Version | Modification | Author |
|--------------|-------------|---|--|
| 06 June 2025 | Version 1.0 | | Alexandre-Kim Hugé, Accounting Officer |
| 16 June 2025 | Version 1.1 | Updated signature date to be consistent with the auditor's Management Representation letter | Alexandre-Kim Hugé, Accounting Officer |

The annual accounts have been drawn up by the Accounting Officer on 06/06/2025.

In accordance with the European Cybersecurity Competence Centre's applicable financial rules, the European Cybersecurity Competence Centre (ECCC) Governing Board has appointed on 17 March 2023 the accounting officer, Alexandre-Kim Hugé, who is completely independent in the performance of his duties¹. As per legal requirement, the accounting officer has been chosen by the Governing Board on the grounds of his particular competence as evidenced by diplomas or by equivalent professional experience.

Following the decision of the Management Governing Board, Alexandre-Kim Hugé acts as the Accounting Officer of ECCC since its financial independence gained as at 24 September 2024. The European Commission was responsible for the establishment and initial operations of the Competence Centre until it had the operational capacity to implement its own budget.

The final accounts shall be published on the ECCC website: <https://cybersecurity-centre.europa.eu/>

16th June 2025

Digitally signed by:

ALEXANDRE-KIM HERMAN D HUGÉ

Date: 2025-06-16 05:10:24 UTC

Alexandre-Kim Hugé
Accounting Officer of the European Cybersecurity Competence Centre (ECCC)

¹<https://cybersecurity-centre.europa.eu/system/files/2023-04/ECCC%20Decision%20No%202%20GB%202023%20Appointment%20of%20Accounting%20Officer.pdf>



ABOUT ECCC

The European Cybersecurity Competence Centre, ECCC, aims to increase Europe's cybersecurity capacities and competitiveness, working together with the Network of National Coordination Centres to build a strong cybersecurity community.

This framework will support innovation and industrial policy as well as strengthen the capacities of the cybersecurity technology community, shield economy and society from cyberattacks, maintain research excellence, and reinforce the competitiveness of EU industry in the field. The Competence Centre shall undertake their tasks in collaboration with ENISA and the Community.

The Centre plays a key role in delivering ambitious cybersecurity objectives as part of the Horizon Europe and Digital Europe programmes. Each Member State shall nominate one entity to act as its national coordinator centre for the purposes of this Community.

More information about ECCC and its work can be found here: <https://cybersecurity-centre.europa.eu/>

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1. INTRODUCTION

1.1. General information

The European Cybersecurity Competence Centre (ECCC) is an EU body established under Articles 173(3) and 188(1) of the Treaty on the Functioning of the European Union (TFEU) to support the deployment of innovative cybersecurity solutions.

In accordance with its legal basis, Regulation (EU) No 2021/887 of the Parliament and the Council of 20 May 2021, ECCC has been tasked to improve and strengthen technology and industrial cybersecurity capacities, enhancing the EU's open strategic autonomy.

The European Commission was responsible for the establishment and initial operations of the Competence Centre until it had the operational capacity to implement its own budget. ECCC gained its financial autonomy on 24 September 2024.

ECCC is located at the Polytechnic University of Bucharest, Central Campus, Bulevardul Iuliu Maniu Nr.6, Sector 6, Bucharest, 061344.

1.2. Mission

The European Cybersecurity Competence Centre, together with the Network of National Coordination Centres, is Europe's new framework to support innovation and industrial policy in cybersecurity. This ecosystem will strengthen the capacities of the cybersecurity technology Community, shield our economy and society from cyberattacks, maintain research excellence and reinforce the competitiveness of EU industry in this field.

The ECCC will develop and implement, with Member States, industry and the cybersecurity technology Community, a common agenda for technology development and for its wide deployment in areas of public interest and in businesses, in particular SMEs.

The Centre and the Network together will enhance the European technological sovereignty through joint investment in strategic cybersecurity projects.

1.3. Main tasks

The Centre and the Network will make strategic investment decisions and pool resources from the EU, its Member States and, indirectly, the industry to improve and strengthen technology and industrial cybersecurity capacities, enhancing the EU's open strategic autonomy. The Centre will play a key role in delivering on the ambitious cybersecurity objectives of the Digital Europe Programme and Horizon Europe programmes.

The Centre together with the Network will support the deployment of innovative cybersecurity solutions. It will also facilitate collaboration and the sharing of expertise and capacities among all relevant stakeholders, in particular research and industrial communities, as well as public authorities, in the Community.

1.4. Governance

The Governing Board of the Competence Centre includes one representative from each Member State and two from the European Commission, each with an alternate. Board members are selected for their expertise in cybersecurity, technology, and industry, as well as their coordination abilities. They ensure the Centre's mission is carried out independently and transparently. The Governing Board is responsible for the adoption of the annual work programme for implementing the relevant Union funds, in particular the cybersecurity parts of Horizon Europe insofar as they are co-financed voluntarily by Member States and of the Digital Europe Programme, in accordance with the Competence Centre's multiannual work programme and the strategic planning process of Horizon Europe.

The Executive Director of the Competence Centre must have expertise and a strong reputation in relevant fields. Appointed by the Governing Board from a list proposed by the European Commission, the Executive Director is a temporary agent. Their term lasts four years, with a performance assessment conducted before the term ends. Based on this assessment, the Governing Board, on the European Commission's proposal, may extend the term by up to four years. The Executive Director is responsible for the daily operations and management of the Competence Centre and acts as its legal representative. They



are accountable to the Governing Board and perform their duties independently within the assigned powers, supported by the Centre's staff.

1.5. Legal basis

The annual accounts are prepared in accordance with the provisions of Title IX of ECCC's Financial Rules, as adopted by its Management Board on 15 March 2023². These provisions are conformed to the European Commission Delegated Regulation (EU) No 2019/715 of 18 December 2018 of the European Parliament and of the Council. The annual accounts include the financial statements and the reports on implementation of the budget.

All amounts in the annual accounts of ECCC are presented in Euro.

The general accounts allow for the preparation of the financial statements based on accrual accounting principles and show all assets, liabilities, revenues and expenses related to the financial year under review, regardless of the date of payment or collection.

1.6. Composition of the annual accounts

The annual accounts are the first annual accounts established for ECCC. They cover the period from financial autonomy on 24 September to 31 December and comprise the statement of financial position and the statement of financial performance, cash flow statement, the statement of changes in net assets and the reports on the implementation of the budget. As per article 46.1 of the Council Regulation No 2021/887 the European Commission was responsible for the establishment and initial operation of the Competence Centre until it had the operational capacity to implement its own budget.

While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

The budgetary implementation reports are composed of the budget outturn account (which details the budgetary surplus or deficit of the year), the reconciliation of accrual-based result with the budgetary result and the budget execution reports (which specifies by budget line the appropriations, the commitment and the payment executed in the reporting year). The budget accounts give a detailed picture of the implementation of the budget and are based on the modified cash accounting principle.

As per ECCC's Financial Rules, the accounting officer is required to send the provisional accounts to the accounting officer of the Commission and to the Court of Auditors by 1 March of the following year.

The Executive Director shall send the final accounts, together with the opinion of the Management Board, to the accounting officer of the Commission, the Court of Auditors, the European Parliament, and the Council, by 1 July 2025 of the following financial year.

The Executive Director shall also send the report on budgetary and financial management for the financial year to the European Parliament, the Council, the Commission, and the Court of Auditors, by 31 March of the following financial year.

1.7. Management information systems

ECCC uses ABAC Workflow for budgetary accounting and ABAC Accounting (SAP) for General Ledger accounting. The two interlinked systems are developed, managed and supported by the European Commission, and provided to ECCC through a specific agreement, applicable to all Institutions and Union bodies which use ABAC platform modules.

ECCC uses other internal applications developed, managed and supported by the European Commission in order to manage its various operational projects (such as COMPASS and SYGMA for grant management services) and administrative tasks (such as HR tool, SYSPER, managing among other, leaves and personal records, and the mission management tool, MiPS).

² https://cybersecuritycentre.europa.eu/system/files/202304/ECCC%20Decision%20No%201%20GB%202023_ECCC%20Financial%20Rules.pdf



2. CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Cybersecurity Competence Centre (ECCC), in accordance with Article 52 of the Model Financial Regulation (MFR)³ and I hereby certify that the annual accounts of the ECCC for the year 2024 have been prepared in accordance with chapter 8 of the MFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the European Cybersecurity Competence Centre assets and liabilities and the budgetary implementation.

Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the European Cybersecurity Competence Centre.

16th June 2025

Digitally signed by:

ALEXANDRE-KIM HERMAN D HUGÉ

Date: 2025-06-16 05:11:18 UTC

Alexandre-Kim Hugé

Accounting Officer of the European Cybersecurity Competence Centre (ECCC)

³ COMMISSION DELEGATED REGULATION (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.



3. FINANCIAL STATEMENTS

3.1. Statement of financial position as at 31.12.2024

| in EUR | Note | 31.12.2024 |
|---|-------|--------------------|
| I. NON-CURRENT ASSETS | | 112.895.827 |
| <i>Tangible fixed assets</i> | 4.2.1 | 128.096 |
| <i>Long term pre-financing given for operational grant</i> | 4.2.2 | 112.767.731 |
| | | |
| II. CURRENT ASSETS | | 139.273.074 |
| <i>Short term pre-financing given for operational grant</i> | 4.2.2 | 95.984.092 |
| <i>Exchange receivables and non-exchange recoverable</i> | 4.2.3 | 43.288.982 |
| <i>Cash and cash Equivalents</i> | 4.2.4 | 0 |
| | | |
| TOTAL ASSETS (I. + II.) | | 252.168.901 |
| | | |
| III. NON-CURRENT LIABILITIES | | 0 |
| | | |
| IV. CURRENT LIABILITIES | | 24.569.959 |
| <i>Payables and other liabilities</i> | 4.2.5 | 24.333.806 |
| <i>Accrued charges and deferred income</i> | 4.2.6 | 236.153 |
| | | |
| TOTAL LIABILITIES (III. + IV.) | | 24.569.959 |
| | | |
| V. NET ASSETS | | 227.598.941 |
| <i>Contribution from owners</i> | 4.2.7 | 148.483.142 |
| <i>Accumulated surplus/deficit</i> | | 0 |
| <i>Economic result of the year</i> | | 79.115.799 |
| | | |
| LIABILITIES AND NET ASSETS (III. + IV. + V.) | | 252.168.901 |

**3.2. Statement of financial performance from 24.09.2024 to 31.12.2024**

| in EUR | Note | 24.09.2024 - 31.12.2024 |
|--|--------------|-------------------------|
| Revenue | | |
| I. Revenue from non-exchange transactions | 4.3.1 | 101.506.556 |
| <i>Recovery of expenses</i> | | <i>101.506.556</i> |
| <i>Other non-exchange revenue</i> | | <i>0</i> |
| II. Revenue from exchange transactions | 4.3.2 | 0 |
| <i>Financial revenue</i> | | <i>0</i> |
| <i>Other exchange revenue</i> | | <i>0</i> |
| III. TOTAL REVENUE (I. +II.) | | 101.506.556 |
| Expenses | | |
| <i>Operating costs</i> | <i>4.3.3</i> | <i>21.346.397</i> |
| <i>Staff costs</i> | <i>4.3.4</i> | <i>561.882</i> |
| <i>Other expenses</i> | <i>4.3.5</i> | <i>482.088</i> |
| <i>Financial expenses</i> | <i>4.3.6</i> | <i>390</i> |
| IV. TOTAL EXPENSES | | 22.390.757 |
| ECONOMIC RESULT OF THE YEAR (III. – IV.) | | 79.115.799 |



3.3. Cash-flow statement from 24.09.2024 to 31.12.2024

| in EUR | 2024 |
|---|-------------------|
| Economic result of the year | 79.115.799 |
| <u>Operating activities</u> | |
| Depreciation and amortisation (+) | 11.645 |
| (Increase)/Decrease in pre-financing | -208.751.823 |
| (Increase)/Decrease in exchange receivables and non-exchange | -43.288.982 |
| Increase/(Decrease) in payables | 24.333.806 |
| Increase/(Decrease) in accrued charges & deferred income | 236.154 |
| Increase/(Decrease) in contribution from owners | 148.483.142 |
| <u>Investing activities</u> | |
| (Increase)/Decrease in intangible assets and property, plant, equipment | -139.741 |
| Net Cashflow | 0 |
| <i>Net Increase/(decrease) in cash and cash equivalents</i> | <i>0</i> |
| <i>Cash and cash equivalents at the beginning of the year</i> | <i>0</i> |
| <i>Cash and cash equivalents at year-end</i> | <i>0</i> |

3.4. Statement of changes in net assets

| | Contribution from Owners | Accumulated Surplus/(Deficit) | Economic result of the year | Net Assets |
|------------------------------------|--------------------------|-------------------------------|-----------------------------|--------------------|
| BALANCE AS AT 24.09.2024 | 0 | 0 | 0 | 0 |
| <i>Contribution from owners</i> | <i>148.483.142</i> | <i>-</i> | <i>-</i> | <i>148.483.142</i> |
| <i>Allocation economic result</i> | <i>-</i> | <i>0</i> | <i>-</i> | <i>0</i> |
| <i>Economic result of the year</i> | <i>-</i> | <i>-</i> | <i>79.115.799</i> | <i>79.115.799</i> |
| BALANCE AS AT 31.12.2024 | 148.483.142 | 0 | 79.115.799 | 227.598.941 |



4. NOTES TO THE FINANCIAL STATEMENTS

4.1. Significant accounting policies

4.1.1 Accounting principles

The objective of financial statements is to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of stakeholders.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1 'Presentation of Financial Statements', mainly fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

4.1.2 Basis of preparation

Reporting period

Financial statements are presented annually, and a standard accounting year typically begins on 1 January and ends on 31 December. As the ECCC became financially autonomous on 24 September 2024, the 2024 annual accounts are the first annual accounts established for ECCC and cover exclusively the period from 24 September 2024 until 31 December 2024.

Main impact of the financial autonomy

As the 2024 annual accounts are the first annual accounts established for ECCC, there are no comparative figures to be shown for the financial year 2023. Before the financial autonomy, the activities related to ECCC's programmes were carried out by the European Commission.

Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, and contingent assets and liabilities. Actual results could differ from those estimates. Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognized in the surplus or deficit in the periods in which it becomes known.

4.1.3 Accounting policies – Statement of financial position

Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

The threshold for capitalisation of Property, plant and Equipment is EUR 5.000. Property, Plant and Equipment with a value below threshold are booked as expenses and are included in the statement of financial performance.

Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land is not depreciated, as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:



| Type of asset | Straight line depreciation rate |
|--------------------------------|---------------------------------|
| Buildings | 10% |
| Plant, machinery and equipment | 10%, 25% |
| Furniture | 10%, 12,5%, 25% |
| Fixtures and fittings | 12,5%, 25% |
| Computer hardware | 25% |

Gains or losses on disposals are determined by comparing proceeds less the selling expenses with the carrying amount of the disposed asset, and are included in the statement of financial performance.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. If the reasons for an impairment recognised in previous years no longer apply, the impairment losses are reversed accordingly.

Financial assets

The classification of the financial instruments is determined at initial recognition. Receivables are carried at original invoice amount less write-down for impairment. The revised EAR 11 includes requirements for the impairment of exchange receivables. It is not applicable to the impairment of non-exchange recoverable.

The EU accounting rules require separate presentation of exchange and non -exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions meet the definition of financial instruments. The entity classified them as financial assets at amortized cost and measured them accordingly.

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognized in the statement of financial performance.

Cash and cash equivalents

Cash and cash equivalents are financial assets at amortized cost and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

In order to optimise treasury management, ECCC is using the European Commission's treasury management services since its financial autonomy. Therefore, ECCC is now sharing the Commission's bank account and, as a result, it has currently no bank accounts held with regulated financial institutions.

Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The pre-financing is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, it has the obligation to return the pre-financing to ECCC. Thus, as ECCC retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is recognized as an asset.



Pre-financing is initially recognized on the statement of financial position when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods, pre-financing is measured at the amount initially recognized on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

The estimation of eligible expenses is based on the case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates costs are calculated on a "pro-rata temporis" basis taking into consideration the ECCC contribution to the project and the start and end date of the implementation of the project. A correction multiplier may be applied in future estimation based on the historical implementation rates.

Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding, or pre-financing received or non-validated in-kind contributions to operational activities.

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount, at the moment when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

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

Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, or the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognized in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer. These aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognized in the subsequent accounting period.

Provisions

Provisions are recognized when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

When the obligation whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity, is possible, no provision is recognised, but a contingent liability is disclosed.

Net assets

Net assets are the residual of assets and liabilities and comprise accumulated financial contributions received from the European Commission, less the accumulated contributions used.



Contributions from owners

Contributions from owners are made in cash or in-kind in order to provide funding of the ECCC's operational or administrative needs⁴. An owner in this context does not mean an owner in the sense of owning shares of ECCC (no shares are issued) but rather in the sense of political interest and governance of this EU entity. The contributions received by the European Commission are treated as contributions from owners and are decreased by the estimated amount of operational costs related to grants managed by the Commission before the ECCC obtained its financial autonomy on 24 September 2024 – **see also notes 4.2.7. Net assets - Contributions from owners and 4.3.3 Operational costs.**

4.1.4 Accounting policies – Economic outturn account

Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by ECCC, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance, revenue is distinguished between:

Revenue from non-exchange transactions

Revenue from non-exchange transactions are taxes and transfers, because the transferor provides resources to the recipient entity, without the recipient entity providing approximately equal value directly in exchange. Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. For the EU entities, transfers mostly comprise funds received from the European Commission (e.g. balancing subsidy to the traditional agencies, operating subsidy for the delegation agreements).

The entity shall recognize an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognized as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability.

Revenue from exchange transactions

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or the incurring of liabilities that result in decreases in net assets.

Operating expenses relate to transfers to beneficiaries of operational grant provided by the ECCC under calls for interest (in particular of those of the Digital Europe Programme and Horizon Europe) and to expenditures in relation to the management of these operational grants. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by:

- a) regulation or an agreement has been signed authorising the transfer;
- b) any eligibility criteria have been met by the beneficiary; or
- c) a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

⁴ See also Article 21 "Union and Member States' financial contributions" of Regulation (EU) 2021/887 of the European Parliament and of the Council establishing the European Cybersecurity Industrial, Technology and Research Competence Centre and the Network of National Coordination Centres



The estimation of the eligible accrued expenses is based on the case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates costs are calculated on a "pro-rata temporis" basis taking into consideration the ECCC contribution to the project and the start and end date of the implementation of the project. A correction multiplier may be applied in estimation based on the historical implementation rates.

4.1.5 Contingent assets and liabilities

Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

Contingent liabilities

A contingent liability is either a possible obligation of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation where it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

A contingent liability also arises in the rare circumstances where a present obligation exists but cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the accounts. They are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

4.2. Notes to the statement of financial position

4.2.1 Assets - Property, plant and equipment

Property, plant and equipment are tangible fixed assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period. The threshold for capitalisation of fixed assets is EUR 5.000 (see also 4.1.3 Accounting policies – Statement of financial position including the depreciation rate per asset type).

| in EUR | Computer hardware | TOTAL |
|---|-------------------|----------------|
| Gross carrying amount at 24.09.2024 | - | - |
| Additions | 139.741 | 139.741 |
| Gross carrying amount at 31.12.2024 | 139.741 | 139.741 |
| Accumulated depreciation at 24.09.2024 | - | - |
| Depreciation charge for the year | 11.646 | 11.646 |
| Disposals | - | - |
| Accumulated depreciation at 31.12.2024 | 11.646 | 11.646 |
| NET CARRYING AMOUNT AT 31.12.2024 | 128.095 | 128.095 |

4.2.2 Assets - Pre-financing

Pre-financing is a payment intended to provide the beneficiary with a cash advance. It may be split into a number of payments over a period defined in the particular underlying contract, decision, agreement or basic legal act. The estimates operating costs and pre-financing are calculated on a "pro-rata temporis" basis – see also note 4.3.3 Operational costs.



| in EUR | 31.12.2024 |
|---|--------------------|
| <i>Non-current pre-financing given to beneficiaries</i> | 112.767.731 |
| <i>Current pre-financing given to beneficiaries</i> | 95.984.092 |
| Total | 208.751.823 |

4.2.3 Assets - Exchange receivables & non-exchange recoverable

Exchange transactions are transactions in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Non-exchange transactions are transactions in which an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

The majority of payments and receipts are processed via the European Commission's treasury system and registered on liaison accounts, which are presented under heading "receivables from exchange transactions".

The amounts included under this heading are fully composed of current receivables.

| in EUR | 31.12.2024 |
|---|-------------------|
| <i>Central treasury liaison accounts with the European Commission</i> | 43.287.449 |
| <i>Sundry receivables</i> | 1.533 |
| Total short-term receivables | 43.288.982 |

4.2.4 Assets - Cash and equivalents

The European Cybersecurity Competence Centre does not hold any form of cash or cash equivalents at hand or in accounts with financial institutions under its name. The majority of payments and receipts are processed via the European Commission's treasury system and registered on liaison accounts, which are presented under heading "receivables from exchange transactions" – **see also note 4.2.3 Assets - Exchange receivables & non-exchange recoverable**.

4.2.5 Liabilities - Payables and other liabilities

ECCC has received in 2024 (after its financial autonomy) from the European Commission the amount EUR 124.955.615 as EU contribution to cover its liquidity needs of which EUR 101.506.556 have been used (paid and carried-over) to cover administrative and operational expenditures – **see also 5.2. Result of the implementation of the budget**.

| After financial autonomy | 24.09.2024- 31.12.2024 |
|--|------------------------|
| <i>EU Contribution - Administrative</i> | 1.330.722 |
| <i>EU Contribution - Operational</i> | 123.624.893 |
| Total EU Contribution received by ECCC | 124.955.615 |
| Consumed (paid and carried-over) and cancelled appropriations (-) | -101.506.556 |
| Pre-financing 2024 EU contribution remaining open at year-end | 23.449.059 |

The Horizon Europe Guarantee Fund is similar to an insurance scheme for all H2020 beneficiaries by providing security against certain defaults in payment. The beneficiaries' liability towards ECCC is thus limited to their own debts. Five percent of the maximum EU grant is deducted from the pre-financing payment at the start of the project and allocated into the Guarantee Fund. This amount will be transferred to the coordinator at the end of the action in case of no default.

The amount due to consolidated entities is mainly composed out of payables related to staff to EU bodies at year end 2024, withheld and payable to the EU bodies at year end.



Sundry payables include amounts due to vendors and to third parties relating to unpaid invoices received before year end for goods or services. Invoices received during the closing period are paid from appropriations carried forward to the next year.

| in EUR | 31.12.2024 |
|--|-------------------|
| <i>Pre-financing 2024 EU contribution remaining open at year-end</i> | 23.449.059 |
| <i>Guarantee fund Horizon Europe contribution</i> | 859.720 |
| <i>Payables due to consolidated entities</i> | 4.789 |
| <i>Payables due to non-consolidated entities - Sundry payables</i> | 20.238 |
| Total payables and other liabilities | 24.333.806 |

4.2.6 Liabilities -Accrued charges

Accruals are liabilities to pay for goods or services that have been received or supplied but - unlike payables have not yet been invoiced or formally agreed with the supplier. The calculation of accruals is based on the open number of budgetary commitments at year-end. The portion of the estimated accrued charges relating to pre -financing paid has been recorded as a reduction of the pre-financing amounts.

| in EUR | 31.12.2024 |
|------------------------------|----------------|
| Total accrued charges | 236.153 |

The commitments of administrative nature that were not invoiced and/or not paid by end of 2024 while the committed services or supplies were delivered to ECCC in 2024, were recognised in the accounts as accrued administrative expenditure. The commitments that were paid by end of 2024 (after financial autonomy) are recognised in the accounts as actual administrative expenditure.

4.2.7 Net assets - Contributions from owners

Up to end of 2024, Member States did not voluntarily take part in joint actions by means of voluntary financial and/or in-kind contributions. So far, ECCC has only received contribution from the European Commission via the General budget of the European Union and via a contribution agreement under Horizon Europe.

Before ECCC's financial autonomy, a total pre-financing of EUR 195.614.480 related to the 105 projects was recorded by the European Commission's Directorate-General for Communications Networks, Content and Technology (DG CNECT), on behalf of ECCC. This amount was transferred as part of the transition to financial autonomy in September 2024 and became part of the ECCC's net assets in 2024. The estimated amount of operational costs related to grants managed by the Commission before the ECCC obtained its financial autonomy on 24 September 2024 equals EUR 47.131.358, which must be subtracted from DG CNECT's contributions – **see also notes 4.1.3 Accounting policies – Statement of financial position and 4.3.3 Operational costs.**

| in EUR | 31.12.2024 |
|--|--------------------|
| <i>Pre-financing granted by DG CNECT before financial autonomy – DIGITAL EUROPE PROGRAMME</i> | 163.110.141 |
| <i>Pre-financing granted by DG CNECT before financial autonomy – HORIZON EUROPE</i> | 32.504.359 |
| <i>Operational costs related to grants managed by the Commission before the ECCC obtained its financial autonomy</i> | -47.131.358 |
| Total Contributions from owners | 148.483.142 |



4.3. Notes to the economic outturn account

4.3.1 Revenue from non-exchange transactions

Revenue from non-exchange transactions relates to transactions where the transferor provides resources to the recipient entity. The heading mainly includes amounts received from the European Commission during the year to cover administrative and operational expenses. Out of EUR 124.955.615 received as EU contribution, EUR 101.506.556 have been used (paid and carried-over) to cover administrative and operational expenditures and are recognised as revenue from non-exchange transactions – **see also note 4.2.5 Liabilities - Payables and other liabilities and 5.2. Result of the implementation of the budget.**

| in EUR | 24.09.2024- 31.12.2024 |
|--|------------------------|
| Revenue from non-exchange transactions - Recovery of expenses | 101.506.556 |

4.3.2 Revenue from exchange transactions

The revenue from exchange transactions and events relates to following types of transactions: rendering of services, sales of goods, and the use by others of entity assets yielding interest, royalties and dividends. In 2024, ECCC did not record any revenue from exchange transactions.

4.3.3 Operational costs

Included under this heading are operational expenses related to projects that were carried out in the current year.

The part of the operational costs related to on-going projects without any validated cost claims (or equivalent) available on 31 December was estimated using the best information available at the time of preparation of the annual accounts. The estimation is based on the case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates costs are calculated on a "pro-rata temporis" basis. A correction multiplier may be applied in future estimation based on the historical implementation rates.

Out of EUR 21.346.397 of operational costs, expenses related to operational grants given by ECCC are estimated to EUR 20.354.534.

The total 2024 pre-financing for operational grant amounts to EUR 276.237.715 of which EUR 195.614.480 were given by DG CNECT before the financial autonomy (**see also note 4.2.7 Net assets - Contributions from owners**) and EUR 80.623.215 by ECCC after the financial autonomy. The operating costs were calculated on a pro-rata basis for each project for the period 24/09/2024 to 31/12/2024, considering the ECCC contribution to the project and the start and end date of the implementation of the project. Using this pro-rata basis, the operational costs amount to EUR 20.354.534. The remaining pre-financing relating to the year 2025 (current) and beyond 2025 (non-current) amount to respectively EUR 95.984.091 and EUR 112.767.731 (**see also note 4.2.2 Assets – Pre-financing**).

| in EUR | Prior to 23.09.2024 | From 24.09.2024 to 31.12.2024 | From 01.02.2025 to 31.12.2025 | After 01.01.2026 | TOTAL |
|---------------------------------|------------------------|-------------------------------------|-------------------------------------|--------------------|--------------------|
| <i>DIGITAL EUROPE PROGRAMME</i> | 47.034.982 | 16.861.328 | 80.550.037 | 85.531.489 | 229.977.836 |
| <i>HORIZON EUROPE</i> | 96.375 | 96.376 | 15.434.054 | 27.236.242 | 46.259.878 |
| TOTAL | 47.131.358 | 20.354.534 | 95.984.091 | 112.767.731 | 276.237.714 |

4.3.4 Staff costs

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



The PMO's mission is to manage the financial rights of permanent, temporary and contractual staff working for European Union institutions, bodies and agencies (EUIBAs), to calculate and to pay their salaries and other financial entitlements. The PMO is also responsible for managing the health insurance fund of the EUIBAs, together with processing and paying the claims of reimbursement from staff members. The PMO also manages the pension fund and pays the pensions of retired staff members. PMO is being audited by the European Court of Auditors.

ECCC is only responsible for the communication to the PMO of reliable information allowing the calculation of the staff costs, it is not responsible for the calculation of the payroll costs performed by PMO.

| in EUR | 24.09.2024- 31.12.2024 |
|--------------------|------------------------|
| Staff costs | 561.881 |

Moreover, ECCC's staff members are members of the European Communities Pension Scheme which is a defined benefit pension plan. A defined benefit plan is a pension plan that generally defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. Additional contribution was made by the European Commission. The cost undertaken by the European Commission is not presented on the ECCC's accounts. Future benefits payable to ECCC's staff under the EC Pension Scheme are accounted for in the accounts of the European Commission and no such provisions are entered in the ECCC's annual accounts.

4.3.5 Other expenses

Included under this heading are expenses of administrative nature such as sundry administrative expenditures (external non-IT services, communications and publications, training costs etc.), services provided by other consolidated entities (such as European Commission's for the provision of IT financial tools, treasury management services, office rent, etc.), and depreciation of fixed assets (*see also note 4.2.1 Assets – Property, plant and equipment*).

| in EUR | 24.09.2024- 31.12.2024 |
|---|------------------------|
| <i>Sundry administrative expenditure</i> | 311.561 |
| <i>Services provided by other consolidated entities</i> | 158.882 |
| <i>Depreciation charge of the year</i> | 11.645 |
| Total other expenses | 482.088 |

4.3.6 Financial Expenses

Included under this heading are the net unrealised and realised exchange losses (mainly resulting from negative exchange rate difference between the euro and the hosting Member State's currency, the Romanian leu) and interest expenses on late payment. ECCC did not pay any late interest in 2024.

| in EUR | 24.09.2024- 31.12.2024 |
|--|------------------------|
| <i>Unrealised and realised exchange losses</i> | 390 |
| <i>Interest expense on late payment</i> | 0 |
| Total financial expenses | 390 |

4.4. Other significant disclosures

4.4.1 Outstanding commitments not yet expensed

The outstanding commitments not yet expensed comprise the budgetary RAL ("Reste à Liquider") less related amounts that have been included as expenses in the current year's statement of financial performance. The RAL represents the open budgetary commitments for which payments and/or de - commitments have not yet been made. This is the normal consequence of the existence of multi -annual programs.



| in EUR | 24.09.2024- 31.12.2024 |
|---|------------------------|
| <i>Budgetary RAL ("Reste à Liquider")</i> | 200.340.083 |
| <i>Accruals of the year (-)</i> | -236.153 |
| Outstanding commitments not yet expensed | 200.103.930 |

4.4.2 Related parties

ECCC is managed by the Executive Director (Authorising Officer) who is employed in a temporary agent post, grade AD14. His remuneration, allowances and other entitlements are covered by the Conditions of Employment of Other Servants of the European Communities.

4.4.3 Subsequent events

In accordance with EU accounting rule 19 "Events after Reporting Date", the on-going Russian war of aggression against Ukraine that began in February 2022 does not require any adjustments to the figures reported in these financial statements at 31 December 2024.

Furthermore, for subsequent reporting periods, this event is unlikely to affect ECCC's recognition and measurement of assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance as ECCC is not exposed to any assets, liabilities, revenue and expenses which may be impacted by this subsequent event.

4.4.4 Contributions in kind by the hosting Owner State

In accordance with the host agreement under which the hosting Member State shall undertake to provide to ECCC suitable premises, a free sublease agreement has been signed between the Romanian authorities and ECCC for the provision of office located in Bucharest. Therefore, ECCC has no financial exposure on building rental costs in Bucharest (but remains liable for the underlying building related costs such as for example security services and utilities costs).

4.4.5 Financial instruments: disclosures and risk management

In line with revised EU Accounting rule No 11, ECCC discloses information that enables users of its financial statements to evaluate the nature and the extent of risks arising from financial instruments to which ECCC is exposed at the end of the reporting period and how ECCC manages them.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

ECCC's main source of funding is stemming from the European Union's budget. Other receivables are not significant in monetary term and are unlikely to default.

As of financial autonomy, treasury management services are provided by the European Commission – **see also note 4.2.3 Assets - Exchange receivables & non-exchange recoverable.**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. ECCC has no significant market risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.



ECCC has no foreign currency exposure, all financial assets (including cash and cash equivalents) and liabilities are held in euro. When miscellaneous receipts are received in currencies other than euro, they are converted into euro and transferred to accounts held in euro.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

ECCC has no loans or overdrafts and is therefore not exposed to interest rate risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

ECCC is working with a differentiated annual budget: the financial obligations arising from budgetary commitments are not matched by an equivalent payment appropriation.



5. THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

5.1. Budgetary principles, structure and budgetary implementation of the year

5.1.1 *Budgetary principles*

The establishment and implementation of the budget of the European Cybersecurity Competence Centre is governed by the following basic principles set out in the Chapter 2 of ECCC's Financial Rules.

Principles of unity and budget accuracy

All expenditure and revenue must be incorporated in a single budget document, must be booked on a budget line and expenditure must not exceed authorised appropriations. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary for the implementation and execution of ECCC's work programme or if a financing decision by ECCC's Governing Board allows it.

Principle of annuality

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December. Appropriations which have not been used by the end of the financial year for which they were entered shall be cancelled. However, given the special nature and the needs of the Centre, Article 12 of the ECCC Financial Rules states that the cancelled appropriations may be entered in the estimates of revenue and expenditure up to the following three financial years. Those appropriations must be used first.

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

Principle of specification

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and lines.

Principle of sound financial management

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. A summary of the budget of the Competence Centre and any amending budget of the Competence Centre, as definitively adopted, shall be published in the Official Journal of the European Union within three months of their adoption.



5.1.2 Structure and presentation of the budget

In accordance with the financial rules of European Cybersecurity Competence Centre, the budget accounts shall consist of a statement of revenue and a statement of expenditure.

The budget of the Competence Centre shall contain the following type of appropriations:

- a) non-differentiated appropriations – for Titles 1 and 2 (administrative budget); and
- b) differentiated appropriations – for Title 3 (operational budget).

The budget is distributed in the following titles:

- i. **Title 1** relates to staff expenditure such as salaries and allowances for personnel working with ECCC. It also includes training costs, recruitment expenditure and other staff-related expenses.
- ii. **Title 2** relates to building and IT infrastructure, equipment and miscellaneous administrative expenditure. It also covers the costs of service level agreements with other EUIBAs.
- iii. **Title 3** encompasses operational expenditure for:
 - a. the implementation and execution of grants provided under the Digital Europe Programme and Horizon Europe Programme,
 - b. evaluation and programme tools,
 - c. publication, communication and translation costs,
 - d. statutory, technical meetings and studies, and
 - e. 5) missions costs.

5.1.3 Highlights of the budgetary implementation

ECCC gained its financial autonomy on 24 September 2024. Accordingly, the budgetary implementation covers the period between the financial autonomy and year-end, i.e. between 24 September and 31 December 2024. For informative purposes, an aggregation of the overall budget 2024 implementation is also presented (before and after ECCC financial autonomy).

DG CNECT of the European Commission was managing the ECCC budget execution in the period prior to the financial autonomy.

On 24 Sep 2024, the non-executed budget by DG CNECT was transferred to ECCC, i.e. under the mandate and responsibility of the ECCC Executive Director.

The main highlights of the 2024 Budget implementation are as follows:

In 2024, ECCC achieved 99,8 % rate of implementation (C1 fund source) for the commitment appropriations (excluding the appropriations arising from Horizon Europe which were provided in addition to ECCC after the financial autonomy). Including Horizon, the budget consumption of commitment appropriations amounted to 90,5%.

The rate of execution of payment appropriations (excluding Horizon Europe) in 2024 (24 September – 31 December 2024) was 82,1 % of the available funds (C1 fund source). Including Horizon, the budget consumption of payment appropriations amounted to 82,0%.

There were two budgetary amendments during 2024. In addition, the final payment appropriations for 2024 have been amended by a decrease of EUR 36.767.419 to reflect the final amount effectively transferred by the EU Commission to the ECCC as part of financial autonomy and as notified by the ECCC's Governing Board on December 12, 2024.

Seven budgetary transfers were implemented in 2024. They all followed the provisions stipulated in Article 24 of ECCC's Financial Rules (FR). All of the budgetary transfers were within the scope of the 10% threshold under Article 21.1.a of the FR and were approved by the Executive Director.

Revenue

In accordance with Article 21 "Union and Member States' financial contributions" of Regulation (EU) 2021/887 of the European Parliament and of the Council establishing the European Cybersecurity Industrial, Technology and Research Competence Centre and the Network of National Coordination Centres, ECCC "shall be funded by the Union, while joint actions shall be



funded by the Union and by voluntary contributions by the Member States". The article 6 also details that ECCC "may be entrusted with the implementation of the cybersecurity parts under Horizon Europe" subject to a contribution agreement.

In 2024, the ECCC has received in cash EUR 108.051.831 from the European Union under the Digital Europe Programme and EUR 16.903.784 from a contribution agreement under Horizon Europe. Up to 31 December 2024, the Member States did not yet voluntarily contribute to the ECCC's budget. The total budgetary revenue for the financial year amounts thus to EUR 124.955.615 – **see also 5.2. Result of the implementation of the budget.**

Administrative costs

The rates of implementation for title 1 in terms of commitment and payment appropriations were respectively 78,6% and 70,9%.

The relatively low title 1 implementation's rate for the period 24 September – 31 December 2024 is mainly due to the short term of period for ECCC's autonomous budget implementation for the year (only three full months) and the decrease of correction factor for salaries in Romania.

For title 2, the implementation rates for commitment and payment appropriations are respectively 83,8% and 27,1%.

The low implementation of title 2 payment budget (27,1%) is mainly due to the fact that ECCC has become financially autonomous only late in the year (24 September 2024), and, therefore, was not able to implement the title 2 payment budget at higher execution rate.

Operational costs

Title 3 of the ECCC's budget constitutes the operational budget.

In terms of commitment appropriations, title 3 represents 99,0% of the overall ECCC budget whereas in payment credits term, the ratio is 98,2%. The execution rate of the operational budget in both commitment and payment appropriations (including Horizon Europe appropriations) was respectively 90,6% and 82,7%.

Unused appropriations

The unused appropriations (C1 fund source) 31 December 2024 are:

- For commitment appropriations: EUR 29.606.688,98 (out of which EUR 29.255.819,59 are attributed to Horizon Europe appropriations); and
- For Payment appropriations: EUR 18.283.430,08 (out of which EUR 14.098.043,92 are attributed to DEP and EUR 3.148.265,00 to Horizon Europe appropriations).

The amount of unused appropriations is related to the degree of budget implementation in the first period of ECCC's financial autonomy.

According to Article 12 of ECCC's Financial Rules, the cancelled appropriations may be entered in the estimates of revenue and expenditure up to the following three financial years. Those appropriations must be used first.



5.2. Result of the implementation of the budget

The 2024 outturn as calculated amounts to EUR 23 449 059.

The details are presented in the table below:

| in EUR | 2024 |
|--|--------------------|
| Received revenue (from 24.09.2024 to 31.12.2024) | 124.955.615 |
| of which: | |
| EU Contribution – Administrative | 1.330.722 |
| EU contribution - Operational | 123.624.893 |
| Paid expenditure (from 24.09.2024 to 31.12.2024) (-) | -83.308.585 |
| of which: | |
| Title 1 - Staff expenditure (-) | -573.079 |
| Title 2 – Building, IT and other administrative expenditure (-) | -297.843 |
| Title 3 - Operational expenditure (-) | -82.437.663 |
| Carry-over of appropriations at year-end (-) | -18.283.430 |
| of which: | |
| Title 1 - Staff expenditure (-) | -234.885 |
| Title 2 – Building, IT and other administrative expenditure (-) | -802.236 |
| Title 3 - Operational expenditure (-) | -17.246.309 |
| Cancellation of appropriations carried over from year N-1 (+) | 85.849 |
| Exchange rate differences (+/-) | -390 |
| Budget result | 23.449.059 |



5.3. Reconciliation of the economic result with budget result

| in EUR '000 | 2024 |
|--|-------------------|
| ECONOMIC RESULT OF THE YEAR | 79.115.799 |
| <i>See also 3.2 Statement of financial performance</i> | |
| Adjustment for accrual items (items not in the budgetary result but included in the economic result) | |
| <i>Adjustments for accrual cut-off 31.12.2024</i> | 236.153 |
| <i>Unpaid invoices at year end but booked in expenses</i> | 1.139 |
| <i>Depreciation of intangible and tangible assets</i> | 11.645 |
| <i>Pre-financing given in previous year and cleared in the year</i> | 837.729 |
| <i>Payments made from carry over of payment appropriations</i> | 188.407 |
| <i>Other individually immaterial</i> | 4.225 |
| Adjustment for budgetary items (item included in the budgetary result but not in the economic result) | |
| <i>Asset acquisitions (less unpaid amounts)</i> | -120.642 |
| <i>New pre-financing paid in the year 2024 and remaining open as at 31.12.2024</i> | -62.076.873 |
| <i>New pre-financing received in the year 2024 and remaining open as at 31.12.2024</i> | 23.449.059 |
| <i>Payment appropriations carried over to 2025</i> | -18.283.430 |
| <i>Cancellation of unused carried over payment appropriations from previous year</i> | 85.848 |
| BUDGET RESULT OF THE YEAR | 23.449.059 |
| <i>See also 5.2. Result of the implementation of the budget</i> | |



5.4. Implementation of budget expenditure

5.4.1 Current year appropriations - C1 fund source

ECCC's budget implementation from 24.09.2024 to 31.12.2024 - C1 fund source - in '000 EUR

| Budget Line | Budget Description | Commitment Appr. | Committed | in % | Non-committed | Payment Appr. | Paid | in % | Non-paid |
|---------------------|---|------------------|----------------|--------------|---------------|----------------|---------------|--------------|---------------|
| | | 1 | 2 | = (2) / (1) | = (1) - (2) | 3 | 4 | = (4) / (3) | = (3) - (4) |
| 1111 | Salaries and allowances for temporary agents | 293 | 227 | 77,5% | 66 | 293 | 219 | 74,7% | 74 |
| 1121 | Salaries and allowances for contractual agents | 326 | 311 | 95,4% | 15 | 326 | 311 | 95,4% | 15 |
| 1131 | Seconded national experts, interim staff and trainees | 27 | 27 | 100,0% | - | 27 | 12 | 44,4% | 15 |
| 1151 | Recruitment | 42 | 25 | 59,5% | 18 | 42 | - | 0,0% | 42 |
| 1161 | Trainings | 20 | - | 0,0% | 20 | 20 | - | 0,0% | 20 |
| 1171 | Mission expenses | 78 | 40 | 51,3% | 38 | 78 | 28 | 35,9% | 50 |
| 1181 | Social welfare | 20 | 5 | 25,0% | 15 | 20 | 3 | 15,0% | 17 |
| 1182 | Medical service and expenses | 1 | - | 0,0% | 1 | 1 | - | 0,0% | 1 |
| TITLE 1 | Staff expenditure | 807 | 635 | 78,7% | 173 | 807 | 573 | 71,0% | 234 |
| 2111 | Rental of building and associated costs | 33 | 33 | 100,0% | - | 33 | 13 | 39,4% | 20 |
| 2121 | Computer centre operations and data processing | 682 | 567 | 83,1% | 115 | 682 | 127 | 18,6% | 555 |
| 2131 | Moveable property and associated costs | 2 | - | 0,0% | 2 | 2 | - | 0,0% | 2 |
| 2141 | Current administrative expenditure | 251 | 236 | 94,0% | 15 | 251 | 151 | 60,2% | 100 |
| 2151 | Publication, communication and translation costs | 36 | 1 | 2,8% | 35 | 36 | - | 0,0% | 36 |
| 2161 | Technical meetings | 15 | 15 | 100,0% | - | 15 | - | 0,0% | 15 |
| 2162 | Statutory meetings | 29 | 19 | 65,5% | 10 | 29 | 7 | 24,1% | 22 |
| 2171 | Studies | 53 | 52 | 98,1% | 1 | 53 | - | 0,0% | 53 |
| TITLE 2 | Building, IT and others | 1.101 | 923 | 83,8% | 178 | 1.101 | 298 | 27,1% | 803 |
| 3111 | Digital Europe Programme | 214.852 | 214.852 | 100,0% | - | 82.780 | 68.682 | 83,0% | 14.098 |
| 3121 | Horizon Europe Programme | 96.495 | 67.239 | 69,7% | 29.256 | 16.904 | 13.756 | 81,4% | 3.148 |
| TITLE 3 | Operational expenditure | 311.347 | 282.091 | 90,6% | 29.256 | 99.684 | 82.438 | 82,7% | 17.246 |
| Total budget | | 313.255 | 283.649 | 90,5% | 29.607 | 101.592 | 83.309 | 82,0% | 18.283 |



ECCC's commitment implementation for the 2024 financial year - C1 fund source - in '000 EUR

| Budget Line | Budget Description | 2024 commitment appropriations | Transfers, commitment appropriations | Total commitment appropriations in 2024 | Committed before Autonomy - CNECT | Committed after autonomy - ECCC | Total committed in 2024 | % Committed | Non-committed |
|---------------------|---|--------------------------------|--------------------------------------|---|-----------------------------------|---------------------------------|-------------------------|--------------|---------------|
| | | (1) | (2) | (3) = (1) + (2) | (4) | (5) | (6) = (4) + (5) | = (6) / (3) | = (3) - (6) |
| 1111 | Salaries and allowances for temporary agents | 890 | 11 | 901 | 608 | 227 | 835 | 92,7% | 66 |
| 1121 | Salaries and allowances for contractual agents | 500 | 896 | 1.396 | 1.070 | 311 | 1.381 | 92,7% | 15 |
| 1131 | Seconded national experts, interim staff and trainees | 100 | (65) | 36 | 8 | 27 | 35 | 92,7% | 1 |
| 1141 | Insurance against sickness, etc. | 60 | (60) | - | - | - | - | 92,7% | - |
| 1151 | Recruitment | 15 | 29 | 44 | 1 | 25 | 26 | 92,7% | 18 |
| 1161 | Trainings | 140 | (120) | 20 | - | - | - | 92,7% | 20 |
| 1171 | Mission expenses | 80 | 79 | 159 | 81 | 40 | 121 | 92,7% | 38 |
| 1181 | Social welfare | 30 | (10) | 20 | - | 5 | 5 | 92,7% | 15 |
| 1182 | Medical service and expenses | 12 | (11) | 1 | - | - | - | 92,7% | 1 |
| TITLE 1 | Staff expenditure | 1.827 | 749 | 2.577 | 1.768 | 635 | 2.403 | 92,7% | 174 |
| 2111 | Rental of building and associated costs | 290 | (256) | 34 | 1 | 33 | 34 | 100,0% | - |
| 2121 | Computer centre operations and data processing | 290 | 442 | 732 | 50 | 567 | 617 | 84,3% | 115 |
| 2131 | Moveable property and associated costs | 218 | (216) | 2 | - | - | - | 0,0% | 2 |
| 2141 | Current administrative expenditure | 103 | 207 | 310 | 60 | 236 | 296 | 95,5% | 14 |
| 2151 | Publication, communication and translation costs | 150 | (91) | 59 | 23 | 1 | 24 | 40,7% | 35 |
| 2161 | Technical meetings | 52 | (37) | 15 | - | 15 | 15 | 100,0% | - |
| 2162 | Statutory meetings | 50 | 18 | 68 | 39 | 19 | 58 | 85,3% | 10 |
| 2171 | Studies | 120 | (67) | 53 | - | 52 | 52 | 98,1% | 1 |
| TITLE 2 | Building, IT and others | 1.273 | - | 1.273 | 173 | 923 | 1.096 | 86,1% | 177 |
| 3111 | Digital Europe Programme | 215.731 | (749) | 214.982 | 130 | 214.852 | 214.982 | 100,0% | - |
| 3121 | Horizon Europe Programme | 96.495 | - | 96.495 | - | 67.239 | 67.239 | 69,7% | 29.256 |
| TITLE 3 | Operational expenditure | 312.226 | (749) | 311.477 | 130 | 282.091 | 282.221 | 90,6% | 29.256 |
| Total budget | | 315.326 | - | 315.327 | 2.071 | 283.649 | 285.720 | 90,6% | 29.607 |



ECCC's payment implementation for the 2024 financial year - C1 fund source - in '000 EUR

| Budget Line | Budget Description | 2024 payment appropriations | Transfers, payment appropriations | Total payment appropriations in 2024 | Paid before Autonomy - CNECT | Paid after autonomy - ECCC | Total paid in 2024 | % paid | Unpaid |
|---------------------|---|-----------------------------|-----------------------------------|--------------------------------------|------------------------------|----------------------------|--------------------|--------------|---------------|
| | | (1) | (2) | (3) = (1) + (2) | (4) | (5) | (6) = (4) + (5) | = (6) / (3) | = (3) - (6) |
| 1111 | Salaries and allowances for temporary agents | 890 | 11 | 901 | 608 | 219 | 827 | 91,8% | 74 |
| 1121 | Salaries and allowances for contractual agents | 500 | 896 | 1.396 | 1.070 | 311 | 1.381 | 98,9% | 15 |
| 1131 | Seconded national experts, interim staff and trainees | 100 | (65) | 35 | 9 | 12 | 21 | 60,0% | 14 |
| 1141 | Insurance against sickness, etc. | 60 | (60) | - | - | - | - | - | - |
| 1151 | Recruitment | 15 | 29 | 44 | 1 | - | 1 | 2,3% | 43 |
| 1161 | Trainings | 140 | (120) | 20 | - | - | - | 0,0% | 20 |
| 1171 | Mission expenses | 80 | 79 | 159 | 81 | 28 | 109 | 68,6% | 50 |
| 1181 | Social welfare | 30 | (10) | 20 | - | 3 | 3 | 15,0% | 17 |
| 1182 | Medical service and expenses | 12 | (11) | 1 | - | - | - | 0,0% | 1 |
| TITLE 1 | Staff expenditure | 1.827 | 749 | 2.576 | 1.769 | 573 | 2.342 | 90,9% | 234 |
| 2111 | Rental of building and associated costs | 290 | (256) | 34 | 1 | 13 | 14 | 41,2% | 20 |
| 2121 | Computer centre operations and data processing | 290 | 442 | 732 | 50 | 127 | 177 | 24,2% | 555 |
| 2131 | Moveable property and associated costs | 218 | (216) | 2 | - | - | - | 0,0% | 2 |
| 2141 | Current administrative expenditure | 103 | 207 | 310 | 60 | 151 | 210 | 67,7% | 100 |
| 2151 | Publication, communication and translation costs | 150 | (91) | 59 | 23 | - | 23 | 39,0% | 36 |
| 2161 | Technical meetings | 52 | (37) | 15 | - | - | - | 0,0% | 15 |
| 2162 | Statutory meetings | 50 | 18 | 68 | 39 | 7 | 46 | 67,6% | 22 |
| 2171 | Studies | 120 | (67) | 53 | - | - | - | 0,0% | 53 |
| TITLE 2 | Building, IT and others | 1.273 | - | 1.273 | 173 | 298 | 470 | 36,9% | 803 |
| 3111 | Digital Europe Programme | 155.753 | (749) | 155.004 | 72.224 | 68.682 | 140.906 | 90,9% | 14.098 |
| 3121 | Horizon Europe Programme | 16.904 | - | 16.904 | - | 13.756 | 13.756 | 81,4% | 3.148 |
| TITLE 3 | Operational expenditure | 172.657 | (749) | 171.908 | 72.224 | 82.438 | 154.662 | 90,0% | 17.246 |
| Total budget | | 175.757 | - | 175.757 | 74.166 | 83.309 | 157.474 | 89,6% | 18.283 |



5.4.2 Previous year appropriations – C8 fund source

ECCC’s budget implementation from 24.09.2024 to 31.12.2024 - C8 fund source - in ‘000 EUR

| Budget Line | Budget Description | Commitment appropriations carried over | Committed | % Committed | Non-used in 2024 | Payment appropriations carried forward | Paid | % Paid | Unpaid |
|---------------------|--|--|----------------|---------------|------------------|--|------------|--------------|-------------|
| | | (1) | (2) | = (2) / (1) | = (1) - (2) | (3) | (4) | = (4) / (3) | = (3) - (4) |
| 1171 | Mission expenses | 13 | - | 0,0% | 13 | 13 | - | 0,0% | 13 |
| TITLE 1 | Staff expenditure | 13 | - | 0,0% | 13 | 13 | - | 0,0% | 13 |
| 2121 | Computer centre operations and data processing | 144 | 144 | 100,0% | - | 144 | 144 | 100,0% | - |
| 2131 | Moveable property and associated costs | 1 | - | 0,0% | 1 | 1 | - | 0,0% | 1 |
| 2141 | Current administrative expenditure | 113 | 45 | 39,8% | 68 | 113 | 45 | 39,8% | 68 |
| 2162 | Statutory meetings | 4 | - | 0,0% | 4 | 4 | - | 0,0% | 4 |
| TITLE 2 | Building, IT and others | 262 | 189 | 72,1% | 73 | 262 | 189 | 72,1% | 73 |
| 3111 | Digital Europe Programme | 242.343 | 242.343 | 100,0% | - | - | - | - | - |
| TITLE 3 | Operational expenditure | 242.343 | 242.343 | 100,0% | - | - | - | - | - |
| Total budget | | 242.618 | 242.532 | 100,0% | 86 | 275 | 189 | 68,7% | 86 |



6. GLOSSARY

Administrative appropriations

Appropriations to cover the running costs of the entities (staff, buildings, office equipment).

Adopted budget

Draft budget becomes the adopted budget as soon as approved by the budgetary authority.

Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

Appropriations

The budget forecasts both commitments (legal pledges to cover financial obligations) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments may differ - differentiated appropriations - because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and the progresses towards completion of the underlying project.

Assigned revenue.

Revenue dedicated to finance specific items of expenditure.

Budget result

The difference between income received and amounts paid, including adjustments for carry -overs, cancellations and exchange rate differences. For EU agencies and other EU bodies, depending on their financial rules, the resulting budgetary surplus amount may have to be reimbursed to the funding authority.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

Revenue and expenditure are shown in the budget structure in accordance with a binding nomenclature, which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

Budgetary commitment

Operation by which the authorizing officer responsible reserves the budget appropriations necessary to cover for subsequent payments to honour legal commitments.

Cancellation of appropriations

Appropriations which have not been used by the end of the financial year and which cannot be carried over, shall be cancelled.

Carry-over of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.



Commitment appropriations

Commitment appropriations cover the total value of legal obligations (contracts, grant agreements or decisions) that could be signed in the current financial year.

De-commitment

Operation whereby the authorising officer responsible cancels wholly or partly the reservation of appropriations previously made by means of a budgetary commitment.

Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year.

Economic result

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

Entitlements established

Right to collect income from a debtor as recognised through the issuing of a recovery order.

Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currencies at the date of the accounts.

EUIBAs

European Union Institutions, Bodies and Agencies.

Expenditure

Term used to describe spending the budget from all types of funds sources.

Grants

Direct financial contributions from the budget to third-party beneficiaries, engaged in activities that serve Union policies.

Legal basis / basic act

The legal act adopted by the legislative authority (usually the Council and European Parliament) specifying the objective of a Union spending programme, the purpose of the appropriations, the rules for intervention, expiry date and the relevant financial rules to serve as a legal basis for the implementation of the spending programme.

Legal commitment

The act whereby the Authorising Officer enters into an obligation towards third parties which results in a charge for the Union budget. Common forms of legal commitments are contracts in the case of procurement, grant agreements and grant decisions.

Non-differentiated appropriations

Appropriations which meet annual needs and must therefore be committed during the budget year. Only amounts qualifying for automatic carryover can be disbursed in the following year. Non-differentiated appropriations which have not been used, i.e. committed, by the end of the year, are cancelled (unless, exceptionally, permission is given by a European Commission decision for a non-automatic carryover). Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.



Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

Outstanding commitments

Outstanding commitments (or RAL, from the French “reste à liquider”) are defined as the committed amount of appropriations that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.

Surplus

Positive difference between revenue and expenditure, which has to be returned to the funding authority. Cf. Budget result

Transfer between budget lines

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification.