



Annual accounts of the
Sesar 3 Joint undertaking

Financial year 2025

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the SESAR 3 Joint Undertaking, in accordance with Article 52 of the Model Financial Regulation ('MFR')¹ and I hereby certify that the annual accounts of the SESAR 3 JU for the year 2025 have been prepared in accordance with Chapter 8 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 SESAR 3 Joint Undertaking's 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 SESAR 3 Joint Undertaking.

My assurance statement related to the Annual Accounts 2025 will be transmitted to the Accounting Officer of the Commission. The Management Representation Letter, signed by the Authorising Officer and myself, will be sent to the European Court of Auditors for the audit of the Final Accounts.

Digitally signed by:

ANDREA TOTH

Date: 2026-06-03 12:55:01 UTC

Andrea TÓTH

**Accounting Officer of the
SESAR 3 Joint Undertaking**

¹ 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

BACKGROUND INFORMATION NOTE

1. General background on the entity

Establishment

The Single European Sky ATM Research 3 Joint Undertaking (SESAR 3 JU) is a European public-private partnership based in Brussels that is responsible for the modernisation of the European air traffic management (ATM) system by coordinating and concentrating all ATM relevant research and innovation efforts in the EU.

The Single Basic Act (SBA) setting up the joint undertakings under Horizon Europe, including SESAR 3 JU, was adopted by the Council on 18 November 2021 and entered into force on 30 November 2021 (Council Regulation (EU) 2021/2085).

The SESAR 3 JU builds on the experience of the previous SESAR Joint Undertaking and continues its coordination role for ATM research in the Union. The main objectives are to strengthen and further integrate the research and innovation capacity in Europe, helping accelerate the digitalisation of the sector and rendering it more resilient and scalable to fluctuations in traffic. It will strengthen, through innovation, the competitiveness of manned and unmanned air transport and ATM services, to support economic recovery and growth. It will develop and accelerate the market uptake of innovative solutions to establish the Single European Sky airspace as the most efficient and environmentally friendly sky to fly in the world.

Under the Single Basic Act (Article 174.9), the Single European Sky ATM Research 3 Joint Undertaking shall be the legal and universal successor in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property of the SESAR Joint Undertaking established by Council Regulation (EC) No 219/2007, which it shall replace and succeed.

Mission

The objective of the SESAR 3 JU is to modernise European Air Traffic Management (ATM) by defining, developing and delivering new or improved technologies and procedures.

SESAR's vision has been updated by the 2025 edition of the European ATM Master Plan.

Main operational activities

As the technological pillar of Europe's Single European Sky (SES) initiative, SESAR is the mechanism which coordinates and concentrates all EU research and development (R&D) activities in ATM, pooling together public and private resources to develop the next generation of ATM.

Governance

The SESAR 3 JU consists of 55 members including the EU, represented by the European Commission, and the European Organisation for the Safety of Air Navigation ("Eurocontrol"), an international organisation.

The SESAR 3 JU is headed by an Executive Director, who is appointed by the Governing Board. The Governing Board has overall responsibility for the strategic orientation and effective operation of the SESAR 3 JU and supervises the implementation of its activities.

Other bodies of the SESAR 3 JU include:

- The States' Representatives Group supports the Governing Board and provides an agreed position before the adoption of the work Programme.
- The Scientific Advisory Body supports the Governing Board in ensuring the scientific excellence of the Digital European Sky Programme.
- The Programme Committee supports the Executive Director in the Digital European Sky Programme delivery.

Sources of financing

The SESAR 3 Joint Undertaking is jointly funded by the European Union, Eurocontrol and the other Members, each of which contributes one third to the funding of the Industrial research (European Union EUR 600 million, other Members EUR 500 million and Eurocontrol EUR 500 million, these are the initial figures of the SBA). The funding comprises financial contributions, paid in instalments, and in-kind contributions. The resources of the SESAR 3 JU are composed of:

- All Members' financial contributions to the administrative costs.
- Members' (other than the Union) in-kind contributions to the operational costs and in-kind contributions to additional activities.
- Any other revenue generated by the JU.
- Other financial contributions, resources and revenues namely related to delegation agreements signed with the Commission.

2. Annual Accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the Model Financial Regulation (MFR)². As per this regulation, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

Accounting Officer

In accordance with the MFR, the Governing Board of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for the preparation of the annual accounts.

The Single Basic Act³ establishing the JUs required the establishment of back-office arrangements, to provide horizontal support functions to the joint undertakings, by concluding service level agreements. The Accounting Back Office Arrangement (Acco BOA) was established and took over the accounting services from the Accounting Officer of the European Commission as from 1 December 2022.

Following the decision of the SESAR 3 JU Governing Board of 25 November 2022 Ms. Andrea Tóth acts as the Accounting Officer of SESAR 3 JU as of 1 December 2022.

Composition of the annual accounts

The annual accounts cover the period from 1 January to 31 December and comprise the financial statements and the reports on the implementation of the 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.

Process from provisional accounts to discharge

The provisional annual accounts prepared by the Accounting Officer are transmitted, by 1 March of the following year, to the European Court of Auditors (ECA) and to the audit company contracted by the JU. Following the audit, the Accounting Officer prepares the final annual accounts and submits them to the Governing Board for opinion.

The final annual accounts, together with the opinion of the Governing Board, are sent to the Accounting Officer of the Commission, the European Court of Auditors, the European Parliament and the Council by 1 July of the following financial year. The ECA scrutinises the final annual accounts and includes any findings in the annual report for the European Parliament and the Council.

It falls to the Council to recommend, and then to the European Parliament to decide, whether to grant discharge to the Executive Director in respect of the implementation of the budget for a given financial year. Amongst other elements this decision is also based on a review of the accounts and the annual report of the ECA.

² 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 (OJ L 14 2, 29.5.2019, p. 16)

³ COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014

3. Operational highlights

Achievements of the year

The 2025 Digital European Sky Exploratory and Industrial Research calls for proposals (HORIZON SESAR-2025-DES-ER-03 and HORIZON SESAR-2025-DES-IR-02) opened in the second quarter of 2025 and closed on 16 September, attracting a total of 121 submissions. This strong response reflects the high level of engagement and ambition within the European aviation community. With EU funding amounting to EUR 254 million (EUR 24 million for Exploratory Research 3 and EUR 230 million for Industrial Research 2), it marks the largest wave of calls ever launched by the SESAR 3 Joint Undertaking.

A total of 82 proposals were submitted under ER03 and 39 under IR02. The SESAR 3 JU informed the Governing Board in December that 42 proposals had been selected for which the Grant Preparation Phase would end by mid-May 2026.

While delivering on its strategic objectives, the SESAR 3 JU continues to drive organisational excellence, strengthening effectiveness and efficiency through ongoing improvements to its processes, procedures, performance and risk management frameworks, and ICT infrastructure. This commitment is matched by sustained investment in the growth and capabilities of its people, ensuring the organisation remains agile, forward looking and equipped to deliver on its mission, management frameworks, and ICT infrastructure.

Since January 2023, the SESAR 3 JU has relied on SPEEDWELL for managing administrative payments and commitments. The tool has significantly strengthened deadline monitoring, contributing to a reduction in late payments from 19.2% in 2022 (5.15% in 2023 and 2.26% in 2024) to 1.3% in 2025.

Since September 2023, BLUEBELL has supported the preparation of budgets and procurement plans, while also giving operational units a clearer view of monthly budget execution through data drawn directly from ABAC. From October 2024 onward, it has also been used for carry-over and cut-off exercises.

MIPS+, introduced in July 2023, has streamlined the management of mission orders and cost statements. It has improved processing efficiency for travellers, Local Mission Officers and the finance team.

ARES, deployed in September 2024, serves as the organisation's system for registering and filing official documents in line with Commission wide practices. Since its introduction, the tool has already demonstrated notable gains in efficiency, security and transparency, while strengthening interoperability with other EU institutions.

Since September 2024, the organisation has also expanded its use of PPMT, the Commission's corporate tool for managing public procurement.

In preparation for the onboarding to the European Commission's new accounting system, SUMMA, in January 2026, the organisation initiated several testing phases and data preparation activities from the second quarter of 2025 onwards. This work included familiarising staff with the system through testing in its acceptance environment, as well as participating in dedicated trainings and task forces. As a result, the migration from ABAC to SUMMA was successfully completed by December 2025.

Budget implementation

Revenue

A total amount of EUR 102,75 million was received from the European Commission to cover SESAR 3 JU's outstanding operational obligations for 2025. This amount was composed of:

- EUR 3,26 million (EFTA included) for administrative costs under Horizon Europe
- EUR 89,82 million (EFTA included) for operational costs under Horizon Europe Programme. It should be noted that EUR 0,90 million (EFTA included) was transferred directly from DG MOVE to REA to cover payments to experts involved in the evaluation of Exploratory Research 3 and Industrial Research 2. To date, the SESAR 3 JU has used EUR 0,38 million, while the remaining unused amount of EUR 0,52 million is expected to be requested to DG MOVE in 2026.
- EUR 9,67 million corresponding to the UK participation in Horizon Europe

A total of EUR 2,77 million was received in 2025 from EUROCONTROL to support S3JU running costs. By the end of 2024, EUROCONTROL's cumulative contribution to S3JU administrative costs amounted to EUR 11,14 million, including voluntary contributions topping up the amounts foreseen in the provisions of the EUROCONTROL/SESAR 3 JU Membership Agreement. This leads to a total contribution from EUROCONTROL of EUR 13,91 million at the end of 2025.

The other Members contributed for a total of EUR 3,54 million to the running costs. This marked their first contribution to Horizon Europe in accordance with the provisions of the Membership Agreement.

SESAR 3 JU recovered exceptional revenues amounting to EUR 0,77 million, composed of:

- EUR 0,10 million recovered from H2020 projects following ex-post audit corrections
- EUR 0,05 million recovered from U-Space ex-post audit corrections
- EUR 0,54 million in prefinancing recovered through the MIM following one beneficiary bankruptcy.
- EUR 0,08 million recovered from EASA relating to 2024 prefinancing under Horizon Europe

In total, revenues received in 2025 amounted to EUR 109,83 million.

Expenditure

Overall, in 2025, the execution rate of commitment and payment appropriations reached 98% and 37%, respectively.

Commitment execution under Titles 1, 2, and 4 was particularly high, reflecting strengthened budget planning efforts supported by the Bluebell tool. As anticipated, 100% of operational expenditure was committed following the launch of the Calls for Proposals for Exploratory Research 3 (EUR 24 million) and Industrial Research 2 (EUR 230 million).

In terms of payment appropriations, the overall low implementation rate of 37% is primarily due to Title 5 (Unused Appropriations Not Required in the Current Year), which was not implemented (without Title 5 the payment implementation rate reaches 93%). In total, Title 5 amounts to EUR 73,04 million, comprising EUR 1,75 million in assigned revenue received from the European Commission since 2022 to implement the Digital Sky Demonstrators calls (in cooperation with CINEA), and EUR 71,29 million in operational payment appropriations. These operational appropriations were accumulated over the past two years to cover the prefinancing (to be paid in 2026) of the ER3 and IR2 calls.

This accumulation of operational payment appropriations reflects the fact that SESAR 3 JU launched two major calls for proposals during the programming period (with grant agreements signed under IR1 for EUR 181,35 million in 2023 and under IR2 for EUR 230 million in 2026), while commitment and payment appropriations continue to be transferred annually in accordance with the Legislative Financial Statement (LFS).

Administrative and Staff expenditure

Staff expenditure (Title 1) includes all staff-related costs such as salaries, social security, taxes, insurances, mission costs, recruitment, secondments and interim support.

Administrative expenditure (Title 2) includes the administrative costs such as office supplies (printing, copiers, translation, publications, consumable office material), telecommunications costs, office hosting fees and associated charges, legal, financial and fiscal expertise for administrative needs and all insurances not related to staff as well as expenses incurred for the activities of the Governance Bodies. This Title furthermore includes the procurement, purchase and maintenance of IT equipment, furniture and other technical facilities. The IT infrastructure, including on-site and remote support, is provided mainly by EUROCONTROL as part of its BOA services to the SESAR 3 JU.

In 2025 and in line with the SESAR 3 JU Financial Rules (Annex I to SESAR JU Governing Board decision GB(D)01- 2021 of 14 December 2021), stipulating that the budget of the SESAR JU shall contain (only) differentiated appropriations; administrative payment appropriations (contained in Titles 1 and 2 of the SESAR 3 JU's annual budget) are also considered as differentiated appropriations and are not automatically carried forward.

For Title 1 (Staff expenditure) and Title 2 (Administrative expenditure), the implementation rates for commitments were 95% and 83%, respectively, while the implementation rates for payment appropriations reached 90% and 60%. The unspent amounts related to interims, missions, training, other staff related expenditure, HR support fees, IT services, and building related service charges, among others, were carried forward to the following year.

The payment implementation rate of 60% for Title 2 is an improvement compared to 2024 (45% of implementation rate). This progress reflects the additional efforts made to refine the annual payment forecast by strengthening payment monitoring and enhancing collaboration across the Joint Undertaking. These continued efforts are expected to lead to a further improved implementation of this title in 2026.

Operational expenditure

Under Title 3 (H2020 Programme), following SESAR 3 JU's submission of the final report covering the completion of U-Space demonstration activities (Delegation Agreement MOVE/E3/DA/2017564/SI2.771010), an amount of EUR 2,40 million was reimbursed to the European Commission. Horizon Europe funds were temporarily used to execute this payment and will be reimbursed from H2020 appropriations, which are planned to be reactivated in Budget 2026 Amendment 1.

The 2025 payments executed under Title 4 (Horizon Europe Programme), totalling EUR 32,01 million, were allocated as follows:

- EUR 3,52 million for interim payments under Exploratory Research 1
- EUR 8,15 million for first interim payments under Exploratory Research 2
- EUR 15,57 million for interim payments under Industrial Research 1
- EUR 4,77 million for other operational activities

Detailed information on the budget implementation will be provided in the Report on Budgetary and Financial Management for the year (31 March 2026¹).

¹ As per S3JU Financial Rules adopted by the Governing Board with decision GB(D)01-2021 of 14 December 2021 -Article 53

Budget Outturn

The 2025 budget shows a positive budget result of EUR 64,898 million. When added to the cumulated Budget Outturn from previous years, amounting to EUR 82,155 million (EUR 68,661 million for the Horizon Europe Programme and EUR 13,494 million for the SESAR 2020 Programme), the total budget surplus reaches EUR 147,053 million. This includes the impact of the EUR 0,9 million transferred directly from DG MOVE to REA to cover expert evaluation costs for the Exploratory Research 3 and Industrial Research 2 calls, of which the remaining unused amount of EUR 0,52 million is expected to be requested in 2026. The resulting surplus corresponds to EUR 11,090 million for the SESAR 2020 Programme (to be transferred back to the EU) and EUR 135,962 million for the Horizon Europe Programme that are expected to be fully paid by June 2026.

Impact of the activities in the financial statements

- (i) **Revenue from recovery of expenses** of EUR 53 thousand resulting from expense recoveries resulting from the implementation of project audits, as well as from the outcome of the implementation report related to the Delegation Agreement on the organisation of demonstration activities in the U-space. (note **3.1**)
- (ii) **Increase in operational costs** of EUR 52,651 million results from the combined effect of an increase of EUR 14,714 million in estimated operational costs from in-kind contributions and an increase of EUR 37,937 million in estimated operational costs from EU co-financing. (note **3.4**)
- (iii) **Increase in other expenses** EUR 1,141 million largely due to higher expenditure on external non IT-services (EUR 356 thousand), external IT services (EUR 441 thousand) and communications and publications (EUR 312 thousand). (note **3.7**)
- (iv) **Decrease in pre-financing** by EUR 79,564 million following the interim payments of Exploratory Research 1 & 2 and Industrial Research 1 and the corresponding clearing of pre-financing. (note **2.3**)
- (v) **Increase in receivables and recoverables** by EUR 64,889 million in 2025 is primarily driven by the increase in central treasury liaison accounts. (note **2.4**)
- (vi) **Increase in contributions from Members** of EUR 101,387 million is attributed to the increase in EU cash contributions and cash contributions from private members under the Horizon Europe programme. (note **2.9**)

SESAR 3 JOINT UNDERTAKING

FINANCIAL YEAR 2025

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

BALANCE SHEET

	Note	31.12.2025	31.12.2024
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	972.00	2,592.00
<i>Property, plant and equipment</i>	2.2	97,498.00	142,253.74
<i>Long term pre-financing</i>	2.3	145,578.85	27,804,448.63
		244,048.85	27,949,294.37
CURRENT ASSETS			
<i>Short term pre-financing</i>	2.3	32,701,477.49	84,607,076.58
<i>Exchange receivables and non-exchange recoverables</i>	2.4	146,540,271.28	81,651,001.69
		179,241,748.77	166,258,078.27
TOTAL ASSETS		179,485,797.62	194,207,372.64
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.7	187,016,300.69	131,118,238.33
<i>Accrued charges and deferred income</i>	2.8	9,109,368.16	23,328,727.46
		196,125,668.85	154,446,965.79
TOTAL LIABILITIES		196,125,668.85	154,446,965.79
NET ASSETS			
<i>Contribution from Members</i>	2.9	3,211,846,908.50	3,110,459,808.67
<i>Accumulated deficit</i>		(3,070,699,401.82)	(2,967,181,607.38)
<i>Economic result of the year</i>		(157,787,377.91)	(103,517,794.44)
TOTAL NET ASSETS		(16,639,871.23)	39,760,406.85
TOTAL LIABILITIES AND NET ASSETS		179,485,797.62	194,207,372.64

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2025	2024
REVENUE			
Revenue from non-exchange transactions			
<i>Recovery of operating expenses</i>	3.1	52,600.59	48,440.64
		52,600.59	48,440.64
Revenue from exchange transactions			
<i>Financial income</i>	3.3		2,615.35
<i>Other exchange revenue</i>	3.3	4,773.17	1,589.92
		4,773.17	4,205.27
Total revenue		57,373.76	52,645.91
EXPENSES			
<i>Operational costs</i>	3.4	(147,941,641.70)	(95,291,074.85)
<i>Staff costs</i>	3.5	(6,231,357.92)	(5,745,374.68)
<i>Financial expenses</i>	3.6	-	(3,587.67)
<i>Other expenses</i>	3.7	(3,671,752.05)	(2,530,403.15)
Total expenses		(157,844,751.67)	(103,570,440.35)
ECONOMIC RESULT OF THE YEAR		(157,787,377.91)	(103,517,794.44)

CASHFLOW STATEMENT

	2025	2024
<i>Economic result of the year</i>	<i>(157,787,377.91)</i>	<i>(103,517,794.44)</i>
Operating activities		
<i>Depreciation and amortisation</i>	<i>44,607.71</i>	<i>59,128.45</i>
<i>Increase/(Decrease) in in-kind contributions</i>	<i>56,089,701.07</i>	<i>-</i>
<i>(Increase)/Decrease in pre-financing</i>	<i>79,564,468.87</i>	<i>30,715,209.58</i>
<i>(Increase)/Decrease in exchange receivables and non-exchange</i>	<i>(64,889,269.59)</i>	<i>(59,961,109.17)</i>
<i>Increase/(Decrease) in payables</i>	<i>55,898,062.36</i>	<i>94,320,689.66</i>
<i>Increase/(Decrease) in accrued charges & deferred income</i>	<i>(14,219,359.30)</i>	<i>560,930.14</i>
Financing activities		
<i>Increase/(Decrease) in cash contributions</i>	<i>45,297,398.76</i>	<i>37,949,016.28</i>
Investing activities		
<i>(Increase)/Decrease in intangible assets and property, plant, equipment</i>	<i>1,768.03</i>	<i>(130,963.19)</i>
Net Cashflow	-	(4,892.69)
<i>Net Increase/(decrease) in cash and cash equivalents</i>		<i>(4,892.69)</i>
<i>Cash and cash equivalents at the beginning of the year</i>		<i>4,892.69</i>
<i>Cash and cash equivalents at year-end</i>		<i>-</i>

STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2023	3,072,510,792.39	(2,862,431,542.18)	(104,750,065.20)	105,329,185.01
<i>Allocation 2023 economic result</i>	-	(104,750,065.20)	104,750,065.20	-
<i>Cash contribution</i>	37,949,016.28	-	-	37,949,016.28
<i>Contribution in-kind</i>	-	-	-	-
<i>Economic result of the year</i>	-	-	(103,517,794.44)	(103,517,794.44)
BALANCE AS AT 31.12.2024	3,110,459,808.67	(2,967,181,607.38)	(103,517,794.44)	39,760,406.85
<i>Allocation 2024 economic result</i>	-	(103,517,794.44)	103,517,794.44	-
<i>Cash contribution</i>	45,297,398.76	-	-	45,297,398.76
<i>Contribution in-kind</i>	56,089,701.07	-	-	56,089,701.07
<i>Economic result of the year</i>	-	-	(157,787,377.91)	(157,787,377.91)
BALANCE AS AT 31.12.2025	3,211,846,908.50	(3,070,699,401.82)	(157,787,377.91)	(16,639,871.23)

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

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: 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.

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

1.2.2. Currency and basis for conversion

The annual accounts are presented in euros, the budget implementation tables are presented in thousands of euros, the euro being the EU's functional currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Euro exchange rates

Currency	31.12.2025	31.12.2024	Currency	31.12.2025	31.12.2024
BGN	1.9558	1.9558	PLN	4.221	4.275
CZK	24.237	25.185	RON	5.0968	4.9743
DKK	7.4689	7.4578	SEK	10.8215	11.459
GBP	0.8726	0.82918	CHF	0.9314	0.9412
NOK	11.843	11.795	JPY	184.09	163.06
HUF	385.15	411.35	USD	1.175	1.0389

1.2.3. 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: financial risk of accounts receivable and the amounts disclosed in the notes concerning accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, 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 recognised in the surplus or deficit in the periods in which it becomes known.

Application of new and revised European Union Accounting Rules (EAR)

New EAR adopted and effective for annual periods beginning on or after 1 January 2025

On 12 December 2025 the Accounting Officer of the European Commission adopted a targeted amendment of EAR 1 'Financial Statements'. The amendment, which is effective for reporting periods beginning on or after 1 January 2025, introduced changes to the guidance on the Segment Report. As SESAR3 JU is not obliged to, and does not prepare, a Segment Report, the amendment has no impact on its annual accounts.

New EAR adopted with application after 31 December 2025

- **Revised EAR 8:** On 15 April 2025 the Accounting Officer of the European Commission adopted the revised EAR 8 'Leases', which is effective for accounting periods beginning on or after 1 January 2027. The revised EAR 8 has been updated in line with IPSAS 43 'Leases' (including the amendment 'Concessionary Leases and Other Arrangements Conveying Rights over Assets'). The main change as compared to the current EAR 8 is the introduction of a right-of-use recognition and measurement model, which requires lessees to recognise all leases, including concessionary leases, on the balance sheet, unless the short-term or low-value exemption applies. The current distinction of leases as either operating leases or finance leases, with only the latter recognised on the balance sheet, will no longer be applicable. For lessors, the revised EAR 8 largely carries forward the existing accounting requirements, with additional guidance and clarifications. Consequently, the initial application of the revised EAR 8 is expected to result in more leases being recognised on the balance sheet, with a corresponding increase in right-of-use assets and lease liabilities. The impact of the revised EAR 8, including on concessionary leases and other relevant arrangements, will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

The scope of lease contracts falling under IPSAS 43 will be limited to the rental commitment of the office building of the Joint Undertaking. The total commitment under note **3.7** can give an indication of the impact of the new standard on the financial statements.

- **Revised EAR 1:** On 15 April 2025 the Accounting Officer of the European Commission adopted the amended EAR 1 'Financial Statements', which is effective for accounting periods beginning on or after 1 January 2027. The objective of the amendment is to ensure a consistent classification of all borrowings within financing activities. Under the current EAR 1 borrowings related to leases, the acquisition of property, plant and equipment, and back-to-back operations are classified within operating activities. Under the revised EAR 1, financing activities will include all activities that result in changes on the size and composition of borrowings, without the above exceptions. The impact of the revised EAR 1 will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

Revised IPSAS standards which have been issued, and are effective for annual periods beginning on or after 1 January 2025

IPSAS 46 - Measurement: IPSAS 46 provides a unified framework for measuring assets and liabilities by setting out how commonly used measurement bases such as historical cost, fair value, cost of fulfilment, and the newly introduced current operational value should be applied in the public sector. It introduces generic guidance on fair value for the first time and establishes current operational value as a public-sector-specific basis for valuing assets held for service delivery rather than cash generation. The standard enhances consistency and clarity in initial and subsequent measurement across IPSAS. The application of this new standard is not expected to have a material impact on the Annual Accounts of the JU.

IPSAS 45 - Property, Plant and Equipment: IPSAS 45 updates the accounting requirements for property, plant, and equipment by replacing IPSAS 17, introducing current operational value as an additional measurement basis, and bringing heritage and infrastructure assets within scope where they meet the PPE definition. It provides new guidance on recognising and measuring these assets, highlighting traits such as restricted use, irreplaceability, and long or indefinite useful lives, and enhances consistency in PPE measurement and disclosure across the public sector. The application of this new standard is not expected to have a material impact on the Annual Accounts of the JU.

IPSAS 44 - Non-current Assets Held for Sale and Discontinued Operations: IPSAS 44 sets out the accounting, presentation, and disclosure requirements for non-current assets held for sale and discontinued operations, drawing largely from IFRS 5. It requires assets classified as held for sale to be measured at the lower of their carrying amount and fair value less costs to sell, with depreciation ceasing once classified, and mandates that such assets, as well as the results of discontinued operations, be presented separately in the financial statements. The application of this new standard will not have any impact on the JU given that it does not have any asset or operation that falls under IPSAS 44.

Revised and New IPSAS Standards which have been issued and are effective for the annual periods beginning on or after 1 January 2026.

IPSAS 47 - Revenue: IPSAS 47 provides a single, comprehensive source of revenue accounting guidance for the public sector by replacing IPSAS 9, IPSAS 11 and IPSAS 23, and introducing two distinct accounting models based on whether a revenue transaction arises from a binding arrangement or from a non-binding arrangement. It requires entities to first identify the nature of the revenue transaction and then determine whether enforceable rights and obligations exist; revenue from binding arrangements is recognised and measured using principles tailored to enforceable performance requirements, while revenue from non-binding arrangements, including taxes and transfers, is accounted for using separate recognition and measurement requirements that reflect the absence of enforceable obligations. IPSAS 47 clarifies and refines public-sector revenue concepts, provides focused guidance to support consistent application across diverse revenue streams, and consolidates all revenue accounting principles into one standard. IPSAS 47 is effective for periods beginning on or after 1 January 2026, with early application permitted.

IPSAS 48 - Transfer Expenses: IPSAS 48 sets out the accounting requirements for transfer expenses - transactions where an entity provides goods, services, or other assets without receiving resources in return - using two accounting models based on whether a binding arrangement exists. Transfer expenses arising from binding arrangements are recognised when transfer rights are derecognised or transfer obligations are recognised, while those without binding arrangements are recognised when a provision is recorded or, if none exists, when control of the resources is lost. The standard fills a major gap in IPSAS by providing clear recognition, measurement, presentation, and disclosure requirements from the perspective of the transfer provider. IPSAS 48 is effective for periods beginning on or after 1 January 2026, with early application permitted.

Amendments to IPSAS 12 - Inventory, IPSAS 21 - Impairment Non-Cash Generating Assets and IPSAS 3 - Accounting Policies, Changes in Accounting Estimates and Errors: The amendments include the introduction of current operational value in IPSAS 12, and IPSAS 21, the addition of a definition of accounting estimates to IPSAS 3, and the enhancement of the terminology in current value measurement disclosures. These amendments will be effective for periods beginning on or after 1 January 2028, with early application permitted.

The Accounting Officer of the European Commission (following consultation with the accounting officers of other EU bodies) is assessing the impact of the above standards on the Annual Accounts and considering a possible revision of relevant EAR accordingly. For the new standards and amendments where early application has been permitted, no early application has been adopted.

1.3. BALANCE SHEET

1.3.1. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable or arises from binding arrangements. Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met, and the expenses relate solely to the development phase of the asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives (3 to 11 years).

1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to 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 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
<i>Buildings</i>	<i>4 % to 10 %</i>
<i>Plant and equipment</i>	<i>10 % to 25 %</i>
<i>Furniture and vehicles</i>	<i>10 % to 25 %</i>
<i>Computer hardware</i>	<i>25 % to 33 %</i>
<i>Other</i>	<i>10 % to 33 %</i>

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

Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee.

An operating lease is a lease other than a finance lease, i.e., a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither an asset nor a liability recognised in the balance sheet.

1.3.3. 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 impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.4. Financial assets

The classification of the financial instruments is determined at initial recognition. Based on the management model and the asset contractual cash-flow characteristics the financial assets can be classified in three categories: financial assets at amortised cost ('AC'), financial assets at fair value through net assets/equity ('FVNA') or financial assets at fair value through surplus or deficit ('FVSD'). Based on this classification, the entity has only 'financial assets at amortised cost', which are exchange receivables.

Financial assets at amortised cost are non-derivative financial assets that meet two conditions: 1) The entity holds them in order to collect the contractual cash flows. 2) On specified days, there are contractual cash flows that are solely payments of the principal and interest on the outstanding principal.

Financial assets at amortised cost are included in current assets, except for those with a maturity of more than 12 months from the balance sheet reporting date.

Initial recognition and measurement

Financial assets at amortised cost are initially recognised at their fair value plus the transaction costs.

Subsequent measurement

Financial assets at amortised cost are carried at amortised cost, which is the amount initially recognised minus the principal repayments, plus or minus the cumulative amortisation of the interests using the effective interest method. In addition, the entity recognises a loss allowance for expected credit losses over the lifetime of the financial assets. At each reporting date, the annual movement in the loss allowance adjusts the carrying amount of the financial asset. In the statement of financial performance, the entity recognises an impairment gain or loss for the adjustment of the loss allowance.

Derecognition

Financial assets at amortised cost are derecognised either when the rights to receive cashflows from the investments have expired or are waived, or and when the entity has transferred substantially all risks and rewards of ownership to another party.

1.3.5. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into several payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance 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, he has the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is recognised as an asset.

Pre-financing is initially recognised on the balance sheet 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 recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period. Pre-financing is classified as a current asset unless it is considered unlikely to be cleared within the next twelve months from the reporting period, in which case it is classified as long-term pre-financing.

1.3.6. Receivables and recoverables

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 amortised 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 recognised in the statement of financial performance.

1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial assets at amortised 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.

1.3.8. 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 (note **1.3.5**), or non-validated in-kind contributions to operational activities (note **1.6.2**).

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 recognised 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.

1.3.9. 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 recognised 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 recognised in the subsequent accounting period.

1.3.10. Provisions

Provisions are recognised 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 recognised 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 an obligation arises by uncertain future events that are not wholly within the control of the entity, a contingent liability is disclosed (refer to note **1.5.2**).

1.3.11. Net assets

Net assets are the residual of assets and liabilities and comprise of accumulated contributions received from the members of the JU (EU, EUROCONTROL and the industry) less the accumulated contributions used. The contributions include financial contributions received by the JU and contributions provided by the members to the funded projects in-kind. The net assets also contain reserves, if applicable. Refer to note **1.6** for details.

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

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

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

(i) 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 Commission (e.g. balancing subsidy to the traditional agencies, operating subsidy for the delegation agreements).

The entity shall recognise 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 recognised 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.

(ii) 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.

1.4.2. 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. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at the original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. 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 regulation, or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and 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.

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

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

1.5.2. 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 recognised in the accounts. They are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.6. CONTRIBUTIONS FROM MEMBERS

The contributions from the Members of the Joint Undertakings (JU) form the funding of the JU and are treated as contributions from owners. An owner in this context does not mean an owner in the sense of owning shares of the JU (no shares are issued) but rather in the sense of political interest and governance of the JU by exercising the voting rights linked to these contributions.

1.6.1. Financial contributions

Financial contributions are contributions of Members made in cash in order to provide funding of the operational or administrative needs of the JU.

Horizon 2020 Programme:

Financial contributions are contributions of Members made in cash in order to provide funding of the operational or administrative needs of the JU. These financial contributions are recognised in net assets in the period in which the enforceable right to receive the payment was established.

Horizon Europe Programme:

- *EU Contributions:* In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the JU received from the European Union a pre-financing payment for the implementation of the Horizon Europe Framework Programme.
 - According to the Specific Guidance for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contributions payments done by the EU for the Horizon Europe Programme are accounted as 'Contributions in cash to be validated'. During the provisional accounting closure, the JU should, on the basis of the payment's implementation report, determine the amount of operating and administrative expenditure that

have been covered from the EU financial contributions to the Horizon Europe Programme. In the accounting of the JU the underlying amount should be, for the purpose of the preparation of the provisional financial statements, transferred from the provisional payments to the net assets of the JU (cut-off procedure). It will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – CAAR (Art. 19.2 FFPA).

- *Private (Industry Members and Eurocontrol) contributions:* financial contributions are contributions made in cash in order to provide funding of the administrative needs of the JU. These financial contributions are recognised in net assets in the period in which the enforceable right to receive the payment was established.

1.6.2. In-kind contributions

Members other than the EU (i.e., 'Private Members' and 'EUROCONTROL') shall also contribute resources other than cash, e.g. laboratory equipment, specialised staff, etc. These in-kind contributions consist of the costs incurred by Private Members and EUROCONTROL in implementing indirect actions.

The Regulation distinguishes between two types of in-kind contributions: (1) In-kind contributions to operational activities (IKOP) and (2) in-kind contributions to additional activities (IKAA).

The IKOP represents in-kind contributions made to the JU linked to its work plan and co-financed by the EU. The IKOP is recognised in net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation are met.

All amounts validated (i.e. costs claims received and processed via the payment procedure) by the SESAR 3 JU by year-end shall be reported in the SESAR 3 JU Annual Accounts and added to the "Contributions from Members" in the Net Assets of the SESAR 3 JU Balance Sheet.

The IKOP not yet reported or validated (via received or estimated costs claims) is estimated and recorded as payables and other liabilities ('Contributions in-kind to be validated').

The EU makes available the cash contributions in advance (until the payments reach the 90%), providing the beneficiaries with sufficient level of funds to implement the programme activities; while the in-kind contributions provided by the private members or EUROCONTROL can be verified and recognised only after the activities are reported and paid.

The EU cash contributions are validated and recognised in the accounts of the JU when paid to the JU (or based on the payments processed by the JU, in case of HE, see point **2.9**) at the beginning of the project implementation, while members' in-kind contributions are only recognised after validation of the costs incurred, declared and paid (at each REPA phases). Its validation and payment by the Authorising Officer triggers also the accounting validation of IKOP as net asset² by the SESAR 3 JU.

The IKAA (under Horizon Europe Programme) relate to contributions linked to implementing additional activities, included in the annual additional activities plan annexed to the main part of the work Programme, that does not receive financial support from the joint undertaking but contributes to its objectives.

Because the outflow of resources related to those activities is outside of the control of the JU, these contributions are not recognised in the financial statements of the JU. However, to provide a complete picture of the operational activities related to the JU they are still disclosed as additional information in the notes.

² This amount is subsequently adjusted after the final period, considering CFS ('Certificate on Financial Statement') or cost rejections (if applicable)

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

	TOTAL
<i>Gross carrying amount at 31.12.2024</i>	2,178,988.09
<i>Disposals</i>	(2,174,558.09)
Gross carrying amount at 31.12.2025	4,430.00
<i>Accumulated amortisation at 31.12.2024</i>	(2,176,396.09)
<i>Disposals</i>	2,173,679.09
<i>Amortisation charge for the year</i>	(741.00)
Accumulated depreciation at 31.12.2025	(3,458.00)
NET CARRYING AMOUNT AT 31.12.2025	972.00
<i>NET CARRYING AMOUNT AT 31.12.2024</i>	2,592.00

The above amounts relate primarily to computer software and developments made mainly under the SESAR 3 JU/EUROCONTROL Membership Agreement. Due to obsolescence, these assets have been disposed of.

2.2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible 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.

	Furniture and vehicles	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2024</i>	<i>21,873.35</i>	<i>108,280.57</i>	<i>332,637.80</i>	<i>462,791.72</i>
<i>Additions</i>		<i>1,285.28</i>	<i>576.95</i>	<i>1,862.23</i>
<i>Disposals</i>		<i>(50,495.35)</i>	<i>(31,702.86)</i>	<i>(82,198.21)</i>
Gross carrying amount at 31.12.2025	21,873.35	59,070.50	301,511.89	382,455.74
<i>Accumulated depreciation at 31.12.2024</i>	<i>(12,711.35)</i>	<i>(103,307.57)</i>	<i>(204,519.06)</i>	<i>(320,537.98)</i>
<i>Accumulated depreciation on disposals</i>		<i>50,336.35</i>	<i>28,972.86</i>	<i>79,309.21</i>
<i>Depreciation charge for the year</i>	<i>(1,628.00)</i>	<i>(3,615.28)</i>	<i>(38,485.69)</i>	<i>(43,728.97)</i>
Accumulated depreciation at 31.12.2025	(14,339.35)	(56,586.50)	(214,031.89)	(284,957.74)
NET CARRYING AMOUNT AT 31.12.2025	7,534.00	2,484.00	87,480.00	97,498.00
<i>NET CARRYING AMOUNT AT 31.12.2024</i>	<i>9,162.00</i>	<i>4,973.00</i>	<i>128,118.74</i>	<i>142,253.74</i>

The additions represent audio-visual equipment acquired for meeting rooms at Eurocontrol premises, with an amortization rate of 25% applied to these assets. Due to obsolescence, old IT assets like docking stations, projectors and microphones have been disposed of.

2.3. PRE-FINANCING

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. 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 estimation of the clearing is made using information from cost claims received until 2 February 2026 for periods up to 31 December 2025 and a pro-rata temporis cost calculation for periods until 31 December 2025 which are not covered by a cost claim. The pre-financing is cleared as per the grant agreements conditions, i.e. once the value of the disbursed payments has reached 90% of the grant agreement value.

	31.12.2025	31.12.2024
<i>Non-current pre-financing</i>	145,578.85	27,804,448.63
<i>Current pre-financing</i>	32,701,477.49	84,607,076.58
Total	32,847,056.34	112,411,525.21

A case-by-case assessment has been conducted for all pre-financing amounts open as of 31 December 2025. At year-end, only EUR 146 thousand was classified as non-current pre-financing, compared to EUR 27,804 million on 31 December 2024. Current pre-financing also decreased significantly from EUR 84,607 million as of 31 December 2024 to EUR 32,701 million as of 31 December 2025.

Under Horizon Europe rules, incurred costs (both actual and estimated) are cleared against pre-financing once the total payments to the beneficiary reach 90% of the grant agreement amount. Additionally, only the amount exceeding this threshold is cleared.

Following the interim payments of Exploratory Research 1 & 2 and Industrial Research 1, together with the costs claims (received or estimated) and the corresponding clearing of pre-financing, the open pre-financing balance as at 31 December 2025 decreased by EUR 79,564 million.

2.4. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

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 amounts included under this heading are fully composed of current receivables from exchange and non-exchange transactions.

	31.12.2025	31.12.2024
Recoverables from non-exchange transactions		
<i>Central treasury liaison accounts</i>	145,540,336.92	81,532,640.68
<i>Recoverables from Members and partners</i>	942,352.99	71,900.41
<i>Other</i>	2,471.77	8,352.12
	146,485,161.68	81,612,893.21
Receivables from exchange transactions		
<i>Accrued income and deferred charges</i>	55,109.60	38,108.48
	55,109.60	38,108.48
Total	146,540,271.28	81,651,001.69

The largest amount under this heading relate to the central treasury liaison (intercompany) accounts with the European Commission that represent a virtual bank account of SESAR 3 JU. The treasury of SESAR 3 JU has been integrated into the Commission's treasury system. The payments and receipts are processed through the Commission's treasury system and registered on intercompany accounts which are presented under this heading. The result of the incoming and outgoing payments represents the funds available for the Joint Undertaking.

The significant increase of EUR 64,872 million, resulting in a treasury balance of EUR 145,540 million, is mainly due to a lower pre-financing payment, totaling to only EUR 278 thousand paid to EASA. In 2025 only interim payments under Exploratory Research 1 & 2 and Industrial Research 1 calls were made, amounting to a total of EUR 27,237 million.

The total remaining balance at the end of the year 2025 of EUR 145,540 million is split as follows:

- ✓ Horizon 2020 programme:
 - Operational balance: EUR 12,315 million
- ✓ Horizon Europe programme:
 - Operational balance: EUR 118,100 million retained as unused funds at the end of 2025 and will be exclusively used for the prefinancing payments of IR2 and ER3 calls in 2026 (EUR 147,600 million)
 - Administrative balance: EUR 13,375 million
- ✓ CEF funds: EUR 1,750 million in assigned revenue received from the European Commission since 2022 to implement the Digital Sky Demonstrators calls (in cooperation with CINEA)

The 'Recoverables from Members' heading relates to receivables from one bankrupt entity involved in an ongoing SESAR 3 JU project. Following the first reporting period, SESAR 3 JU will initiate in 2026 the necessary grant agreement amendment to trigger a second intervention of the Mutual Insurance Mechanism (MIM) under Horizon Europe to recover the outstanding amount. This heading also includes the cash contributions that had not yet been received at year-end from this entity and the entity for which the prefinancing recovery through the MIM already took place in 2025.

2.5. CASH AND CASH EQUIVALENTS

All the payments and receipts are processed via the Commission's treasury system and registered on liaison accounts, which are presented under heading 'receivables from non-exchange transactions' (note 2.4).

	31.12.2025	31.12.2024
Imprest account	-	-

The imprest account was previously used to reimburse the bank guarantee charges associated with the rental contract for the previous premises of SESAR 3 JU. This imprest account was officially closed in 2024.

LIABILITIES

2.6. PROVISIONS

Provisions are recognised 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 recognised 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).

As of 31 December, 2025, the Joint Undertaking did not have any provisions (2024: none).

2.7. PAYABLES AND OTHER LIABILITIES

Payables are liabilities to pay for goods or services that have been received or supplied and unlike accrued charges have already been invoiced or formally agreed with the supplier. Payables can relate to both exchange transactions (such as the purchase of goods and services) and non-exchange transactions (e.g. cost claims from beneficiaries of grants, pre-financing or other EU funding).

	31.12.2025	31.12.2024
Contributions to be validated		
<i>Contributions in-kind from Members to be validated</i>	62,743,827.22	65,762,447.50
<i>Cash contribution from EC to be validated</i>	121,030,548.77	59,018,334.73
<i>Pre-financing received from EC for Delegation agreements</i>	1,750,000.00	2,348,940.64
	185,524,375.99	127,129,722.87
Current		
<i>Suppliers</i>	384,166.63	1,769,289.22
<i>Public bodies and other current payables</i>	1,108,001.46	2,139,545.63
<i>Sundry payables</i>	(243.39)	79,680.61
	1,491,924.70	3,988,515.46
Total	187,016,300.69	131,118,238.33

Under the heading 'contribution in-kind from Members to be validated' are included the in-kind contributions related to on-going projects for which no cost claims were validated as of 31 December. Under the HE programme, in-kind contributions from private members correspond to the eligible costs incurred by the private members in the implementation of indirect actions, less the contribution of the joint undertaking and are accounted for solely on the basis of eligible costs.

Included under 'Cash contribution from EC to be validated' is the remaining unused pre-financing payment of financial contributions for the implementation of the Horizon Europe Framework Programme, in accordance with Article 19 of the Financial Framework Partnership Agreement 2020-2027 between the European Union and SESAR 3 JU. (note **1.6.1**).

In line with this rule and based on the 2025 payments implementation report, SESAR 3 JU determines the portion of operating and administrative expenditure covered by EU financial contributions to the Horizon Europe programme, since 2022. In 2025, the cumulative amount received by the EU amounted to EUR 343,380 million (EUR 333,751 million for operational expenditure and EUR 9,629 million for administrative expenditure). The cumulative spent amount (since 2022) is EUR 215,140 million for operational expenditure and EUR 7,210 million for administrative expenditure. Therefore, EUR 222,349 million has been transferred to the JU's net assets.

The remaining operational balance (for Horizon Europe programme) amounts to EUR 118,100 million (at the end of year 2025) was retained as unused funds at the end of 2025 and will be exclusively used for the prefinancing payments of IR2 and ER3 calls in 2026 (EUR 147,600 million).

Following the final reporting period and the results of the implementation report related to the Delegation Agreement on the organization of demonstration activities in the U-space, SESAR 3 JU received EUR 51 thousand from the insolvency court as part of the liquidation of the SESAR 3 JU insolvent debtor. The remaining portion of the pre-financing received from the European Commission under the Delegation Agreement for U-space Services was settled by SESAR 3 JU during 2025.

Until 2024, part of the pre-financing of EUR 1,750 million received from DG MOVE under the Delegation Agreement was presented under the heading 'Cash contribution from EC to be validated'. In 2025, this amount was reclassified under the correct heading, 'Pre-financing received from EC for Delegation Agreements'.

The Public Bodies and other current payables include primarily the cost claims received but not yet validated and paid as of 31 December 2025.

2.8. 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. They include amounts due to employees (e.g. accruals for untaken holidays). The calculation of accruals is based on the open amount 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.

	31.12.2025	31.12.2024
<i>Accrued charges</i>	9,109,368.16	23,328,317.22
<i>Other passive accruals and deferrals</i>	-	410.24
Total	9,109,368.16	23,328,727.46

Accrued charges consist of operational expenses related to Professional Staff Organisations and Airspace Users amounting to EUR 138 thousand, as well as estimated operational expenses of EUR 7,999 million for ongoing or ended projects without a validated cost statement. The 2025 expense was estimated on a case-by-case basis, using the best available information about the projects as of 31 December 2025.

The heading also includes administrative expenses of EUR 823 thousand (EUR 506 thousand as of 31 December 2024) and accrued staff costs of EUR 149 thousand (EUR 124 thousand as of 31 December 2024) for untaken leave.

NET ASSETS

2.9. CONTRIBUTIONS FROM MEMBERS

The JU is funded by contributions from its members. Given their funding nature these contributions, which comprise both cash contributions and contributions in kind, are recognised in the JU's net assets as 'Contributions from owners' once validated. The term 'owner' does not imply ownership of any shares of the JU (in fact no shares are issued) but reflects the specific governance of the JU where voting rights are allocated in accordance with the contributions made.

In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the SESAR 3 JU received from the European Union a pre-financing payment for the amount of EUR 102,745 million for the implementation of the Horizon Europe Framework Programme. (note **1.1**)

According to the Specific Guidance for the accounting of the EU cash contributions⁶ received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contributions payments done by the EU for the Horizon Europe Programme are accounted as 'Contributions in cash to be validated'. These will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – AAR (Art. 19.2 FFPA).

Programming period Program	Cash	2025 in-Kind	Total	Cash	2024 in-Kind	Total
<i>FP7</i>	766,636,751.30	935,501,139.40	1,702,137,890.70	766,636,751.30	935,501,139.40	1,702,137,890.70
<i>Horizon 2020</i>	600,489,048.45	613,323,585.68	1,213,812,634.13	600,489,048.45	613,323,585.68	1,213,812,634.13
<i>Horizon Europe</i>	239,806,682.60	56,089,701.07	295,896,383.67	194,509,283.84	-	194,509,283.84
Total	1,606,932,482.35	1,604,914,426.15	3,211,846,908.50	1,561,635,083.59	1,548,824,725.08	3,110,459,808.67

⁶ Specific Guidance: Accounting for EU cash contributions received by Joint Undertakings under the Financial Framework Partnership Agreement related to MFF 2021-2027 Ares(2022)6810953

2.9.1. Research and Innovation funding Programme for 2007-2013 (FP7)

Unlike for Horizon 2020 (see below **2.9.2**), under FP7 programme the total eligible costs, minus the EU co-financing validated by the Executive Director of SESAR 3 JU, are considered in-kind contributions.

Member	Commission		Industry Members		Eurocontrol		Total	
	Cash		Cash	In kind	Cash	In kind	Cash	In kind
<i>Running costs contributions at 31.12.2023</i>	22,021,000.00		23,386,987.00	-	20,026,957.22	-	65,434,944.22	-
<i>Current year contributions</i>	-		-	-	-	-	-	-
Running costs contributions at 31.12.2024	22,021,000.00		23,386,987.00	-	20,026,957.22	-	65,434,944.22	-
<i>Operating costs contributions at 31.12.2023</i>	588,217,807.08		-	512,559,000.00	112,984,000.00	422,942,139.40	701,201,407.08	935,501,139.40
<i>Current year contributions</i>	-		-	-	-	-	-	-
Operating costs contributions at 31.12.2024	588,217,807.08		-	512,559,000.00	112,984,000.00	422,942,139.40	701,201,407.08	935,501,139.40
<i>TOTAL contributions at 31.12.2023</i>	610,238,807.08		23,386,987.00	512,559,000.00	133,010,957.22	422,942,139.40	766,636,351.30	935,501,139.40
TOTAL contributions at 31.12.2024	610,238,807.08		23,386,987.00	512,559,000.00	133,010,957.22	422,942,139.40	766,636,751.30	935,501,139.40

On 8 October 2020 the SESAR 3 JU Administrative Board adopted decision for anticipated reimbursement of the remaining cash for the SESAR 1 Programme (ADB(D)09-2020). Beginning of 2021 the surplus has been reimbursed to all the Members for a total amount of EUR 30,767 million. The program is, since then, closed and therefore in 2024 no more cash and in-kind contributions occurred.

2.9.2. Research and Innovation funding Programme for 2014-2020 (Horizon 2020)

In line with the Horizon 2020 rules, only contributions from the members certified by an external auditor and validated by the Executive Director of SESAR 3 JU are considered in-kind contributions to the net assets. Estimated in-kind contributions, i.e., contributions for which no certifications have been received and/or this certification have not been validated by the Executive Director, are reported under other liabilities.

Member	Commission	Industry Members		Eurocontrol		Total	
	Cash	Cash	In kind	Cash	In kind	Cash	In kind
<i>Running costs contributions at 31.12.2024</i>	26,549,596.00	17,286,720.98	-	17,156,083.73	-	60,992,400.71	-
<i>Current year contributions</i>			-		-		-
Running costs contributions at 31.12.2025	26,549,596.00	17,286,720.98	-	17,156,083.73	-	60,992,400.71	-
<i>Operating costs contributions at 31.12.2024</i>	539,496,647.74	-	287,415,090.26	-	325,908,495.42	539,496,647.74	613,323,585.68
<i>Current year contributions</i>		-		-		-	-
Operating costs contributions at 31.12.2025	539,496,647.74	-	287,415,090.26		325,908,495.42	539,496,647.74	613,323,585.68
<i>TOTAL contributions at 31.12.2024</i>	566,046,243.74	17,286,720.98	287,415,090.26	17,156,083.73	325,908,495.42	600,489,048.45	613,323,585.68
TOTAL contributions at 31.12.2025	566,046,243.74	17,286,720.98	287,415,090.26	17,156,083.73	325,908,495.42	600,489,048.45	613,323,585.68

The rules of distribution of voting rights are defined in Article 150 of Council Regulation (EU) 2021/2085 of 19 November 2021. Based on this article, the number of votes of the members of the Single European Sky ATM Research 3 Joint Undertaking shall be in proportion to their contribution to the budget of the joint undertaking. However, the Union and Eurocontrol shall each have at least 25% of the total number of votes and the representative of the civil users of airspace shall have at least 10 % of the total number of votes. This organisation is not a member of SESAR 3 JU and does not provide any financial or in-kind contributions to the joint undertaking.

The amount of the in-kind contributions is based on the certified in-kind declarations received from the Members.

After the certification of the contributions from members by an external auditor and the validation by the SESAR 3 JU Executive Director, the amounts are booked to the net assets and are presented as Contributions received from members).

2.9.3. Research and Innovation funding Programme for 2021-2027 (Horizon Europe)

In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the SESAR 3 JU received from the European Union a pre- financing payment for the amount of EUR 102.745 thousand for the implementation of the Horizon Europe Framework Programme (note **1.6.1**).

According to the Specific Guidance for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contributions payments done by the EU for the Horizon Europe Programme are accounted as 'Contributions in cash to be validated'. These will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – AAR (Art. 19.2 FFPA).

The rules of distribution of voting rights are defined in Article 150 of Council Regulation (EU) 2021/2085 of 19 November 2021. Based on this article, the number of votes of the members of the Single European Sky ATM Research 3 Joint Undertaking shall be in proportion to their contribution to the budget of the joint undertaking. However, the Union and Eurocontrol shall each have at least 25% of the total number of votes and the representative of the civil users of airspace shall have at least 10% of the total number of votes. This organisation is not a member of SESAR 3 JU and does not provide any financial or in-kind contributions to the joint undertaking.

Member	Commission	Industry Members		Eurocontrol		Total	
	Cash	Cash	In kind	Cash	In kind	Cash	In kind
<i>Running costs contributions at 31.12.2024</i>	-	-	-	11,142,928.57	-	11,142,928.57	-
<i>Adjustment of previous year</i>	3,266,986.29					3,266,986.29	
<i>Current year contributions</i>	3,942,557.39	3,543,172.52	-	2,771,414.28	-	10,257,144.19	-
Running costs contributions at 31.12.2025	7,209,543.68	3,543,172.52	-	13,914,342.85	-	24,667,059.05	-
<i>Operating costs contributions at 31.12.2024</i>	183,366,355.27	-	-	-	-	183,366,355.27	-
<i>Current year contributions</i>	31,773,268.28	-	21,727,735.01	-	34,361,966.06	31,773,268.28	56,089,701.07
Operating costs contributions at 31.12.2025	215,139,623.55	-	21,727,735.01	-	34,361,966.06	215,139,623.55	56,089,701.07
<i>TOTAL contributions at 31.12.2024</i>	183,366,355.27	-	-	11,142,928.57	-	194,509,283.84	-
TOTAL contributions at 31.12.2025	222,349,167.23	3,543,172.52	21,727,735.01	13,914,342.85	34,361,966.06	239,806,682.60	56,089,701.07

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

NON-EXCHANGE REVENUE

Revenue from non-exchange transactions relates to transactions where the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange. The heading mainly includes amounts received from the Commission during the year and recoveries of operational expenses.

3.1. RECOVERY OF EXPENSES

The revenue from the recovery of expenses refers to operational expenses recovered from beneficiaries during the year and adjustments from audits, which are collected in the following year.

	2025	2024
<i>Recovery of expenses</i>	<i>52,600.59</i>	<i>48,440.64</i>

This heading includes recoveries of expenses following the implementation of projects' audits and the result of the implementation report related to the Delegation Agreement on the organization of demonstration activities in the U-space.

3.2. OTHER NON-EXCHANGE REVENUE

SESAR 3 JU did not have any other non-exchange revenue in 2025.

EXCHANGE REVENUE

3.3. 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 of the entity's assets by third parties, generating interest, royalties, and dividends.

	2025	2024
<i>Recovery of administrative expenses</i>	-	661.02
<i>Miscellaneous income exchange</i>	4,763.70	928.90
<i>Interest income on late payment</i>	-	2,615.35
<i>Other exchange revenue</i>	9.47	-
Total	4,773.17	4,205.27

This heading includes mainly revenue from recoveries of administrative expenses and late payment fees.

EXPENSES

3.4. OPERATIONAL COSTS

Included under this heading are operating expenses related to Horizon Europe and Horizon 2020 programmes related activities that were performed in 2025 (estimated works achieved) and expenses related to contracts for industrial support, legal, financial & management support, experts, launch of specific technical activities.

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 are based on costs incurred to date as a proportion of the estimated total costs of the projects ("pro-rata temporis").

The break-down of the operational costs between operational costs incurred on the basis of validated cost claims (or equivalent) and estimated operational costs is given in the table below:

	2025	2024
<i>Operational costs: in-kind contributions - HE</i>	53,071,080.79	38,357,485.72
<i>Operational costs: in-kind contributions - H2020</i>	-	-
Total operational costs from in-kind contributions	53,071,080.79	38,357,485.72
<i>Operational costs: EU contributions - H2020</i>	2,560.95	1,808,490.41
<i>Operational costs: EU contributions - HE</i>	94,867,999.96	55,125,098.72
Total operational costs from EU contributions	94,870,560.91	56,933,589.13
Total	147,941,641.70	95,291,074.85

The amount of EUR 53,071 million (Horizon Europe Programme) is composed of EUR 56,090 million validated IKOP as of 31 December 2025, reversal of IKOP to be validated accrual 2024 (- EUR 65,762 million) and EUR 62,744 million of 2025 IKOP accrual based on estimated cost claims.

The amount of EUR 94,871 million is composed of:

- a small adjustment related to the reimbursement to the Commission under the Horizon 2020 Programme, following the SESAR 3 JU's submission of the final report covering the completion of U-Space demonstration activities
- under the Horizon Europe Programme, the amount of EUR 73,262 million relating to validated cost claims for ongoing projects, EUR 91,825 million relating to accrued costs claims, the reversal of 2024 accrued operational expenditure amounting to EUR -76,974 million, other operational expenditure of EUR 4,826 million and other operational accrued charges of EUR 1,928 million.

3.5. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment -related benefits. Based on the service level agreement between the JU and the Commission, the calculations of staff -related costs is carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO). The pensions of the JU staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e., the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the JU staff, the JU and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the JU accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the JU, as the obligation falls to the Commission.

As per Article 83a (2) of the Staff Regulations, the part paid by the JU shall correspond to the percentage share between a) the JU's revenues without the subsidy from the general budget, and b) its total revenues. To avoid disruptive variations over time, the JUs employer's pension contribution is calculated with a single percentage share for the whole duration of the JU. This single percentage was established on the basis of the EU and non-EU members' respective contributions, as foreseen in the JU's legal basis, with a correction and regularisation at the last year of existence of the JU. The contribution of SESAR 3 Joint Undertaking was set as 7.7 % of the total pension scheme contributions. This contribution is accounted within staff costs.

In view of implementation problems and the principle of good administration, it was agreed between the Commission and the JUs that the provisions of Article 83a(2) are applied only to the JUs set up by the SBA and Euro HPC and not to those established under the previous Regulations. Given the late entry into force of the SBA at the end of November 2021, the applicability started as from 2022.

	2025	2024
<i>Staff costs</i>	6,231,357.92	5,745,374.68

The increase in 2025 is attributable to salary indexation and the reclassification exercise.

3.6. FINANCE EXPENSES

	2025	2024
<i>Interest expense on late payment of charges</i>	-	1,162.32
<i>Other financial expenses</i>	-	2,425.35
<i>Amounts written down recoverables</i>	-	-
Total	-	3,587.67

3.7. OTHER EXPENSES

Included under this heading are expenses of administrative nature such as external non-IT services, operating leasing expenses, communications and publications, training costs etc.

	2025	2024
<i>External IT services</i>	1,615,621.88	1,174,609.79
<i>External non-IT services</i>	802,309.29	445,835.93
<i>Communications & publications</i>	792,372.32	480,649.48
<i>Missions</i>	201,388.43	173,868.91
<i>Rent expenses</i>	117,000.00	110,725.84
<i>Property, plant and equipment related expenses</i>	44,607.71	59,128.45
<i>Office Supplies & maintenance</i>	32,549.49	25,493.02
<i>Training costs</i>	28,514.15	25,799.05
<i>Amounts written down recoverables</i>	20,681.41	-
<i>Experts' expenses</i>	11,055.26	26,667.58
<i>Insurances</i>	4,050.67	7,625.10
<i>Recruitment costs</i>	1,591.97	-
<i>Realised exchange rate</i>	9.47	-
Total	3,671,752.05	2,530,403.15

The overall increase of EUR 1,141 million compared to the previous year is largely due to higher expenditure on external non-IT services (EUR 356 thousand), external IT services (EUR 441 thousand) and communications and publications (EUR 312 thousand).

The increase in external IT services is mainly related to IT infrastructure costs, including on-site and remote support, provided primarily by Eurocontrol under its back-office arrangement with SESAR 3 JU.

The increase in external non-IT service providers is related to onboarding fees for the newly implemented corporate financial system of the European Commission (SUMMA), effective as of 1 January 2026, as well as costs related to preparing SESAR 3 JU for compliance with the cybersecurity regulation.

The increase in communication and publication expenses reflects a higher number of activities organised in 2025 compared to 2024.

The amounts written down in 2025 relate to the audit results of the U-Space demonstration activities implemented under the Delegation Agreement, as well as to unsuccessful attempts to recover the amounts due from a former beneficiary. SESAR 3 JU recovered EUR 51 thousand through the beneficiary's insolvency proceedings and wrote down the remaining outstanding balance (Note 2.4).

Amounts to be committed and paid during the remaining term of the administrative agreement between ECTRL and SESAR 3 JU until 2031, include rent and related charges and are as follows:

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	117,000.00	585,000.00		702,000.00

4. OTHER SIGNIFICANT DISCLOSURES

4.1. CONTINGENT ASSETS

The Joint Undertaking has no transactions resulting contingent assets.

4.2. CONTINGENT LIABILITIES

The joint undertaking has no ongoing legal cases or other transactions resulting contingent liabilities.

4.3. 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 programmes.

	2025	2024
<i>Outstanding commitments not yet expensed</i>	<i>175,883,007.13</i>	<i>41,310,265.66</i>

4.4. IN-KIND TO OPERATIONAL ACTIVITIES (IKOP)

According to both Council Regulation (EU) No 558/2014 and Council Regulation (EU) No 2021/2085, the members other than the Union shall provide in-kind contributions to the Joint Undertaking.

Under H2020 program, in-kind contributions by private members and their affiliated entities consist of the costs incurred by them in implementing indirect actions less the contribution of the joint undertaking and any other Union contribution to those costs. For the purpose of valuing these in-kind contributions, the costs are determined in accordance with the usual cost accounting practices of the entities concerned, to the applicable accounting standards of the country where the entity is established, and to the applicable International Accounting Standards and International Financial Reporting Standards. The costs shall be certified by an independent external auditor appointed by the entity concerned. The valuation method may be verified by the joint undertaking, should there be any uncertainty arising from the certification.

Further simplification was introduced under Horizon Europe program. In that context, a simplified reporting mechanism was put in place for the members, who are no longer required to report on non-eligible costs for in-kind contributions to operational activities. According to Art.2.(8) of the SBA: "in-kind contributions to operational activities' means contributions by private members, constituent entities or the affiliated entities of either, by international organisations and by contributing partners, consisting of the eligible costs incurred by them in implementing indirect actions less the contribution of that joint undertaking and of the participating states of that joint undertaking to those costs". Consequently, in-kind contributions to operational activities are accounted for solely on the basis of eligible costs and reported and audited in accordance with the mechanism applicable to the specific grant agreement. Such accounting on the basis of eligible costs allows for the automated calculation of in-kind contributions to operational activities via the Horizon Europe IT tools.

4.5. IN-KIND TO ADDITIONAL ACTIVITIES (IKAA)⁷

The joint undertakings provide a systematic opportunity and incentive for members other than the Union to combine their research and innovation activities with those of the joint undertaking. Additional activities do not receive financial support from the joint undertaking. However, they are accounted for as members' in-kind contributions to additional activities when they contribute to the objectives of the joint undertaking and are directly linked to its activities, including non-eligible costs of indirect actions funded by the joint undertaking where this is provided for in the annual additional activities plan.

That link can be established through the uptake of results from indirect actions funded by the joint undertaking or its preceding initiatives, or by demonstrating a significant Union added value. The respective costs should be certified by an independent audit body appointed by the entity concerned subject to the valuation method being open to verification by the joint undertaking in the event of uncertainty. Council Regulation (EU) No 2021/2085 laid down more specific provisions concerning the scope of additional activities for each joint undertaking, to the extent that it is necessary to achieve the desired directionality and impact.

"Additional activity" means an activity, included in the annual additional activities plan annexed to the main part of the work programme, that does not receive financial support from the joint undertaking but contributes to its objectives and is directly linked to the uptake of results from projects under that joint undertaking or its preceding initiatives or that has a significant Union added value.

In-kind contributions to additional activities refer to contributions made by the private members, constituent entities, affiliated entities or international organisations. These contributions consist of the costs incurred in implementing additional activities less any contribution to those costs received from the Union and from the participating states of that joint undertaking.

⁷ Only for Horizon Europe Programme

4.6. CONTRIBUTIONS PER PROGRAMME

The information provided below combines contributions validated and estimated in an effort to close the timing gap in the validation of the cash and in-kind contributions. In addition to the information on cash and IKOP presented the notes related to the net assets and liabilities, the below overview also includes information on the IKAA contributions which are not presented in the financial statements.

Programme	Members' contributions (as per Founding regulation)						Total (g)=(a)+(b)+(c)+(d)+(e)+(f)
	EU cash (a)	Third country contribution (UK) (b)	Eurocontrol (c)	Private members cash (d)	Private members IKOP (e)	Private members IKAA (f)	
FP7	700,000.000	-	670,000.000	584,000.000	-	-	1,954,000.000
H2020	585,000.000	-	458,000.000	-	298,000.000	-	1,341,000.000
Horizon Europe	580,021,621.82	29,000.000	500,000.000	25,000.000	504,000.000		1,638,021,621.82

(a): the total EU contribution for SESAR 3 JU under HE has been decreased by EUR 14 million in relation to the Founding Regulation following the MFF midterm revision in 2024 and by an additional EUR 5.98 million due to a decision to reallocate funds to the AI Giga factories.

	Members contributions as of 31.12.2025										Achievement rate
	EU cash validated	EU cash not validated (PF)	Eurocontrol cash	Eurocontrol IKOP validated	Other members cash	Other members IKOP validated	Other members IKOP reported but not validated	IKAA certified	IKAA reported but not validated	Total	
FP7	610.238.807,08	-	133.010.957,22	422.942.139,40	23.386.987,00	512.559.000,00	-	-	-	1.702.137.890,70	87%
H2020	566.046.243,74	-	17.156.083,73	325.908.495,42	17.286.720,98	287.415.090,26	-	-	-	1.213.812.634,13	91%
Horizon Europe	222.349.167,23	121.030.548,77	13.914.342,85	34.361.966,06	3.543.172,52	21.727.735,01	62.743.827,22	226.144.622,05	159.976.235,69	865.791.617,40	53%

The EU validated cash comprises the contributions of the Union received by the JU and implemented by the JU through payments for Horizon Europe programme.

The EU not validated cash comprises the contributions of the Union received by the JU for Horizon Europe programme which have not been implemented through payments and are thus held as received pre-financing.

EUROCONTROL and the Private Members validated IKOP category comprises the contributions in-kind which have been validated by the Joint Undertaking.

The Private Members “reported but not yet validated” IKOP amount (EUR 62,744 million out of which EUR) represents the in-kind contributions related to on-going projects for which no cost claims were validated as of 31 December 2025. The amount was calculated using the pro rata method, based on the budgeted IKOP in the projects.

The IKAA certified is composed of EUR 66,371 million for EUROCONTROL and EUR 159,773 million for the Private Members.

The IKAA reported but not validated is in its totality for the Private Members.

2007-2013 (FP7) MFF: Total Members 'Contributions⁸

SESAR 3 Joint Undertaking (FP7) programme is closed since 2020 (note **2.9.1.**).

2014-2020 (Horizon 2020) MFF: Total Members 'Contributions⁹

The SESAR 3 JU in-kind validation process for 2022 and 2023 contributions was finalized and reported in the 2023 final accounts. All Horizon 2020 projects under SESAR 3 JU were completed by the end of June 2023.

2021-2027 (Horizon Europe) MFF: Total Members 'Contributions

In 2023, the first projects under the Horizon Europe programme were launched, and pre-financing payments were made. By the end of the year 2023, commitments for signed grant agreements from EU funding totalled EUR 203,082 million, including EUR 22,287 million for the Exploratory Research 01 call and EUR 180,794 million for the Industrial Research 01 call. Additionally, in 2024, a third call under Horizon Europe, Exploratory Research 2, amounting to EUR 25,613 thousand, was launched.

Regarding in-kind contributions to additional activities (IKAA), SESAR 3 JU Members declare two types of IKAA each year. The actual IKAA for 2025 was declared by the end of May 2026, while the planned IKAA for 2027 must be declared by the end of November 2026. Additionally, the planned IKAA for 2026, initially submitted by the end of November 2025, may be amended within the same year by SESAR 3 JU Members if necessary.

4.7. RELATED PARTIES

The related parties of the organisation include its Executive Director and the Governing Board members holding voting rights.

As transactions between the JU and these parties take place as part of the normal operations of the JU and on terms and conditions that are normal for such transactions, no specific disclosures are required.

The key management entitlements are disclosed in note **4.8.**

More information on the composition of the Governing Board can be found in the governance section of the organisation's website.

<https://www.sesarju.eu/governance>

⁸ No IKAA planned for FP7 Programme

⁹ No IKAA planned for Horizon 2020 Programme

4.8. KEY MANAGEMENT ENTITLEMENTS

	31.12.2025	31.12.2024
<i>Executive Director</i>	<i>AD14</i>	<i>AD14</i>

The Executive Director is remunerated in accordance with the Staff Regulation of the European Union that is published on the Europa website, which is the official document describing the rights and the obligations of all officials of the EU. The current Executive Director of SESAR 3 JU was appointed as of 1 July 2022.

4.9. OTHER EVENTS

RUSSIA-UKRAINE WAR

The JU has only one project with Ukrainian beneficiaries (representing only 0.09% of IR1 and ER1 projects), therefore the war does not have material effect on the recognition and measurement of any assets and liabilities on the balance sheet or the revenues and expenses recognised in the statement of financial performance.

4.10. OTHER INFORMATION

BREXIT - United Kingdom joins Horizon Europe Programme

As of 1 January 2024, the United Kingdom became an associated country to Horizon Europe. Its researchers are able to participate in this research and innovation Programme of the EU on the same terms as researchers from other associated countries and have access to Horizon Europe funding.

4.11. EVENTS AFTER REPORTING DATE

At the time of preparation of these financial statements, the management is not aware of any events that should be disclosed as non-adjusting events or taken into account in these financial statements as adjusting events.

4.12. OBSERVATIONS ON MANAGEMENT AND CONTROL SYSTEMS

Nothing to report.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the entity has no significant interest rate risk and other price risk).

(1) 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. This risk arises from the change in the price of a foreign currency against the functional currency of an entity.

(2) 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. As an example, higher interest rates will lead to lower prices of fixed rate bonds (other things equal), and vice versa. The entity does not have any securities thus it is not exposed to the interest rate risk.

Credit risk is the risk of loss due to a debtor's non-payment or other failure to meet a contractual obligation. The default events include a delay in repayments, and bankruptcy.

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

5.2. CURRENCY RISKS

At the end of the year, the financial assets are composed of exchange receivables. The financial liabilities are composed of accounts payable. Their ending balances are quoted in EUR, the entity is thus not exposed to currency risk.

5.3. CREDIT RISK

At the end of the year, the financial assets comprise exchange receivables that are not past due for more than 30 days. As no credit loss is expected during the lifetime of those receivables the entity is not exposed to any significant credit risk.

5.4. LIQUIDITY RISK

The financial liabilities are mainly composed of accounts payable. All the accounts payable have remaining contractual maturity of less than 1 year.

SESAR 3 JOINT UNDERTAKING
FINANCIAL YEAR 2025

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.

1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of SESAR 3 is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of the joint undertaking:

Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of the joint undertaking. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

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.

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 at least by title and chapter.

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 economy

The principle of economy requires that the resources used by the JU in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

Principle of efficiency

The principle of efficiency concerns the best relationship between resources employed and results achieved.

Principle of effectiveness

The principle of effectiveness concerns the attainment of the specific objectives set and the achievement of the intended results.

Principle of internal control

The principle of internal control of budget implementation means that the JU budget shall be implemented in compliance with effective and efficient internal control in order to provide reasonable assurance of achieving effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; inadequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multi-annual character of the Programmes as well as the nature of the payments concerned.

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published on the internet site of the joint undertaking within four weeks of their adoption and shall be transmitted to the Commission and the Court of Auditors.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

Since 1 January 2015, no distinction between non-dissociated and dissociated appropriations is made. All appropriations follow the dissociated logic.

Following the provisions of the financial rules of the joint undertaking, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed in the following titles:

Title 1

Budget lines relating to staff expenditure such as salaries and allowances for personnel working with the joint undertaking. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

Title 2

Budget lines relating to all infrastructure, equipment and miscellaneous administrative expenditure.

Title 3

Budget lines providing for the implementation of the activities and tasks assigned to the joint undertaking in accordance with its establishing Council Regulation.

Title 4

Budget lines provide for the implementation of the activities and tasks assigned to the joint undertaking in accordance with Horizon Europe Programme (including experts for evaluations).

Title 5

Technical title, to record the unused appropriations not required in the current Year (both administrative and operational). No commitments and payments are consumed from this Title.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

EUR '000

	Title	2025	2024
Revenue		108.929	97.798
<i>of which:</i>			
Contribution from the European Union	1	-	86.309
Horizon Europe contribution to administrative expenditure	11-0	3.260	-
Horizon Europe contribution to operational expenditure	12-0	88.918	-
Horizon Europe third parties contribution/UK	14-0	9.667	-
Contribution from Eurocontrol	2	-	5.379
Contribution from Eurocontrol in cash SESAR3	21-0	2.771	-
Contribution from other members	3	-	3.318
Contribution from other members in cash SESAR3	31-0	3.543	-
Other revenue	4	-	2.793
Revenue from taxes recovered SESAR2020	42-0	(1)	-
Exceptional revenues SESAR2020	44-0	770	-
Expenditure		(44.931)	(37.775)
<i>of which:</i>			
Staff expenditure	1	(6.661)	(6.193)
Administrative expenditure	2	(3.854)	(2.528)
Operational expenditure H2020 programme	3	(2.403)	(2.860)
Operational expenditure HE programme	4	(32.014)	(26.193)
Other expenditure	5	0	0
Exchange rate differences		0	-
Budget result		63.998	60.022

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2025	2024
ECONOMIC RESULT OF THE YEAR	(157,787)	(103.518)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	114.278	80.289
<i>In-kind contributions validated in the year</i>	53.071	194.789
<i>Adjustments for accrual cut-off (net)</i>	14.732	(118.474)
<i>Unpaid invoices at year end but booked in expenses</i>	9	914
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	45	59
<i>Recovery order issued in the year and not yet cashed</i>	52	-
<i>Write-off receivables</i>	20	-
<i>Correction of recovery order issued last year</i>	46.350	3.002
<i>Financial expenses and interest</i>	-	(1)
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	107.507	83.251
<i>Members' cash contributions collected in the year</i>	108.160	95.005
<i>Asset acquisitions (less unpaid amounts)</i>	(78)	(51)
<i>New pre-financing paid in the year and remaining open at year-end</i>	(278)	(12.144)
<i>Invoices paid in the year but booked in charges in previous year</i>	(914)	(2.270)
<i>Cashed recovery order for pre-financing recovery</i>	617	2.711
BUDGET RESULT OF THE YEAR	63.998	60.022

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue

EUR '000

	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over/ Reactivated	Total	On entitlements of current year	On entitlements carried over/ Reactivated	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/5	
10-2	Horizon Europe contribution to administrative expe	3 260	3 260	3 260	0	3 260	3 260	0	3 260	100 %	0
Total Chapter 10-2		3 260	3 260	3 260	0	3 260	3 260	0	3 260	100 %	0
Total Title 11-0		3 260	3 260	3 260	0	3 260	3 260	0	3 260	100 %	0
10-2	Horizon Europe contribution to operational expendi	89 818	89 818	88 918	0	88 918	88 918	0	88 918	100 %	0
Total Chapter 10-2		89 818	89 818	88 918	0	88 918	88 918	0	88 918	100 %	0
Total Title 12-0		89 818	89 818	88 918	0	88 918	88 918	0	88 918	100 %	0
10-2	Horizon Europe third parties contribution/UK	9 667	9 667	9 667	0	9 667	9 667	0	9 667	100 %	0
Total Chapter 10-2		9 667	9 667	9 667	0	9 667	9 667	0	9 667	100 %	0
Total Title 14-0		9 667	9 667	9 667	0	9 667	9 667	0	9 667	100 %	0
20-2	Contribution from Eurocontrol in cash SESAR3	3 571	3 571	2 771	0	2 771	2 771	0	2 771	100 %	0
Total Chapter 20-2		3 571	3 571	2 771	0	2 771	2 771	0	2 771	100 %	0
Total Title 21-0		3 571	3 571	2 771	0	2 771	2 771	0	2 771	100 %	0
30-1	Contribution from other members in cash SESAR2020	p.m.	p.m.	21	0	21	0	0	0	0 %	21
Total Chapter 30-1		0	0	21	0	21	0	0	0	0 %	21
30-2	Contribution from other members in cash SESAR3	3 571	3 571	3 550	0	3 550	3 543	0	3 543	100 %	7

Annual accounts of the SESAR 3 Joint Undertaking 2025

Total Chapter 30-2		3 571	3 571	3 550	0	3 550	3 543	0	3 543	100 %	7
Total Title 31-0		3 571	3 571	3 571	0	3 571	3 543	0	3 543	99 %	28
40-1	Revenue from taxes recovered SESAR2020	p.m.	p.m.	(1)	0	(1)	(1)	0	(1)	100 %	0
Total Chapter 40-1		0	0	(1)	0	(1)	(1)	0	(1)	100 %	0
Total Title 42-0		0	0	(1)	0	(1)	(1)	0	(1)	100 %	0
40-0	EXCEPTIONAL REV S1	p.m.	p.m.	(72)	72	0	(72)	72	0	-	0
Total Chapter 40-0		0	0	(72)	72	0	(72)	72	0	-	0
40-1	Exceptional revenues SESAR2020	p.m.	p.m.	584	601	1 186	169	601	770	65 %	416
Total Chapter 40-1		0	0	584	601	1 186	169	601	770	65 %	416
Total Title 44-0		0	0	512	673	1 186	97	673	770	65 %	416

GRAND TOTAL CASH	109 888	109 888	108 721	673	109 394	108 256	673	108 929	92 %	444
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	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/5	10=5-8
50-1	Unused apropriations	262	9 004	0	9 004	9 004	0	9 004	9 004	100 %	0
Total Chapter 50-1		262	9 004	0	9 004	9 004	0	9 004	9 004	100 %	0
Total Title 50-1		262	9 004	0	9 004	9 004	0	9 004	9 004	100 %	0

GRAND TOTAL	110 149	118 892	108 721	9 677	118 398	108 256	9 677	117 933	100 %	444
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5. Implementation of budget expenditure

5.1 Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item		Budget appropriations				Additional appropriations			Total apppr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
1100	Salaries & allowances: establishment plan posts	5.517	(1.258)	-	4.259	1.859	-	1.859	6.118
1110	Salaries & allowances: external personnel	602	-	-	602	74	-	74	676
Total Chapter 11		6.118	(1.258)	-	4.860	1.933	-	1.933	6.794
1200	Expenditure relating to staff recruitment	10	-	-	10	-	-	-	10
Total Chapter 12		10	-	-	10	-	-	-	10
1300	Missions expenses	275	-	-	275	-	1	1	276
Total Chapter 13		275	-	-	275	-	1	1	276
1500	Training	60	-	(12)	48	-	-	-	48
Total Chapter 15		60	-	(12)	48	-	-	-	48
1600	External services	147	-	-	147	-	-	6	147
Total Chapter 16		147	-	-	147	-	-	6	147
1900	Other staff related expenditure	50	-	12	62	-	-	-	62
Total Chapter 19		50	-	12	62	-	-	-	62
TOTAL TITLE 1		6.660	(1.258)	-	5.402	1.933	-	1.935	7.337

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

Item		Budget appropriations				Additional appropriations			Total apppr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000	Rental of buildings and associated costs	203	-	-	203	-	-	-	203
Total Chapter 20		203	-	-	203	-	-	-	203
2100	Information and communication technology	2.121	-	-	2.121	-	-	-	2.121
Total Chapter 21		2.121	-	-	2.121	-	-	-	2.121
2200	Movable property and associated costs	5	-	-	5	-	-	-	5
Total Chapter 22		5	-	-	5	-	-	-	5
2300	Current administrative expenditure	793	-	(13)	780	-	-	-	780
Total Chapter 23		793	-	(13)	780	-	-	-	780
2500	Meeting expenses	25	-	-	25	-	-	-	25
Total Chapter 25		25	-	-	25	-	-	-	25
2700	Information and publishing	595	-	13	608	25	-	25	633
Total Chapter 27		595	-	13	608	25	-	25	633
TOTAL TITLE 2		3.743	-	-	3.743	25	-	25	3.768

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

Item		Budget appropriations				Additional appropriations			Total apppr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
3100	SESAR2020 phasing out	-	-	-	-	2.323	80	2.403	2.403
Total Chapter 31		-	-	-	-	2.323	80	2.403	2.403
TOTAL TITLE 3		-	-	-	-	2.323	80	2.403	2.403

5.1.4. Breakdown & changes in commitment appropriations – Title 4

EUR '000

Item		Budget appropriations				Additional appropriations			Total apppr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
4000	Digital European Sky programme	96.508	-	-	96.508	55.878	617	56.495	153.003
Total Chapter 40		96.508	-	-	96.508	55.878	617	56.495	153.003
TOTAL TITLE 4		96.508	-	-	96.508	55.878	617	56.495	153.003

5.1.5. Breakdown & changes in commitment appropriations – Title 5

EUR '000

Item		Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
5000	Running Costs EU	-	-	-	-	-	1.750	1.750	1.750
5001	Running Costs ECTRL	-	1.258	-	1.258	-	-	-	1.258
Total Chapter 50		-	1.258	-	1.258	-	1.750	1.750	3.008
TOTAL TITLE 5		-	1.258	-	1.258	-	1.750	1.750	3.008
GRAND TOTAL		106.911	-	-	106.911	60.159	2.448	62.607	169.518

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item		Budget appropriations				Additional appropriations			Total appropri. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
1100	Salaries & allowances: establishment plan posts	5.713	-	-	5.713	405	-	405	6.118
1110	Salaries & allowances: external personnel	602	-	-	602	121	-	121	723
Total Chapter 11		6.315	-	-	6.315	525	-	525	6.841
1200	Expenditure relating to staff recruitment	10	-	-	10	-	-	-	10
Total Chapter 12		10	-	-	10	-	-	-	10
1300	Missions expenses	275	-	-	275	10	1	12	287
Total Chapter 13		275	-	-	275	10	1	12	287
1500	Training	60	-	(12)	48	2	-	2	50
Total Chapter 15		60	-	(12)	48	2	-	2	50
1600	External services	147	-	-	147	5	-	5	152
Total Chapter 16		147	-	-	147	5	-	5	152
1900	Other staff related expenditure	50	-	12	62	-	-	-	62
Total Chapter 19		50	-	12	62	-	-	-	62
TOTAL TITLE 1		6.857	-	-	6.857	543	1	544	7.401

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

Item		Budget appropriations				Additional appropriations			Total approp. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
2000	Rental of buildings and associated costs	196	-	(8)	188	81	-	81	269
Total Chapter 20		196	-	(8)	188	81	-	81	269
2100	Information and communication technology	2.121	-	-	2.121	2.027	-	2.027	4.148
Total Chapter 21		2.121	-	-	2.121	2.027	-	2.027	4.148
2200	Movable property and associated costs	5	-	8	13	17	-	17	30
Total Chapter 22		5	-	8	13	17	-	17	30
2300	Current administrative expenditure	793	-	-	793	246	-	246	1.039
Total Chapter 23		793	-	-	793	246	-	246	1.039
2500	Meeting expenses	25	-	-	25	2	-	2	27
Total Chapter 25		25	-	-	25	2	-	2	27
2700	Information and publishing	405	-	-	405	514	-	514	919
Total Chapter 27		405	-	-	405	514	-	514	919
TOTAL TITLE 2		3.546	-	-	3.546	2.886	-	2.886	6.432

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

Item		Budget appropriations				Additional appropriations			Total approp. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3100	SESAR2020 phasing out	-	-	-	-	2.367	80	2.447	2.447
Total Chapter 31		-	-	-	-	2.367	80	2.447	2.447
TOTAL TITLE 3		-	-	-	-	2.367	80	2.447	2.447

5.2.4. Breakdown & changes in payment appropriations – Title 4

EUR '000

Item		Budget appropriations				Additional appropriations			Total approp. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
4000	Digital European Sky programme	33.798	(6.580)	975	28.193	3.208	617	3.825	32.018
Total Chapter 40		33.798	(6.580)	975	28.193	3.208	617	3.825	32.018
TOTAL TITLE 4		33.798	(6.580)	975	28.193	3.208	617	3.825	32.018

5.2.5. Breakdown & changes in payment appropriations – Title 5

EUR '000

Item		Budget appropriations				Additional appropriations			Total approp. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
5000	Running Costs EU	-	-	-	-	-	1.750	1.750	1.750
Total Chapter 50		-	-	-	-	-	1.750	1.750	1.750
5100	Operational Costs	65.687	6.580	(975)	71.292	-	-	-	71.292
Total Chapter 51		65.687	6.580	(975)	71.292	-	-	-	71.292
TOTAL TITLE 5		65.687	6.580	(975)	71.292	-	1.750	1.750	73.042
GRAND TOTAL		109.888	0	-	109.888	9.004	2.448	11.452	121.340

5.3. Implementation of commitment appropriations

5.3.1. Implementation of commitment appropriations – Title 1

EUR '000

Item		Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re- activations	from assign. revenue	Total	%	from final adopt. budget	from re- activa- tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
1100	Salaries & allowances: establishment plan posts	6.118	4.259	1.859	-	6.118	100 %	-	-	-	-
1110	Salaries & allowances: external personnel	676	376	11	-	3887	57 %	226	63	-	289
Total Chapter 11		6.794	4.635	1.870	-	6.505	96%	226	63	-	289
1200	Expenditure relating to staff recruitment	10	5	-	-	5	46 %	5	-	-	5
Total Chapter 12		10	5	-	-	5	46%	5	-	-	5
1300	Missions expenses	276	275	-	-	275	99 %	-	-	1	1
Total Chapter 13		276	275	-	-	275	99%	-	-	1	1
1500	Training	48	28	-	-	28	57 %	20	-	-	20
Total Chapter 15		48	28	-	-	28	57%	20	-	-	20
1600	External services	147	147	-	-	147	100 %	-	-	-	-
Total Chapter 16		147	147	-	-	147	100%	-	-	-	-
1900	Other staff related expenditure	62	39	-	-	39	63 %	23	-	-	23
Total Chapter 19		62	39	-	-	39	63%	23	-	-	23
TOTAL TITLE 1		7.337	5.128	1.870	-	6.998	95%	274	63	1	339

5.3.2. Implementation of commitment appropriations – Title 2

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
2000	Rental of buildings and associated costs	203	194	-	-	194	96%	9	-	-	9
Total Chapter 20		203	194	-	-	194	96%	9	-	-	9
2100	Information and communication technology	2.121	1.638	-	-	1.638	77%	483	-	-	483
Total Chapter 21		2.121	1.638	-	-	1.638	77%	483	-	-	483
2200	Movable property and associated costs	5	-	-	-	-	0%	5	-	-	5
Total Chapter 22		5	-	-	-	-	0%	5	-	-	5
2300	Current administrative expenditure	780	647	-	-	647	83%	133	-	-	133
Total Chapter 23		780	647	-	-	647	83%	133	-	-	133
2500	Meeting expenses	25	23	-	-	23	93 %	2	-	-	2
Total Chapter 25		25	23	-	-	23	93%	2	-	-	2
2700	Information and publishing	633	590	24	-	613	97%	18	1	-	20
Total Chapter 27		633	590	24	-	613	97%	18	1	-	20
TOTAL TITLE 2		3.768	3.092	24	-	3.116	83%	650	1	-	652

5.3.3. Implementation of commitment appropriations – Title 3

EUR '000

Item		Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re- activations	from assign. revenue	Total	%	from final adopt. budget	from re- activa tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
3100	SESAR2020 phasing out	2.403	-	2.323	80	2.403	100%	-	-	-	-
Total Chapter 31		2.403	-	2.323	80	2.403	100%	-	-	-	-
TOTAL TITLE 3		2.403	-	2.323	80	2.403	100%	-	-	-	-

5.3.4. Implementation of commitment appropriations – Title 4

EUR '000

Item		Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
4000	Digital European Sky programme	153.003	96.508	55.878	617	153.003	100%	-	-	-	-
Total Chapter 40		153.003	96.508	55.878	617	153.003	100%	-	-	-	-
TOTAL TITLE 4		153.003	96.508	55.878	617	153.003	100%	-	-	-	-

5.3.5. Implementation of commitment appropriations – Title 5

EUR '000

Item		Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9
5000	Running Costs EU	1.750	-	-	-	-	0 %	-	992	1.750	1.750
5001	Running Costs ECTRL	1.258	-	-	-	-	0 %	1.258	-	-	1.258
Total Chapter 50		3.008	-	-	-	-	0%	1.258	992	1.750	3.008
TOTAL TITLE 5		3.008	-	-	-	-	0%	1.258	992	1.750	3.008
GRAND TOTAL		169.518	104.728	60.095	697	165.520	98%	62.025	2.183	1.751	3.999

5.4. Implementation of payment appropriations

5.4.1. Implementation of payment appropriations – Title 1

EUR '000

Item		Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9
1100	Salaries & allowances: establishment plan posts	6.118	5.560	405	-	5.965	98%	153	-	-	153
1110	Salaries & allowances: external personnel	723	240	121	-	361	50%	362	-	-	362
Total Chapter 11		6.841	5.800	525	-	6.326	92%	515	-	-	515
1200	Expenditure relating to staff recruitment	10	2	-	-	2	16%	8	-	-	8
Total Chapter 12		10	2	-	-	2	16%	8	-	-	8
1300	Missions expenses	287	170	10	1	182	63%	105	-	-	105
Total Chapter 13		287	170	10	1	182	63%	105	-	-	105
1500	Training	50	20	2	-	23	45%	28	-	-	28
Total Chapter 15		50	20	2	-	23	45%	28	-	-	28
1600	External services	152	110	5	-	115	76%	37	-	-	37
Total Chapter 16		152	110	5	-	115	76%	37	-	-	37
1900	Other staff related expenditure	62	14	-	-	14	23%	48	-	-	48
Total Chapter 19		62	14	-	-	14	23%	48	-	-	48
TOTAL TITLE 1		7.401	6.117	543	1	6.661	90%	740	-	-	740

5.4.2. Implementation of payment appropriations – Title 2

EUR '000

Item		Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
2000	Rental of buildings and associated costs	269	111	81	-	193	72%	77	-	-	77
Total Chapter 20		269	111	81	-	193	72%	77	-	-	77
2100	Information and communication technology	4.148	1.068	1.395	-	2.463	59%	1.053	632	-	1.685
Total Chapter 21		4.148	1.068	1.395	-	2.463	59%	1.053	632	-	1.685
2200	Movable property and associated costs	30	13	-	-	13	44%	0	17	-	17
Total Chapter 22		30	13	-	-	13	44%	0	17	-	17
2300	Current administrative expenditure	1.039	262	246	-	508	49%	531	-	-	531
Total Chapter 23		1.039	262	246	-	508	49%	531	-	-	531
2500	Meeting expenses	27	12	2	-	13	50%	13	-	-	13
Total Chapter 25		27	12	2	-	13	50%	13	-	-	13
2700	Information and publishing	919	322	341	-	664	72%	83	172	-	255
Total Chapter 27		919	322	341	-	664	72%	83	172	-	255
TOTAL TITLE 2		6.432	1.789	2.065	-	3.854	60%	1.757	821	-	2.578

5.4.3. Implementation of payment appropriations – Title 3

EUR '000

Item		Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
3100	SESAR2020 phasing out	2.447	-	2.323	80	2.403	98 %	-	44	-	44
Total Chapter 31		2.447	-	2.323	80	2.403	98%	-	44	-	44
TOTAL TITLE 3		2.447	-	2.323	80	2.403	98%	-	44	-	44

5.4.4. Implementation of payment appropriations – Title 4

EUR '000

Item		Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9
4000	Digital European Sky programme	32.018	28.189	3.208	617	32.014	100%	4	-	-	4
Total Chapter 40		32.018	28.189	3.208	617	32.014	100%	4	-	-	4
TOTAL TITLE 4		32.018	28.189	3.208	617	32.014	100%	4	-	-	4

5.4.5. Implementation of payment appropriations – Title 5

EUR '000

Item		Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activation s	from assign. revenue	Total	%	from final adopt. budget	from re-activation s	from assign. rev.	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9
5000	Running Costs EU	1.750	-	-	-	-	0 %	-	-	1.750	1.750
Total Chapter 50		1.750	-	-	-	-	0%	-	-	1.750	1.750
5100	Operational Costs	71.292	-	-	-	-	0 %	71.292	-	-	71.292
Total Chapter 51		71.292	-	-	-	-	0%	71.292	-	-	71.292
TOTAL TITLE 5		73.043	-	-	-	-	0%	71.292	-	1.750	73.042

GRAND TOTAL	121.340	36.094	8.139	698	44.931	37%	73.794	865	1.750	76.409
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6. OUTSTANDING COMMITMENTS

6.1. Outstanding commitments – Title 1

EUR '000

Item		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	
1100	Salaries & allowances: establishment plan posts	-	-	-	-	6.118	5.965	-	153	153
1110	Salaries & allowances: external personnel	73	(26)	47	-	387	314	-	73	73
Total Chapter 11		73	(26)	47	-	6.505	6.279	-	226	226
1200	Expenditure relating to staff recruitment	-	-	-	-	5	2	-	3	3
Total Chapter 12		-	-	-	-	5	2	-	3	3
1300	Missions expenses	80	(74)	7	-	275	175	-	100	100
Total Chapter 13		80	(74)	7	-	275	175	-	100	100
1500	Training	13	(13)	-	-	28	23	-	5	5
Total Chapter 15		13	(13)	-	-	28	23	-	5	5
1600	External services	5	-	5	-	147	110	-	37	37
Total Chapter 16		5	-	5	-	147	110	-	37	37
1900	Other staff related expenditure	-	-	-	-	39	14	-	25	25
Total Chapter 19		-	-	-	-	39	14	-	25	25
TOTAL TITLE 1		171	(113)	58	-	6.998	6.602	-	396	396

6.2. Outstanding commitments – Title 2

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2000	Rental of buildings and associated costs	81	(6)	76	-	194	117	-	77	77
Total Chapter 20		81	(6)	76	-	194	117	-	77	77
2100	Information and communication technology	2.036	(260)	1.697	79	1.638	766	-	872	951
Total Chapter 21		2.036	(260)	1.697	79	1.638	766	-	872	951
2200	Movable property and associated costs	17	(3)	13	-	-	-	-	-	-
Total Chapter 22		17	(3)	13	-	-	-	-	-	-
2300	Current administrative expenditure	275	(29)	200	46	647	309	-	339	384
Total Chapter 23		275	(29)	200	46	647	309	-	339	384
2500	Meeting expenses	17	(15)	2	-	23	12	-	12	12
Total Chapter 25		17	(15)	2	-	23	12	-	12	12
2700	Information and publishing	489	-	447	42	613	217	-	396	438
Total Chapter 27		489	-	447	42	613	217	-	396	438
Total Title 2		2.915	(314)	2.434	166	3.116	1.420	-	1.696	1.862

6.3. Outstanding commitments – Title 3

EUR '000

Item		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	
3100	SESAR2020 phasing out	-	-	-	-	2.403	2.403	-	-	-
Total Chapter 31		-	-	-	-	2.403	2.403	-	-	-
TOTAL TITLE 3		-	-	-	-	2.403	2.403	-	-	-

6.4. Outstanding commitments – Title 4

EUR '000

Item		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	
4000	Digital European Sky programme	65.338	(921)	31.613	32.804	153.003	400	-	152.602	185.406
Total Chapter 40		65.338	(921)	31.613	32.804	153.003	400	-	152.602	185.406
TOTAL TITLE 4		65.338	(921)	31.613	32.804	153.003	400	-	152.602	185.406
GRAND TOTAL		68.424	(1.348)	34.106	32.970	165.520	10.826	-	154.694	187.664

7. 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

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often 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 project progresses.

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

The difference between income received and amounts paid, including adjustments for carryovers, cancellations and exchange rate differences.

For agencies, the resulting amount will 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 authorising 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.

Carryover 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.

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.

Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities, as represented by an appropriation.

For joint undertakings (and EIT), as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so- called "N+3" rule). Hence, lapsing appropriations for JUs can be re-activated until financial year "N+3".

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 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 amount of appropriations committed 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.

RAL (Reste à liquider)

Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outstanding commitments

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.