



Annual accounts of the
Sesar 3 Joint undertaking

Financial year 2024

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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 2024 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 Final Accounts 2024 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: 2025-05-28 15:17:02 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 SESAR JU was first established under Council Regulation (EC) 219/2007 of 27 February 2007 (as modified by Council Regulation (EC) 1361 / 2008 and last amended by the Council Regulation (EU) 721/2014).

Horizon Europe – the EU Framework Programme for Research and Innovation 2021-2027 – aims to increase the EU's research and innovation impact by combining European partnership co-investment with additional private and public sector funds in areas where the scope and scale of the research and innovation resources can help achieve the EU's Horizon Europe priorities notably, its Pillar II – Global challenges and European industrial competitiveness.

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 builds on the notion of trajectory-based operations' and relies on the provision of air navigation services (ANS) in support of the execution of the business or mission trajectory – meaning that aircrafts can fly their preferred trajectories without being constrained by airspace configurations.

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 new generation of ATM.

Governance

The SESAR 3 JU consists of 57 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 should seek an agreed position on a case-by-case basis 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 500 million, other Members EUR 500 million and Eurocontrol EUR 500 million) – to which the Union adds EUR 100 million to the funding of the Exploratory Research. 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;
- 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 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 (Acco BOA) was established and took over the accounting services from the Accounting Officer 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 open Digital European Sky Exploratory Research 2 call for proposals (HORIZON-SESAR-2022-DES-ER-02) was launched in June 2023, with a deadline in November 2023. A total of 100 proposals were received, with 93 considered eligible. The SESAR 3 JU initiated the evaluation of the submitted proposals as of December 2023 with the aim of completing it and launching the Grant preparation Phase early March 2024. By July 2024 18 grant agreements were signed by the Agency.

In 2024, in the context of the Synergy Call with Europe's-RAIL JU (Call HORIZON-JU-ER-2023-01), Grant agreement Travel Wise (Transformation of aviation and railway solutions towards integration and synergies) started on 1/10/2024 (with 37 partners) for a duration of 36 months. The maximum EU contribution is EUR 4.999 million, with SESAR 3 JU contribution set at EUR 3 million in proportion of the aviation beneficiaries.

While delivering on its strategic objectives, the SESAR JU remains committed to strengthening its effective and efficient organisation by continually improving its processes, procedures, performance and risk management, ICT infrastructure, as well as by investing in its talented people.

Since January 2023, the SESAR 3 JU has been using SPEEDWELL, a workflow tool for administrative payments and commitments used by all Executive Agencies. The use of this tool made the monitoring of payment deadlines more effective. The rate of late payments is thus gone down from 19,2% in 2022 to 2,3% in 2024.

Since September 2023, the SESAR 3 JU has been using BLUEBELL, a tool used by some Executive Agencies to collect operational needs in the preparation of the budget and of the procurement plan. BLUEBELL is also a good way for operational units to monitor the execution of their budget and to compare it with their forecast on a monthly basis, with information directly taken from ABAC. Since October 2024, the tool is also used for the preparation of the carry-over and the cut-off exercise.

Since July 2023, the SESAR 3 JU has been using MIPS+, the EC corporate tool for the management of mission orders and missions' costs statements. With its connection to ABAC for the creation of payment requests, the use of MIPS+ has represented a big improvement for the organization. The processing of the files is much more efficient for the travellers, for the Local Mission Officer (LMO) and for the finance team (missions represent 45% of administrative payments in number).

Since September 2024, the SESAR 3 JU has been using Ares. Ares is the common information system used by all the Commission's Services, the Cabinets, EEAS, the EU delegations, the executive agencies and other institutions for registering and filing the official documents of the Commission in the same electronic common repository. In Outlook, an AresLook button connects to Ares allowing users to register and file e-mails. This new tool has an impact on all administrative activities. Once the transition and adaptation period is over, the tool will bring efficiency, security and transparency gains to the organization, and a better connection with the other EU institutions.

Since September 2024, the SESAR 3 JU has increased its use of PPMT (Public Procurement Management Tool), the EC corporate tool for the management of public procurements. There again, efficiency gains are expected, once the organisation gets acquainted with the new ways of working.

Budget implementation

Revenue

In terms of revenue, a total amount of EUR 86.31 million was received from the European Commission to cover SESAR 3 JU outstanding operational obligations of 2024.

This amount was composed of:

- The last H2020 programme EC contribution amounting to EUR 3.08 million to cover running costs.
- EC contribution towards Horizon Europe amounting to EUR 2.72 million (EFTA included) for the administrative costs and EUR 80.51 million for operational costs.

A total amount of EUR 5.38 million was received from EUROCONTROL (0.31 million under H2020 programme and EUR 5.07 million under HE programme) towards S3JU running costs. It is important to note that the amount of EUR 5.07 million represents a voluntary contribution from EUROCONTROL, facilitated by the availability of their cash resources. This amount was placed as a reserve for future use.

The other Members contributed to the running costs for a total amount of EUR 3.32 million. This represented their last contribution to H2020. As of 2025, the other Members will start contributing to HE, by application of the Membership Agreement.

SESAR 3 JU recovered also exceptional revenues for a total amount of EUR 2.792 million, mainly composed of:

- Recovery of EUR 1.22 million from H2020 projects after audit corrections
- Reimbursement of EUR 1.54 million corresponding to the pre-financing by the MIM (guarantee fund) for H2020 projects after their final closure.
- Recovery of EUR 23 thousand from EASA pre-financing 2023 under Horizon Europe.
- Reimbursement of minor administrative costs, mostly reimbursements from suppliers and some salary balances for EUR 9 thousand.

Expenditure

Overall, in 2024, the budget execution of commitment and payment appropriations reached 41% and 34% respectively.

This lower budget execution in commitment was anticipated and stemmed mainly from the operational expenditure under the Horizon Europe programme (39% committed). Indeed, commitment appropriations have been accumulated to partly commit for IR2 projects. Moreover, except for the award of call Exploratory Research 2 amounting to EUR 25.612 million, no other major call was launched in 2024.

In terms of payment appropriations, the Joint Undertaking also anticipated the low payments needs in operational expenditure, which resulted in transferring EUR 46.48 million from Title 4 to Title 5 with the 2024 first amending budget. Title 5 purpose is to place unused appropriations from previous and current year in order not to lose them.

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 services to the SESAR 3 JU.

In 2024 and in line with the new 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 are respectively 94% and 93% and for payment appropriations 92% and 45%. The unspent amounts related to interims, missions, training, other staff related expenditure, HR support fees, IT services, and charges for services linked to the building, amongst others, were carried forward to the next year.

The low implementation rate of payment for Title 2 was mainly due:

- The invoice for part of ETCL services amounting to EUR 913 thousand that could not be paid in December due to the anticipated closure of the accounting system (anticipation for the go live of EC new accounting system SUMMA). It is to be noted, that with this payment T2's payment execution would have reached 61%.
- The late award of the contract for the Provision of Quality, Information and Document Management services (signed early December) for which a budget of EUR 200 thousand was initially foreseen for 2024 and which services only started in January 2025.
- The payments related to 2024 that will occur in 2025 (ICT and Communications mainly). With amendment 1 of the Budget 2025, an estimate of EUR 2.8 million should be reinscribed to ensure payment of legal obligations from previous years.

Operational expenditure

In relation to the phasing out of the SESAR 2020 Programme, the payment of the 5 remaining projects occurred in January 2024. The final amount paid was EUR 2.845 million. In addition, a minor amount of EUR 15 thousand was paid for assessment of deliverables and project reviews.

The 2024 payments executed for HE Programme (EUR 26.193 million) are distributed as follows:

- EUR 10.245 million pre-financing for Exploratory Research 2 call (40% of awarded amount EUR 25.612 million)
- EUR 1.500 million as pre-financing payment for the Synergy Call with Europe's Rail JU for the "TravelWise" project.
- EUR 5.100 million for first interim payment ER1
- EUR 1.793 million for first interim payment IR1
- EUR 7.555 million for other operational activities

Detailed information regarding the budget implementation is provided in the 'Report on the Budgetary and Financial management' of the year.

Budget Outturn

The 2024 budget shows a positive budget result of EUR 60.022 million. Therefore, with the cumulated Budget Outturn from previous years of EUR 22.132 million (EUR 6.534 million for the Horizon Europe Programme and EUR 15.598 million for SESAR 2020 Programme) the new total Budget surplus amounts to EUR 82.154 million (of which a surplus of EUR 15.498 million for SESAR 2020 Programme and a surplus of EUR 66.656 million for the Horizon Europe Programme).

Impact of the activities in the financial statements

In the financial statements, the impact of the above-mentioned activities resulted in:

- (i) **Revenue from recovery of expenses** of EUR 48 thousand resulting from expense recoveries, following the implementation of projects' audits. (see note **3.1**);
- (ii) **Decrease in operational costs** of EUR 949 thousand results from a combined effect of a EUR 9.590 thousand reduction in estimated operational costs from in-kind contributions, offset by an increase of EUR 8.641 thousand in estimated operational costs from EU co-financing. (see note **3.4**).
- (iii) **Decrease in other expenses** EUR 831 thousand is largely due to general other expense reduction and the absence of 2024 rental and other landlord-related obligations, following the early termination of the SESAR 3 JU lease agreement in 2023 (see note **3.7**).
- (iv) **Decrease in pre-financing** by EUR 30.715 thousand is due to the new pre-financing paid for the new Horizon Europe projects. As these projects have a duration of 2-3 years, only EUR 27.804 thousand has been classified as non-current pre-financing, compared to EUR 79.639 thousand as of 31 December 2023 (see note **2.3**).
- (v) **Increase in receivables and recoverables** by EUR 59.961 thousand in 2024 is primarily driven by the increase in central treasury liaison accounts (see note **2.4**).
- (vi) **Increase in contributions from Members** of EUR 37.949 thousand is attributed to the increase in EU cash contributions and cash contributions from private members for both the Horizon 2020 and Horizon Europe programmes (see note **2.9**).

SESAR 3 JOINT UNDERTAKING
FINANCIAL YEAR 2024

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

BALANCE SHEET

	Note	31.12.2024	31.12.2023
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	2.592,00	1.620,00
<i>Property, plant and equipment</i>	2.2	142.253,74	71.391,00
<i>Long term pre-financing</i>	2.3	27.804.448,63	79.638.577,57
		27.949.294,37	79.711.588,57
CURRENT ASSETS			
<i>Short term pre-financing</i>	2.3	84.607.076,58	63.488.157,22
<i>Exchange receivables and non-exchange recoverables</i>	2.4	81.651.001,69	21.689.892,52
<i>Cash and cash equivalents</i>	2.5	-	4.892,69
		166.258.078,27	85.182.942,43
TOTAL ASSETS		194.207.372,64	164.894.531,00
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.7	131.118.238,33	36.797.548,67
<i>Accrued charges and deferred income</i>	2.8	23.328.727,46	22.767.797,32
		154.446.965,79	59.565.345,99
TOTAL LIABILITIES		154.446.965,79	59.565.345,99
NET ASSETS			
<i>Contribution from Members</i>	2.9	3.110.459.808,67	3.072.510.792,39
<i>Accumulated deficit</i>		(2.967.181.607,38)	(2.862.431.542,18)
<i>Economic result of the year</i>		(103.517.794,44)	(104.750.065,20)
TOTAL NET ASSETS		39.760.406,85	105.329.185,01
TOTAL LIABILITIES AND NET ASSETS		194.207.372,64	164.894.531,00

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2024	2023
REVENUE			
Revenue from non-exchange transactions			
<i>Recovery of operating expenses</i>	3.1	48.440,64	753.726,31
		48.440,64	753.726,31
Revenue from exchange transactions			
<i>Financial revenues</i>	3.3	2.615,35	-
<i>Other exchange revenue</i>	3.3	1.589,92	24.155,20
		4.205,27	24.155,20
Total revenue		52.645,91	777.881,51
EXPENSES			
<i>Operational costs</i>	3.4	(95.291.074,85)	(96.240.456,56)
<i>Staff costs</i>	3.5	(5.745.374,68)	(5.321.636,14)
<i>Financial expenses</i>	3.6	(3.587,67)	(604.724,34)
<i>Other expenses</i>	3.7	(2.530.403,15)	(3.361.129,67)
Total expenses		(103.570.440,35)	(105.527.946,71)
ECONOMIC RESULT OF THE YEAR		(103.517.794,44)	(104.750.065,20)

CASHFLOW STATEMENT⁴

	2024	2023
<i>Economic result of the year</i>	<i>(103.517.794,44)</i>	<i>(104.750.065,20)</i>
Operating activities		
<i>Depreciation and amortization</i>	<i>59.128,45</i>	<i>53.987,24</i>
<i>(Increase)/decrease in pre-financing</i>	<i>30.715.209,58</i>	<i>(132.634.520,67)</i>
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	<i>(59.961.109,17)</i>	<i>87.354.731,94</i>
<i>(Increase)/decrease in payables</i>	<i>94.320.689,66</i>	<i>(138.933.356,14)</i>
<i>(Increase)/decrease in accrued charges & deferred income</i>	<i>560.930,14</i>	<i>(5.331.149,19)</i>
<i>(Increase)/decrease in cash contributions</i>	<i>37.949.016,28</i>	<i>190.657.493,27</i>
<i>(Increase)/decrease in in-kind contributions</i>	<i>-</i>	<i>105.137.660,08</i>
<i>Other non-cash movements</i>	<i>-</i>	<i>(1.533.666,83)</i>
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant, equipment</i>	<i>(130.963,19)</i>	<i>(25.454,24)</i>
Net Cashflow	(4.892,69)	(4.339,74)
<i>Net Increase/(decrease) in cash and cash equivalents</i>	<i>(4.892,69)</i>	<i>(4.339,74)</i>
<i>Cash and cash equivalents at the beginning of the year</i>	<i>4.892,69</i>	<i>9.232,43</i>
<i>Cash and cash equivalents at year-end</i>	<i>-</i>	<i>4.892,69</i>

⁴ The treasury of SESAR 3 JU was integrated into the Commission's treasury system. Because of this, SESAR 3 JU has only one bank account of its own covering the bank guarantee issued for the rental of the SESAR 3 JU premises. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading non exchange recoverables

STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2022	2.776.715.639,04	(2.673.233.664,21)	(189.197.877,97)	(85.715.903,14)
<i>Allocation 2022 economic result</i>	-	(189.197.877,97)	189.197.877,97	-
<i>Cash contribution</i>	190.657.493,27	-	-	190.657.493,27
<i>Contribution in-kind</i>	105.137.660,08	-	-	105.137.660,08
<i>Economic result of the year</i>	-	-	(104.750.065,20)	(104.750.065,20)
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

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	31.12.2024	31.12.2023	Currency	31.12.2024	31.12.2023
BGN	1,9558	1,956	PLN	4,275	4,34
CZK	25,185	24,724	RON	4,9743	4,976
DKK	7,4578	7,453	SEK	11,459	11,096
GBP	0,82918	0,887	CHF	0,9412	0,926
NOK	11,795	11,241	JPY	163,06	156,33
HUF	411,35	382,80	USD	1,0389	1,105

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: amounts for employee benefit liabilities, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, 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.

1.2.4. Application of new and revised European Union Accounting Rules (EAR) or after 1 January 2025.

The following new IPSAS standards and amendments are effective as of January 1, 2025:

- **IPSAS 46 Measurement:** IPSAS 46 brings measurement guidance together in a single standard and introduces a public sector specific current value measurement basis for assets held for their operational capacity and provides additional generic guidance on fair value. IPSAS 46 will be effective for periods beginning on or after January 1, 2025.
- **IPSAS 45 Property, Plant, Equipment:** IPSAS 45 introduces the current operational value as a measurement basis in the updated current value model for assets and also identifies the characteristics of heritage and infrastructure assets and provides new guidance on how these types of assets should be recognized and measured. IPSAS 45 will be effective for periods beginning on or after January 1, 2025.
- **IPSAS 43 Leases:** IPSAS 43 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. IPSAS 43 will be effective for periods beginning on or after January 1, 2025.
- **IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations:** IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value. IPSAS 44 will be effective for periods beginning on or after January 1, 2025.
- **Amendment to IPSAS 43 Leases:** This amendment offers a practical expedient to account for lease modifications in IPSAS 43, Leases. This amendment will be effective for periods beginning on or after January 1, 2025.

The following new IPSAS standards and amendments are effective as of January 1, 2026:

- **IPSAS 49 Retirement Benefits:** IPSAS 49 prescribes the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits

to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.

- **IPSAS 47 Revenue:** IPSAS 47 is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards and presents accounting models which will improve financial reporting and support effective public sector financial management. IPSAS 47 will be effective for periods beginning on or after January 1, 2026.
- **IPSAS 48 Transfer Expenses:** IPSAS 48 provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap which had previously led to ambiguity and inconsistency of accounting policies in the public sector. IPSAS 48 will be effective for periods beginning on or after January 1, 2026.
- **Amendment to IPSAS 1, Presentation of Financial Statements:** The amendments clarify the principles related to the right to defer settlement for at least twelve months (with or without covenants); and the meaning of 'settlement' when a liability is rolled over under and existing loan facility. These amendments will be effective for periods beginning on or after January 1, 2026.
- **Amendment to IPSAS 43 Leases:** Amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any gain or loss that relates to the right-of-use it retains. This amendment will be effective for periods beginning on or after January 1, 2026.

The following new IPSAS standards and amendments are effective as of January 1, 2027:

- **Concessionary Leases and Other Arrangements Conveying Rights over Assets (Amendments to IPSAS 43, IPSAS 47, and IPSAS 48):** The new guidance enhances IPSAS 43, IPSAS 47, and IPSAS 48 by addressing the accounting for arrangements that are prevalent in the public sector consistent with the principles in those Standards. These amendments will be effective for periods beginning on or after January 1, 2027.
- **IPSAS 50, Exploration for and Evaluation of Mineral Resources:** IPSAS 50 provides guidance related to the costs incurred for exploration for, and evaluation of, mineral resources (for example, minerals, oil, natural gas and similar non-regenerative resources), as well as the costs of determining the technical feasibility and commercial viability of extracting the mineral resources. IPSAS 50 will be effective for periods beginning on or after January 1, 2027.
- **Stripping Costs in the Production Phase of a Mine (Amendments to IPSAS 12):** Appendix A in IPSAS 12, Inventories, provides interpretive guidance on accounting for waste removal costs that are incurred in surface mining activities during the production phase of the mine. These amendments will be effective for periods beginning on or after January 1, 2027.

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.

The new IPSAS 43 standard will have a limited impact on the Joint Undertaking. The corresponding EAR 8 (Leases) was issued in 2025, the entities shall apply the revised EAR for annual financial statements covering periods beginning on or after 1 January 2027. 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.

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 a number of 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.

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 (see note **1.3.5**), or non-validated in-kind contributions to operational activities (see 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 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 and 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 owners.

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 – AAR (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') can 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 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.

As IKOP calculated from periodic cost claims of projects is not automatically recorded in the statement of financial performance, at year-end, this incurred IKOP as well as IKOP not yet reported (via received costs

claims) is estimated and recorded as payables and other liabilities ('Contributions in cash 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 can be verified and recognised only after the activities are concluded, reported and certified.

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 and declared. Consequently, due to this time gap, during the programme implementation the amounts of contributions recognised per member category (EU and private members) differ significantly from each other. This gap between the recognised amount of EU cash contributions on one hand and in-kind contributions on the other hand will be closed as the programme is approaching the finalisation stage.

Due to major simplifications introduced in Horizon Europe, the certification for IKOP is based on the CFS⁵ certificates for the total eligible project costs. The certificates for IKOP are only due to be submitted to the JU after the end of the last project reporting period. This time difference is a cause of a major delay between the time when the IKOP balances are committed (upon signature of the grant) until they could be validated and recognised in net assets of the JU.

The recognition and certification of the Horizon Europe IKOP balances would only start later in the Programme. The committed amounts and estimates for the entire IKOP balances are presented in the annual activity report of the JU in details.

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.

⁵ CFS: Certificate on Financial Statement

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

	TOTAL
<i>Gross carrying amount at 31.12.2023</i>	2.176.768,09
<i>Additions</i>	2.220,00
Gross carrying amount at 31.12.2024	2.178.988,09
<i>Accumulated amortisation at 31.12.2023</i>	(2.175.148,09)
<i>Amortisation charge for the year</i>	(1.248,00)
Accumulated depreciation at 31.12.2024	(2.176.396,09)
NET CARRYING AMOUNT AT 31.12.2024	2.592,00
<i>NET CARRYING AMOUNT AT 31.12.2023</i>	1.620,00

The above amounts relate primarily to computer software and developments made mainly under the SESAR 3 JU/Eurocontrol Membership Agreement.

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 31.12.2023</i>	21.873,35	108.280,57	203.894,61	334.048,53
<i>Additions</i>	-	-	128.743,19	128.743,19
Gross carrying amount at 31.12.2024	21.873,35	108.280,57	332.637,80	462.791,72
<i>Accumulated depreciation at 31.12.2023</i>	(11.083,35)	(86.676,57)	(164.897,61)	(262.657,53)
<i>Depreciation charge for the year</i>	(1.628,00)	(16.631,00)	(39.621,45)	(57.880,45)
Accumulated depreciation at 31.12.2024	(12.711,35)	(103.307,57)	(204.519,06)	(320.537,98)
NET CARRYING AMOUNT AT 31.12.2024	9.162,00	4.973,00	128.118,74	142.253,74
<i>NET CARRYING AMOUNT AT 31.12.2023</i>	10.790,00	21.604,00	38.997,00	71.391,00

The additions represent audio-visual equipment acquired for meeting rooms at Eurocontrol premises, with an amortization rate of 25% applied to these assets.

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.

	31.12.2024	31.12.2023
<i>Non-current pre-financing</i>	27.804.448,63	79.638.577,57
<i>Current pre-financing</i>	84.607.076,58	63.488.157,22
Total	112.411.525,21	143.126.734,79

A case-by-case assessment has been conducted for all pre-financing amounts open as of 31 December 2024. At year-end, only EUR 27.804 thousand was classified as non-current pre-financing, compared to EUR 79.639 thousand on 31 December 2023. With the award of the new Horizon Europe Exploratory Research 2 call in 2024, amounting to EUR 25.613 thousand, the clearing of the non-current pre-financing will take place progressively over 2026 and 2027.

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.

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.

	31.12.2024	31.12.2023
Recoverables from non-exchange transactions		
<i>Central treasury liaison accounts</i>	81.532.640,68	21.511.188,53
<i>Recoverables from members and partners</i>	71.900,41	138.350,49
<i>Other</i>	8.352,12	6.181,75
	81.612.893,21	21.655.720,77
Receivables from exchange transactions		
<i>Accrued income and deferred charges</i>	38.108,48	34.171,75
	38.108,48	34.171,75
Total	81.651.001,69	21.689.892,52

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 (except the imprest account – see note **2.5**) 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 60.021 thousand in the SESAR 3 JU treasury is primarily due to lower pre-financing payments, totalling EUR 12.144 thousand, compared to the EUR 153.550 thousand paid for the first two Horizon Europe calls. In 2024, pre-financing payments amounted to EUR 10.245 thousand for the third Horizon Europe call, EUR 399 thousand for EASA, and EUR 1.500 thousand for the synergy topic call agreement between SESAR 3 JU and Europe's Rail JU.

Included within the central treasury liaison accounts is the written off receivable in 2023 for EUR 601 thousand relating to the insolvency proceedings of SESAR 3 JU debtor's assets. The proceedings opened in 2023 due to insolvency and over-indebtedness. According to the SESAR 3 JU management assessment, there will not be effective recovery of the funds. As a result, the SESAR 3 JU has written down the receivable for its entire amount, until a liquidation decision is transmitted by the liquidator.

For an amount of EUR 71,9k included in the receivable amounts as result of an expost audit, the beneficiary is not responsive to the recovery claims and SESAR 3 JU is now exploring the possible legal steps or write down.

2.5. CASH AND CASH EQUIVALENTS

The majority of 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' (see note **2.4**).

	31.12.2024	31.12.2023
Imprest account	-	4.892,69

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 2024, the Joint Undertaking did not have any provisions (2023: 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).

	31.12.2024	31.12.2023
Contributions to be validated		
<i>Contributions in kind from Members to be validated</i>	65.762.447,50	27.404.961,78
<i>Cash contribution from EC to be validated</i>	59.018.334,73	1.962.190,70
<i>Pre-financing received from EC for Delegation agreements</i>	2.348.940,64	2.361.371,81
	127.129.722,87	31.728.524,29
Current		
<i>Suppliers</i>	1.769.289,22	2.043.526,89
<i>Public bodies and other current payables</i>	2.139.545,63	3.076.020,21
<i>Sundry payables</i>	79.680,61	(50.522,72)
	3.988.515,46	5.069.024,38
Total	131.118.238,33	36.797.548,67

Under the 'contribution in-kind from Members to be validated' heading presented the in-kind contributions related to on-going projects without a validated contribution certificate as of 31 December. Under the HE programme, in-kind contributions from private members consists of the eligible costs incurred by them in implementing indirect actions less the contribution of that joint undertaking, accounted for solely on the basis of eligible costs. According to programme rules, the certificate is due with the final reporting period only. The EUR 38.357 thousand increase in 2024 is attributed to in-kind contributions related to ongoing projects from three Horizon Europe calls, compared to only one call in 2023.

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 (See note **2.9**).

Included under 'contribution in cash from Members 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. (See note **1.6.1**).

In line with this rule and based on the 2024 payments implementation report, SESAR 3 JU determines the portion of operating and administrative expenditures covered by EU financial contributions to the Horizon Europe programme. For the 2024 final accounts, EUR 26.170 thousand has been transferred to the JU's net assets, compared to EUR 157.196 thousand in 2023. Consequently, the significant increase of EUR 57.056 thousand under this heading is due to lower operating expenditures in 2024 compared to 2023.

The pre-financing received from EC for Delegation agreements represents the remaining amount due to the Commission under the Delegation Agreement for U-Space Services.

The Public Bodies and other current payables include mainly the cost claims received but not yet validated and paid as of 31 December 2024.

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.

	31.12.2024	31.12.2023
<i>Accrued charges</i>	23.328.317,22	22.765.181,97
<i>Other passive accruals and deferrals</i>	410,24	2.615,35
Total	23.328.727,46	22.767.797,32

Accrued charges consist of operational expenses related to Professional Staff Organisations and Airspace Users amounting to EUR 383 thousand, as well as estimated operational expenses of EUR 22.316 thousand for ongoing or ended projects without a validated cost statement. The 2024 expense was estimated on a case-by-case basis, using the best available information about the projects as of 31 December 2024.

The portion of estimated accrued charges related to pre-financing has been recorded as a reduction of the open pre-financing (see note **2.3**). The decrease in operating accruals is primarily due to the validation of cost claims for final and interim payments related to Horizon 2020 projects. In 2024, only charges related to 2023 and 2024 Horizon Europe projects had to be estimated and accrued at year-end.

The heading also includes administrative expenses of EUR 506 thousand (EUR 1.927 thousand as of 31 December 2023) and accrued staff costs of EUR 124 thousand (EUR 112 thousand as of 31 December 2023) 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 83.226 thousand for the implementation of the Horizon Europe Framework Programme. (see 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	2024 in-Kind	Total	Cash	2023 in-Kind	Total
<i>FP7</i>	<i>766.636.751,30</i>	<i>935.501.139,40</i>	<i>1.702.137.890,70</i>	<i>766.636.751,30</i>	<i>935.501.139,40</i>	<i>1.702.137.890,70</i>
<i>Horizon 2020</i>	<i>600.489.048,45</i>	<i>613.323.585,68</i>	<i>1.213.812.634,13</i>	<i>593.781.805,71</i>	<i>613.323.585,68</i>	<i>1.207.105.391,39</i>
<i>Horizon Europe</i>	<i>194.509.283,84</i>	<i>-</i>	<i>194.509.283,84</i>	<i>163.267.510,30</i>	<i>-</i>	<i>163.267.510,30</i>
Total	1.561.635.083,59	1.548.824.725,08	3.110.459.808,67	1.523.686.067,31	1.548.824.725,08	3.072.510.792,39

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 Cash	Industry Members		Eurocontrol		Total	
		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>	588.217.407,08	-	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	588.217.407,08	-	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>	610.238.407,08	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 thousand. 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 Cash	Industry Members		Eurocontrol		Total	
		Cash	In kind	Cash	In kind	Cash	In kind
<i>Running costs contributions at 31.12.2023</i>	23.467.372,00	13.968.984,90	-	16.848.801,07	-	54.285.157,97	-
<i>Adjustments of prior years' contributions</i>	-	-	-	-	-	-	-
<i>Current year contributions</i>	3.082.224,00	3.317.736,08	-	307.282,66	-	6.707.242,74	-
Running costs contributions at 31.12.2024	26.549.596,00	17.286.720,98	-	17.156.083,73	-	60.992.400,71	-
<i>Operating costs contributions at 31.12.2023</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 31.12.2024	539.496.647,74	-	287.415.090,26	-	325.908.495,42	539.496.647,74	613.323.585,68
<i>TOTAL contributions at 31.12.2023</i>	562.964.019,74	13.968.984,90	287.415.090,26	16.848.801,07	325.908.495,42	593.781.805,71	613.323.585,68
TOTAL contributions at 31.12.2024	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 83.226 thousand for the implementation of the Horizon Europe Framework Programme (see 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 Cash	Industry Members		Eurocontrol		Total	
		Cash	In kind	Cash	In kind	Cash	In kind
<i>Running costs contributions at 31.12.2023</i>	-	-	-	6.071.500,00	-	6.071.500,00	-
<i>Current year contributions</i>	-	-	-	5.071.428,57	-	5.071.428,57	-
Running costs contributions at 31.12.2024	-	-	-	11.142.928,57	-	11.142.928,57	-
<i>Operating costs contributions at 31.12.2023</i>	157.196.010,30	-	-	-	-	157.196.010,30	-
<i>Current year contributions</i>	26.170.344,97	-	-	-	-	26.170.344,97	-
Operating costs contributions at 31.12.2024	183.366.355,27	-	-	-	-	183.366.355,27	-
<i>TOTAL contributions at 31.12.2023</i>	26.170.344,97	-	-	6.071.500,00	-	163.267.510,30	-
TOTAL contributions at 31.12.2024	183.366.355,27	-	-	11.142.928,57	-	194.509.283,84	-

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.

	2024	2023
<i>Recovery of expenses</i>	48.440,64	753.726,31

This heading includes recoveries of expenses following the implementation of projects' audits.

3.2. OTHER NON-EXCHANGE REVENUE

The Joint Undertaking did not have any other non-exchange revenue in 2024 and 2023.

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.

	2024	2023
<i>Recovery of administrative expenses</i>	661,02	18.754,39
<i>Miscellaneous income exchange</i>	928,90	5.392,25
<i>Interest income on late payment</i>	2.615,35	-
<i>Financial revenue</i>	-	8,56
Total	4.205,27	24.155,20

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

EXPENSES

3.4. OPERATIONAL COSTS

Included under this heading are operating expenses related to all programme related activities that were performed in 2024 (estimated works achieved) and expenses related to contracts for industrial support, legal, financial & management support, experts, launch of specific technical activities and the Programme Support Office (PSO) of Eurocontrol.

Included under this heading are also operational expenses mainly related to projects that were carried out in the current year. The part of the operational costs related to on-going or ended 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:

	2024	2023
<i>Operational costs: validated in-kind contributions</i>	-	105.134.660,08
<i>Operational costs: estimated in-kind contributions</i>	38.357.485,72	(57.190.093,24)
Total operational costs from in-kind contributions	38.357.485,72	47.947.566,84
<i>Operational costs: validated EU contributions</i>	17.641.467,54	116.540.374,33
<i>Operational costs: estimated EU contributions</i>	39.292.121,59	(68.247.484,61)
Total operational costs from EU contributions	56.933.589,13	48.292.889,72
Total	95.291.074,85	96.240.456,56

In 2024 there were no validated in-kind contributions related to the H2020 or HE projects.

Under the HE programme, in-kind contributions from private members consists of the eligible costs incurred by them less the contribution of that joint undertaking, accounted for solely on the basis of eligible costs. According to programme rules, the certificate is due with the final reporting period only. Since none of the HE projects reached the final status in 2024, no in-kind contributions are validated yet.

The overall decrease of EUR 949 thousand in operational costs is the result of a combined effect of a EUR 9.590 thousand reduction in operational costs from in-kind contributions, along with a rise of EUR 8.641 thousand in operational costs from EU contributions. The higher validated cost claims in 2023 were due to the closure of H2020 projects and the extension of the reporting period for some projects to 18 months, instead of the originally planned 12 months.

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.

	2024	2023
<i>Staff costs</i>	5.745.374,68	5.321.636,14

The increase in 2024 is related to the indexation of salaries and the reclassification exercise.

3.6. FINANCE EXPENSES

	2024	2023
<i>Interest expense on late payment of charges</i>	1.162,32	(975,27)
<i>Other financial expenses</i>	2.425,35	4.339,74
<i>Amounts written down Recoverables</i>	-	601.359,87
Total	3.587,67	604.724,34

Based on the audit results of the U-Space demonstration activities implemented under Delegation Agreement, SESAR 3 JU has implemented audit adjustments and completed the relevant recoveries, except for three recovery orders against the same beneficiary. As a result, SESAR 3 does not expect to recover any amounts from the beneficiary's insolvency proceedings and has written-down the entire outstanding recoverable amount of EUR 601 thousand in 2023 (refer to note **2.4**).

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.

	2024	2023
<i>Property, plant and equipment related expenses</i>	59.128,45	53.987,24
<i>External non-IT services</i>	445.835,93	621.522,95
<i>Maintenance and security expenses</i>	-	13.976,26
<i>Office Supplies & maintenance</i>	25.493,02	31.075,29
<i>External IT services</i>	1.174.609,79	1.399.903,39
<i>Experts' expenses</i>	26.667,58	32.155,62
<i>Training costs</i>	25.799,05	14.359,04
<i>Recruitment costs</i>	-	(402,28)
<i>Missions</i>	173.868,91	160.772,37
<i>Communications & publications</i>	480.649,48	739.669,27
<i>Rent expenses</i>	110.725,84	1.799.159,35
<i>Taxes related to building</i>	-	18.947,91
<i>Provision for other liabilities</i>	-	(1.533.666,83)
<i>Realised exchange rate</i>	-	16,46
<i>Insurances</i>	7.625,10	9.653,63
Total	2.530.403,15	3.361.129,67

The overall decrease of EUR 831 thousand compared to the previous year is largely due to the end of all expenses related to rental and other obligations to the former landlord following the early termination of the SESAR 3 JU lease agreement.

The reduction of EUR 259 thousand in communication and publication expenses is due to fewer activities organized in 2024 compared to 2023.

The reduction of EUR 176 thousand in External provider non-IT services is primarily due to fewer interim staff employed in 2024 and a decrease in reception and back-office services.

The reduction of EUR 225 thousand in the external IT services is mostly related to IT infrastructure (including on-site and remote support, provided mainly by Eurocontrol as part of its back-office arrangement with the SESAR 3 JU).

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			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	117.000,00	585.000,00	117.000,00	819.000,00

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.

	31.12.2024	31.12.2023
<i>Outstanding commitments not yet expensed</i>	41.310.265,66	66.735.501,78

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	586.000.000	29.000.000	500.000.000	25.000.000	504.000.000		1.644.000.000

(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.

Members contributions as of 31.12.2024											
Program me	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	Achievem ent rate
FP7	610.238.807	-	133.010.957	422.942.139	23.386.987	512.559.000	-	-	-	1.702.137.891	87%
H2020	566.046.244	-	17.156.084	325.908.495	17.286.721	287.415.090	-	-	-	1.213.812.634	91%
Horizon Europe	183.366.355	59.018.335	11.142.929	-	-	-	65.762.448	30.615.000	59.723.800	409.628.866	25%

The EU validated cash comprises the contributions of the Union received by the JU for the programme Horizon 2020 and the contribution 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.

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

The Private Members not validated IKOP category comprises the Joint Undertakings estimate of the in-kind contributions due in relation to the projects for which the necessary reporting and certification requirements were not met to allow for the validation of the contributions.

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

SESAR 3 Joint Undertaking (FP7) programme is closed since 2020 (see 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. In 2024, the automated calculation of IKOP was not yet supported in the Cost reporting process via the SYGMA/COMPASS tool. As a result, the calculation of IKOP was done by the SESAR 3 JU, based on the financial statements submitted by the Project Coordinators in SYGMA/COMPASS.

In 2024, as in 2023, no in-kind contributions were validated, unlike in 2022 and 2021, when all in-kind contributions from members were validated at year-end through the standard process. This was due to the phasing out of all Horizon 2020 projects by mid-2023 and the subsequent processing of cost claims related to these projects.

The specific legal target for contributions had already been achieved, with an implementation rate of 90%.

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 thousand, including EUR 22.287 thousand for the Exploratory Research 01 call and EUR 180.794 thousand 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 2024 is to be declared by the end of May 2025, while the planned IKAA for 2026 must be declared by the end of November 2025. Additionally, the planned IKAA for 2025, initially submitted by the end of November 2024, may be amended within the same year by SESAR 3 JU Members if necessary.

4.7. RELATED PARTIES

The related parties of the JU are the key management personnel of these entities. 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, Key management entitlements are disclosed in note 4.8 however, no other specific disclosures are required.

⁸ No IKAA planned for FP7 Programme.

⁹ No IKAA planned for Horizon 2020 Programme.

4.8. KEY MANAGEMENT ENTITLEMENTS

	31.12.2024	31.12.2023
<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, and 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 2024

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 Auditor.

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	2024	2023
Revenue		97.798	110.897
<i>of which:</i>			
<i>Contribution from the European Union</i>	1	86.309	99.618
<i>Contribution from Eurocontrol</i>	2	5.379	6.450
<i>Contribution from other members</i>	3	3.318	3.213
<i>Other revenue</i>	4	2.793	1.616
Expenditure		(37.775)	(196.543)
<i>of which:</i>			
<i>Staff expenditure</i>	1	(6.193)	(5.871)
<i>Administrative expenditure</i>	2	(2.528)	(3.459)
<i>Operational expenditure</i>	3	(2.860)	(30.018)
<i>Specific expenditure</i>	4	(26.193)	(157.196)
Exchange rate differences		-	-
Budget result		60.022	(85.646)

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2024	2023
ECONOMIC RESULT OF THE YEAR	(103.518)	(104.750)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	80.289	62.378
<i>In-kind contributions validated in the year</i>	194.789	105.138
<i>Adjustments for accrual cut-off (net)</i>	(118.474)	(125.512)
<i>Unpaid invoices at year end but booked in expenses</i>	914	2.270
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	59	54
<i>Recovery order issued in the year and not yet cashed</i>	-	(601)
<i>Reversal of provision</i>	-	215
<i>Correction of recovery order issued last year</i>	3.002	80.822
<i>Financial expenses and interest</i>	(1)	-
<i>Payments made from non-budget lines</i>	-	(7)
<i>Other individually immaterial</i>		
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	83.251	(43.273)
<i>Members' cash contributions collected in the year</i>	95.005	109.281
<i>Asset acquisitions (less unpaid amounts)</i>	(51)	27
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(12.144)	(153.750)
<i>Entitlements established in previous year and cashed in the year</i>	-	154
<i>Invoices paid in the year but booked in charges in previous year (class 6)</i>	(2.270)	(102)
<i>Cashed recovery order for pre-financing recovery</i>	2.711	1.117
BUDGET RESULT OF THE YEAR	60.022	(85.646)

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue

EUR '000

Commitment Item Desc			Income appropriations		Entitlements established			Revenue				Out-standing
Title	Item		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=8/2	
1	1101	Horizon 2020 contribution to administrative expend	4.851	7.363	3.082	-	3.082	3.082	-	3.082	42 %	-
1	1102	Horizon Europe contribution to administrative expenditure	2.721	2.721	2.721	-	2.721	2.721	-	2.721	100 %	-
1	1201	Horizon 2020 contribution to operational expenditure	-	1.940	-	-	-	-	-	-	-	-
1	1202	Horizon Europe contribution to operational expenditure	80.505	82.182	80.505	-	80.505	80.505	-	80.505	98 %	-
2	2101	Contribution from Eurocontrol in cash SESAR2020	-	-	307	-	307	307	-	307	-	-
2	2102	Contribution from Eurocontrol in cash SESAR3	3.572	8.643	5.071	-	5.071	5.071	-	5.071	59 %	-
3	3101	Contribution from other members in cash SESAR2020	3.199	3.199	3.318	-	3.318	3.318	-	3.318	104 %	-
4	4400	EXCEPTIONAL REV S1	-	-	-	138	138	-	66	66	-	72
4	4401	Exceptional revenues SESAR2020	-	-	2.726	601	3.328	2.726	-	2.726	-	601
			94.848	106.048	97.731	740	98.471	97.731	66	97.798	92 %	673

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 appropri. 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	1.639	-	-	1.639	3.966	-	3.966	5.605
1110	Salaries & allowances: external personnel	571	-	-	571	-	-	-	571
Total Chapter 11		2.209	-	-	2.209	3.966	-	3.966	6.176
1200	Expenditure relating to staff recruitment	5	-	-	5	-	-	-	5
Total Chapter 12		5	-	-	5	-	-	-	5
1300	Missions expenses	250	-	-	250	-	9	9	259
Total Chapter 13		250	-	-	250	-	9	9	259
1500	Training	60	-	-	60	-	-	-	60
Total Chapter 15		60	-	-	60	-	-	-	60
1600	External services	117	-	-	117	6	-	6	123
Total Chapter 16		117	-	-	117	6	-	6	123
1900	Other staff related expenditure	20	-	-	20	-	-	-	20
Total Chapter 19		20	-	-	20	-	-	-	20
TOTAL TITLE 1		2.661	-	-	2.661	3.973	9	3.982	6.643

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

Item		Budget appropriations				Additional appropriations			Total appropri- 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	
2000	Rental of buildings and associated costs	258	-	(60)	198	-	-	-	198
Total Chapter 20		258	-	(60)	198	-	-	-	198
2100	Information and communication technology	2.016	-	(17)	1.999	60	-	60	2.059
Total Chapter 21		2.016	-	(17)	1.999	60	-	60	2.059
2200	Movable property and associated costs	10	-	2	12	-	-	-	12
Total Chapter 22		10	-	2	12	-	-	-	12
2300	Current administrative expenditure	444	-	(10)	434	50	-	50	484
Total Chapter 23		444	-	(10)	434	50	-	50	484
2500	Meeting expenses	30	-	-	30	-	-	-	30
Total Chapter 25		30	-	-	30	-	-	-	30
2700	Information and publishing	501	-	85	586	23	-	23	609
Total Chapter 27		501	-	85	586	23	-	23	609
TOTAL TITLE 2		3.259	-	-	3.259	133	-	133	3.392

5.1.3. Breakdown & changes in commitment appropriations – Title 3

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	8=4+7
3100 <i>SESAR2020 phasing out</i>	-	-	-	-	-	2.760	2.760	2.760
Total Chapter 31	-	-	-	-	-	2.760	2.760	2.760
TOTAL TITLE 3	-	-	-	-	-	2.760	2.760	2.760

5.1.4. Breakdown & changes in commitment appropriations – Title 4

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	8=4+7
4000 <i>Digital European Sky programme</i>	91.592	-	-	91.592	513	23	536	92.128
Total Chapter 40	91.592	-	-	91.592	513	23	536	92.128
TOTAL TITLE 4	91.592	-	-	91.592	513	23	536	92.128

5.1.5. Breakdown & changes in commitment appropriations – Title 5

EUR '000

Item		Budget appropriations				Additional appropriations			Total appopr. 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	-	-	-	-	992	1.750	2.742	2.742
5001	Running Costs ECTRL	-	5.071	-	5.071	-	-	-	5.071
Total Chapter 50		-	5.071	-	5.071	992	1.750	2.742	7.813
TOTAL TITLE 5		-	5.071	-	5.071	992	1.750	2.742	7.813
GRAND TOTAL		97.512	5.071	-	102.583	5.611	4.543	10.153	112.737

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	4.736	-	-	4.736	869	-	869	5.605
1110	Salaries & allowances: external personnel	556	-	-	556	69	-	69	625
Total Chapter 11-0		5.292	-	-	5.292	939	-	939	6.230
1200	Expenditure relating to staff recruitment	5	-	-	5	-	-	-	5
Total Chapter 12		5	-	-	5	-	-	-	5
1300	Missions expenses	250	-	-	250	19	9	28	278
Total Chapter 13		250	-	-	250	19	9	28	278
1500	Training	60	-	-	60	-	-	-	60
Total Chapter 15		60	-	-	60	-	-	-	60
1600	External services	117	-	-	117	6	-	6	123
Total Chapter 16		117	-	-	117	6	-	6	123
1900	Other staff related expenditure	20	-	-	20	-	-	-	20
Total Chapter 19		20	-	-	20	-	-	-	20
TOTAL TITLE 1		5.743	-	-	5.743	963	9	973	6.716

5.2.2. Breakdown & changes in payment appropriations – Title 2

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	
2000	Rental of buildings and associated costs	258	-	-	258	208	-	208	466
Total Chapter 20		258	-	-	258	208	-	208	466
2100	Information and communication technology	2.016	-	(17)	1.999	1.807	-	1.807	3.806
Total Chapter 21		2.016	-	(17)	1.999	1.807	-	1.807	3.806
22	Movable property and associated costs	10	-	-	10	5	-	5	15
Total Chapter 22		10	-	-	10	5	-	5	15
23	Current administrative expenditure	444	-	17	461	85	-	85	546
Total Chapter 23		444	-	17	461	85	-	85	546
25	Meeting expenses	30	-	-	30	21	-	21	51
Total Chapter 25		30	-	-	30	21	-	21	51
27	Information and publishing	501	-	-	501	293	-	293	794
Total Chapter 27		501	-	-	501	293	-	293	794
TOTAL TITLE 2		3.259	-	-	3.259	2.418	-	2.418	5.677

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
30-0	<i>SESAR2020 phasing out</i>	-	-	1.940	1.940	-	2.760	2.760	4.700
Total Chapter 31		-	-	1.940	1.940	-	2.760	2.760	4.700
TOTAL TITLE 3		-	-	1.940	1.940	-	2.760	2.760	4.700

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	<i>Digital European Sky programme</i>	76.557	(44.812)	(1.940)	29.806	1.940	23	1.963	31.768
Total Chapter 40		76.557	(44.812)	(1.940)	29.806	1.940	23	1.963	31.768
TOTAL TITLE 4		76.557	(44.812)	(1.940)	29.806	1.940	23	1.963	31.768

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	-	-	-	-	899	1.750	2.649	2.649
5001	Running Costs ECTRL	-	5.071	-	5.071	3.572	-	3.572	8.643
Total Chapter 50		-	5.071	-	5.071	4.471	1.750	6.221	11.292
50-0	Operational Costs	3.948	44.812	-	48.760	1.677	-	1.677	50.437
Total Chapter 50-0		3.948	44.812	-	48.760	1.677	-	1.677	50.437
TOTAL TITLE 5		3.948	49.883	-	53.832	6.148	1.750	7.898	61.729
GRAND TOTAL		89.508	5.071	-	94.579	11.469	4.543	16.012	110.591

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-activations	from assign. revenue	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9
1100	Salaries & allowances: establishment plan posts	5.605	1.639	3.887	-	5.526	99 %	-	79	-	79
1110	Salaries & allowances: external personnel	571	326	-	-	326	57 %	245	-	-	245
Total Chapter 11		6.176	1.964	3.887	-	5.852	95%	245	79	-	324
1200	Expenditure relating to staff recruitment	5	-	-	-	-	0 %	5	-	-	5
Total Chapter 12		5	-	-	-	-	0%	5	-	-	5
1300	Missions expenses	259	250	-	-	250	96 %	-	-	9	9
Total Chapter 13		259	250	-	-	250	96%	-	-	9	9
1500	Training	60	40	-	-	40	67 %	20	-	-	20
Total Chapter 15		60	40	-	-	40	67%	20	-	-	20
1600	External services	123	116	-	-	116	95 %	-	6	-	6
Total Chapter 16		123	116	-	-	116	95%	-	6	-	6
1900	Other staff related expenditure	20	18	-	-	18	89 %	2	-	-	2
Total Chapter 19		20	18	-	-	18	89%	2	-	-	2
TOTAL TITLE 1		6.643	2.388	3.887	-	6.276	94%	273	85	9	367

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	198	195	-	-	195	98 %	3	-	-	3
2100	Information and communication technology	2.059	1.883	60	-	1.943	94 %	116	-	-	116
Total Chapter 21		2.257	2.078	60	-	2.138	95%	119	-	-	119
2200	Movable property and associated costs	12	12	-	-	12	99 %	-	-	-	-
Total Chapter 22		12	12	-	-	12	99%	-	-	-	-
2300	Current administrative expenditure	484	321	50	-	371	77 %	113	-	-	113
Total Chapter 23		484	321	50	-	371	77%	113	-	-	113
2500	Meeting expenses	30	30	-	-	30	100 %	-	-	-	-
Total Chapter 25		30	30	-	-	30	100%	-	-	-	-
2700	Information and publishing	609	586	23	-	609	100 %	-	-	-	-
Total Chapter 27		609	586	23	-	609	100%	-	-	-	-
TOTAL TITLE 2		3.392	3.026	133	-	3.160	93%	233	-	-	233

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-activations	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	2.760	-	-	-	-	0%	-	-	2.760	2.760
Total Chapter 31		2.760	-	-	-	-	0%	-	-	2.760	2.760
TOTAL TITLE 3		2.760	-	-	-	-	0%	-	-	2.760	2.760

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- activa- tions	from assign. revenue	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9
4000	Digital European Sky programme	92.128	35.144	513	-	35.657	39 %	56.448	-	23	56.471
Total Chapter 40		92.128	35.144	513	-	35.657	39%	56.448	-	23	56.471
TOTAL TITLE 4		92.128	35.144	513	-	35.657	39%	56.448	-	23	56.471

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	10=7+8+9
5000	Running Costs EU	2.742	-	-	-	-	0 %	-	992	1.750	2.742
5001	Running Costs ECTRL	5.071	-	-	-	-	0 %	5.071	-	-	5.071
Total Chapter 50		7.813	-	-	-	-	0%	5.071	992	1.750	7.813
TOTAL TITLE 5		7.813	-	-	-	-	0%	5.071	992	1.750	7.813
GRAND TOTAL		112.737	40.559	4.534	-	45.093	40%	62.025	1.077	4.543	67.644

5.4. Implementation of payment appropriations

5.4.1. Implementation of payment appropriations – Title 1

EUR '000

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	5.605	4.657	869	-	5.526	99 %	79	-	-	79
1110	Salaries & allowances: external personnel	625	253	69	-	322	52 %	303	-	-	303
Total Chapter 11		6.230	4.910	939	-	5.848	94%	382	-	-	382
1200	Expenditure relating to staff recruitment	5	-	-	-	-	0 %	5	-	-	5
Total Chapter 12		5	-	-	-	-	0%	5	-	-	5
1300	Missions expenses	278	160	19	9	188	68 %	90	-	-	90
Total Chapter 13		278	160	19	9	188	68%	90	-	-	90
1500	Training	60	27	-	-	27	45 %	33	-	-	33
Total Chapter 15		60	27	-	-	27	45%	33	-	-	33
1600	External services	123	105	6	-	112	91 %	11	-	-	11
Total Chapter 16		123	105	6	-	112	91%	11	-	-	11
1900	Other staff related expenditure	20	18	-	-	18	89 %	2	-	-	2
Total Chapter 19		20	18	-	-	18	89%	2	-	-	2
TOTAL TITLE 1		6.716	5.220	963	9	6.193	92%	523	-	-	523

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- activa- tions	from assign. rev.	Total
			1	2	3	4	5=2+3+4	6=5/1	7	8	9
2000	Rental of buildings and associated costs	466	102	208	-	310	67 %	156	-	-	156
Total Chapter 20		466	102	208	-	310	67%	156	-	-	156
2100	Information and communication technology	3.806	1.463	225	-	1.688	44 %	536	1.582	-	2.118
Total Chapter 21		3.806	1.463	225	-	1.688	44%	536	1.582	-	2.118
2200	Movable property and associated costs	15	-	-	-	-	0 %	10	5	-	15
Total Chapter 22		15	-	-	-	-	0%	10	5	-	15
2300	Current administrative expenditure	546	46	85	-	131	24 %	415	-	-	415
Total Chapter 23		546	46	85	-	131	24%	415	-	-	415
2500	Meeting expenses	51	9	9	-	17	34 %	21	12	-	33
Total Chapter 25		51	9	9	-	17	34%	21	12	-	33
2700	Information and publishing	794	89	293	-	382	48 %	412	-	-	412
Total Chapter 27		794	89	293	-	382	48%	412	-	-	412
TOTAL TITLE 2		5.677	1.710	819	-	2.528	45%	1.549	1.599	-	3.149

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	4.700	1.940	-	921	2.860	61 %	-	-	1.839	1.839
Total Chapter 31		4.700	1.940	-	921	2.860	61%	-	-	1.839	1.839
TOTAL TITLE 3		4.700	1.940	-	921	2.860	61%	-	-	1.839	1.839

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- activa- tions	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
40-0	Digital European Sky programme	31.768	24.231	1.940	23	26.193	82 %	5.575	-	-	5.575
Total Chapter 40-0		31.768	24.231	1.940	23	26.193	82%	5.575	-	-	5.575
TOTAL TITLE 40-0		31.768	24.231	1.940	23	26.193	82%	5.575	-	-	5.575

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-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
5000	Running Costs EU	2.649	-	-	-	-	0 %	-	899	1.750	2.649
5001	Running Costs ECTRL	8.643	-	-	-	-	0 %	5.071	3.572	-	8.643
Total Chapter 50-1		11.292	-	-	-	-	0%	5.071	4.471	1.750	11.292
TOTAL TITLE 50-0		11.292	-	-	-	-	0%	5.071	4.471	1.750	11.292

5.4.6. Implementation of payment appropriations – Title 6

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
50-0	Operational Costs	50.437	-	-	-	-	0 %	48.760	1.677	-	50.437
Total Chapter 50-0		50.437	-	-	-	-	0%	48.760	1.677	-	50.437
TOTAL TITLE 51-0		50.437	-	-	-	-	0%	48.760	1.677	-	50.437
GRAND TOTAL		110.591	33.100	3.722	953	37.775	34%	61.479	7.747	3.589	72.816

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. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	
1100	Salaries & allowances: establishment plan posts	-	-	-	-	5.526	5.526	-	-	-
1110	Salaries & allowances: external personnel	69	-	68	2	326	254	-	71	73
Total Chapter 11		69	-	68	2	5.852	5.780	-	71	73
1200	Expenditure relating to staff recruitment	6	(6)	-	-	-	-	-	-	-
Total Chapter 12		6	(6)	-	-	-	-	-	-	-
1300	Missions expenses	52	(33)	19	-	250	170	-	80	80
Total Chapter 13		52	(33)	19	-	250	170	-	80	80
1500	Training	6	(6)	-	-	40	27	-	13	13
Total Chapter 15		6	(6)	-	-	40	27	-	13	13
1600	External services	-	-	-	-	116	112	-	5	5
Total Chapter 16		-	-	-	-	116	112	-	5	5
1900	Other staff related expenditure	1	(1)	-	-	18	18	-	-	-
Total Chapter 19		1	(1)	-	-	18	18	-	-	-
TOTAL TITLE 1		135	(47)	86	2	6.276	6.107	-	169	171

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. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	
2000	Rental of buildings and associated costs	208	(11)	193	3	195	117	-	78	81
Total Chapter 20-0		208	(11)	193	3	195	117	-	78	81
2100	Information and communication technology	1.920	(139)	1.569	211	1.943	119	-	1.824	2.036
Total Chapter 20-0		1.920	(139)	1.569	211	1.943	119	-	1.824	2.036
2200	Movable property and associated costs	5	-	-	5	12	-	-	12	17
Total Chapter 22		5	-	-	5	12	-	-	12	17
2300	Current administrative expenditure	51	(16)	35	-	371	96	-	275	275
Total Chapter 23		51	(16)	35	-	371	96	-	275	275
2500	Meeting expenses	25	(21)	4	-	30	13	-	17	17
Total Chapter 25		25	(21)	4	-	30	13	-	17	17
2700	Information and publishing	270	(8)	262	-	609	120	-	489	489
Total Chapter 27		270	(8)	262	-	609	120	-	489	489
TOTAL TITLE 2		2.479	(195)	2.064	220	3.160	465	-	2.695	2.915

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. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	
3100	SESAR2020 phasing out	35.829	(32.969)	2.860	-	-	-	-	-	-
Total Chapter 31		35.829	(32.969)	2.860	-	-	-	-	-	-
TOTAL TITLE 3		35.829	(32.969)	2.860	-	-	-	-	-	-

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. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	
4000	Digital European Sky programme	56.066	(192)	11.533	44.342	35.657	14.661	-	20.996	65.338
Total Chapter 40		56.066	(192)	11.533	44.342	35.657	14.661	-	20.996	65.338
TOTAL TITLE 4		56.066	(192)	11.533	44.342	35.657	14.661	-	20.996	65.338
GRAND TOTAL		94.510	(33.403)	16.543	44.563	45.093	21.232	-	23.860	68.424

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.