



FINAL ANNUAL ACCOUNTS  
OF THE SESAR 3  
JOINT UNDERTAKING

FINANCIAL YEAR 2023

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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')<sup>1</sup> and I hereby certify that the annual accounts of the SESAR 3 JU for the year 2023 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 2023 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.

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

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<sup>1</sup> 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

SESAR 3 Joint Undertaking (SESAR 3 JU) is the 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 3 JU was established under Council Regulation (EC) 219/2007 of 27 February 2007 (as modified by Council Regulation (EC) 1361 / 2008 (SESAR 3 JU Regulation) and last amended by the Council Regulation (EU) 721/2014).

Horizon Europe – the new 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 has been adopted by the Council on 18 November 2021 and published in the Official Journal on 30 November 2021 (date of entry into force of the SBA).

The Single European Sky ATM Research 3 Joint Undertaking will build on the experience of the SESAR Joint Undertaking and continue its coordination role for ATM research in the Union. The main objectives of the Single European Sky ATM Research 3 Joint Undertaking 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 a public and private resources to develop the new generation of ATM. The solutions developed and delivered by SESAR

are divided into four key areas of ATM

- (1) High-performing airport operations: this feature addresses the enhancement of runway throughput, integrated surface management, airport safety nets and total airport management.
- (2) Advanced air traffic services: activities addressing enhanced arrivals and departures, separation management, enhanced air and ground safety nets and trajectory and performance-based free routing.
- (3) Optimised ATM network services: activities in the areas of advanced airspace management, advanced dynamic capacity balancing (DCB) and optimised airspace user operations, as well as optimised ATM network management through a fully integrated network operations plan (NOP) and airport operations plans (AOPs) via system-wide information management (SWIM).
- (4) Enabling aviation infrastructure: activities aimed on integration and rationalisation of aviation infrastructure for providing the required technical capabilities in a resource-efficient manner.

## Governance

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. It is comprised of:

- The EU, represented by the European Commission ("Commission"), the founding member;
- The European Organisation for the Safety of Air Navigation ("Eurocontrol");
- The founding Members;
- The associated Members (none for the time being).

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, covering the Industrial Research phase of the Programme.

## Sources of financing

The SESAR 3 Joint Undertaking is jointly funded by the European Union, Eurocontrol and the Founding Members, each of which contribute one third to the funding of the Industrial research (European Union EUR 500 million, Founding 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 consisting of the costs incurred by the other Members than the Union in implementing indirect actions that are not co-funded by the SESAR 3 JU. 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 the 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 Model Financial Regulation (MFR)<sup>2</sup>. 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 Act<sup>3</sup> establishing the new generations of JUs required, within one year following the date of entry into force of the Regulation, 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 Accounting Officer the European Commission from 1 December 2022.

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

### 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.

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<sup>2</sup> 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)

<sup>3</sup> 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

In 2023, the SESAR 3 JU closed all Exploratory Research projects (ER4: Out of a total of 41 grants, 40 projects have completed their research activities and were closed by December 2022; only one exception: the ECHO project closed end of January 2023). The Wave 2 projects (restricted to the SESAR JU Members: 12 projects), deliver their final results by June 2023. Nevertheless, 4 projects were financially closed only at the beginning of 2024. For the Wave 3 projects (restricted to the SESAR JU Members: 5 projects for a total of EUR 30 million, out of these five projects, three are IR projects and two are VLD projects; they delivered their final results by June 2023. Nevertheless, 1 VLD project was financially closed only at the beginning of 2024.

By continuing these efforts in cooperation with its Members and with other organisations involved in ATM-related research, SESAR 3 JU will progress towards delivering the research necessary to achieve the performance ambitions set out in the European ATM Master Plan.

In 2023, the Digital European Sky went full throttle, with the launch of projects in all strands of the innovation pipeline.

The open Digital European Sky ER1 call for proposals (HORIZON-SESAR-2022-DES-ER-01) was launched on 7 April 2022 with a call deadline set on 13 October 2022. A total of 72 proposals were received with 68 considered as eligible. The evaluation phase was initiated in November 2022 and finalised in 2023. The 18 selected exploratory research projects (for a total granted amount of EUR 22.3 million) aim to foster new and innovative ideas to transform air traffic management in Europe, as well as to encourage coordinated exchange of knowledge and stimulate the future ATM skilled workforce.

The open Digital European Sky IR1 call for proposals (HORIZON-SESAR-2022-DES-IR-01) was launched on 7 April 2022 with a call deadline set on 13 October 2022. A total of 55 proposals were received with 53 considered as eligible. The evaluation phase was initiated in November 2022 and finalised in 2023. The 32 selected industrial research and fast-track projects (for a total granted amount of EUR 180.8 million) address critical areas for change, including emissions reduction, automation enabled by artificial intelligence, resilient ATM service provision, as well as the swift uptake of solutions for the integration of drones (U-space), urban air mobility, multimodality and climate neutral operations.

The open Digital European Sky ER2 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.

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.

In February 2023 the SESAR 3 JU moved to the EUROCONTROL premises. This marked the start of an enhanced cooperation era, materialising a single value chain with the co-location in the same building of the SESAR 3 JU (Research), SESAR Deployment Manager (Deployment) and the Network Manager (Operations).

A reorganisation of the SESAR 3 JU services was effective as of 01/07/2023. This reorganisation reduced the number of units and teams from five to three, which is more rational for an organisation of this size.

### Budget implementation

#### Revenue

In terms of revenue, an amount of EUR 99.6 million was received from the European Commission to cover SESAR 3 JU outstanding operational obligations of 2023 and an amount of respectively EUR 3.6 million H2020 funds and 3.6 million HE funds to cover the running costs. The EU contribution towards operational costs was composed of EUR 22.01 million (EFTA included) for H2020 and 70.3 million (EFTA included) for HE.

A total amount of EUR 6.4 million was received from Eurocontrol (EUR 0.3 million under H2020 Programme and EUR 6.1 million under HE Programme). The other Members contribute to the H2020 running costs for EUR 3.2 million.



SESAR 3 JU recovered also exceptional revenues for EUR 1.6 million, which were mainly composed of:

- Recovery of some amounts from H2020 projects after audit corrections and reimbursement of the pre-financing by the MIM (guarantee fund) for H2020 projects after their final closure for EUR 1.3 million.
- Reimbursement of minor administrative costs, mostly linked to salary balances and reimbursement from suppliers for 0.3 million.

### **Expenditure**

Overall, in 2023, budget execution of commitment and payment appropriations reached 92 % and 81 % respectively. Nevertheless, it has to be noted that the execution in payments stems mainly from operational expenditure Title 3 and Title 4. The last SESAR 2020 projects impacted by the COVID 19 crisis which were extended by three or six months had their final payments postponed to 2023. Nevertheless, at the end of 2023, 5 projects were still not financially finalised and paid.

Concerning the new Digital European Sky Programme (Horizon Europe), the very late adoption of the SBA had a direct impact on the adoption by the Governing Board of the first SESAR 3 JU's Annual Work Programme and therefore on the date when the first calls could be started. As a result, the pre-financing payments initially planned for 2022 were entirely paid in 2023 (for EUR 153.6 million) (99% payment appropriations consumed).

The last year to request the remaining EU entitlements was 2020, the SESAR 3 JU received in 2020 EUR 13.4 million of commitment appropriations frontloaded in 2020 for 2021-2024 expenditure to cover the running costs. The frontloaded amount is to be redistributed annually for EUR 3.2 million (until 2024).

### **Administrative and Staff expenditure** (= "Running Costs" only under SESAR 2020 Programme)

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

Administrative expenditures (Title 2) include the administrative costs such as office supplies (printing, copiers, translation, publications, consumable office material), utilities (water, electricity, telecommunications costs), office rental 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 2023 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 expenditures) the implementation rates for commitments are respectively 93% and 93% and for payment appropriations 86% and 55%. The unspent amounts related to interims, missions, training, recruitment expenditures, social and recreational activities and HR support fees, IT services, and charges for the building, amongst others, were carried forward to the next year. The low implementation rate of payment for Title 2 is mainly due to expenditure incurred in 2023 (mainly IT services delivered by EUROCONTROL) for which the related invoices will be received in 2024 for an estimate amount of 2.5 million.

### **Operational expenditure**

For SESAR 2020 Programme, out of all projects whose implementation was impacted by the COVID-19 crisis hence postponing their final payments to 2023; 5 projects were still not financially finalised and paid at the end of 2023. Payment is foreseen at the beginning of 2024.

The 2023 payments executed for H2020 and HE Programmes (EUR 187.2) are distributed as follows:

- EUR 28.9 million final payments for Wave 2, Wave 3, second Very Large Demonstration Activities projects and ER4 (H2020);
- EUR 8.9 million for Pre-Financing under 1<sup>st</sup> Exploratory Research call (HE: ER1).
- EUR 144.6 million for Pre-Financing under 1<sup>st</sup> Industrial Research call (HE: IR1).
- EUR 4.8 million of other operational activities (H2020 and HE).

The unused payment appropriations will be re-inscribed in 2024.

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

#### Budget Outturn

The 2023 budget shows a negative budget result of EUR 85.6 million (of which EUR 6.8 million for SESAR 2020 Programme and EUR 78.8 million for the Horizon Europe Programme). Therefore, with the cumulated Budget Outturn from previous years of EUR 107.8 million (EUR 85.2 million for the Horizon Europe Programme and EUR 22.6 for SESAR 2020 Programme) the new total Budget surplus amounts to EUR 22.1 (of which a surplus of EUR 6.5 million for SESAR 2020 Programme and a surplus of EUR 15.6 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:

- **Revenue from recovery of expenses** of kEUR 753 from the implementation of the delegation agreements and from the audit results' implementation. (see note **3.1**);
- **Decrease of operational costs** of kEUR 84 269 is mainly due to a decrease of the validated operational costs from EU contributions. The decrease was driven by projects reaching maturity and leading to less cost claims received and validated in 2023 (see note **3.4**).
- **Decrease of other expenses** kEUR 2 139 largely explained by the charges stemming from the obligation in 2022 to pay indemnity for the early termination of the SESAR 3 JU lease agreement (see note **3.7**).
- **Increase of pre-financing** kEUR 132 634 is due to the new pre-financing paid for the new Horizon Europe projects. Since the projects are running for 3-4 years, kEUR 79 639 is classified as long-term pre-financing (see note **2.3**).
- **Decrease of receivables and recoverables** by kEUR 87 355 in 2023 is due to the decrease in central treasury liaison accounts (see note **2.4**);
- **Increase of contributions from Members** of kEUR 295 795 is due both to the increase of the EU cash contributions and to the in-kind contributions provided by the private members and validated in 2023 (kEUR 105 138) (see note **2.9**).

SESAR 3 JOINT UNDERTAKING  
FINANCIAL YEAR 2023

# **FINANCIAL STATEMENTS AND EXPLANATORY NOTES**

## BALANCE SHEET

	Note	31.12.2023	31.12.2022
<b>NON-CURRENT ASSETS</b>			
<i>Intangible assets</i>	2.1	1,620.00	-
<i>Intangible asset under construction</i>	2.1	-	-
<i>Property, plant and equipment</i>	2.2	71,391.00	101,544.00
<i>Long term pre-financing</i>	2.3	79,638,577.57	-
		<b>79,711,588.57</b>	<b>101,544.00</b>
<b>CURRENT ASSETS</b>			
<i>Short term Pre-financing</i>	2.3	63,488,157.22	10,492,214.12
<i>Exchange receivables and non-exchange recoverables</i>	2.4	21,689,892.52	109,044,624.46
<i>Cash and cash Equivalents</i>	2.5	4,892.69	9,232.43
		<b>85,182,942.43</b>	<b>119,546,071.01</b>
<b>TOTAL ASSETS</b>		<b>164,894,531.00</b>	<b>119,647,615.01</b>
<b>NON-CURRENT LIABILITIES</b>			
<i>Payables and other liabilities</i>	2.7	-	-
<b>CURRENT LIABILITIES</b>			
<i>Short term provisions</i>	2.6	-	1,533,666.83
<i>Payables and other liabilities</i>	2.7	36,797,548.67	175,730,904.81
<i>Accrued charges and deferred income</i>	2.8	22,767,797.32	28,098,946.51
		<b>59,565,345.99</b>	<b>205,363,518.15</b>
<b>TOTAL LIABILITIES</b>		<b>59,565,345.99</b>	<b>205,363,518.15</b>
<b>NET ASSETS</b>			
<i>Contributions from Members</i>	2.9	3,072,510,792.39	2,776,715,639.04
<i>Accumulated deficit</i>		(2,862,431,542.18)	(2,673,233,664.21)
<i>Economic result of the year</i>		(104,750,065.20)	(189,197,877.97)
<b>TOTAL NET ASSETS</b>		<b>105,329,185.01</b>	<b>(85,715,903.14)</b>
<b>LIABILITIES AND NET ASSETS</b>		<b>164,894,531.00</b>	<b>119,647,615.01</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	2023	2022
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>			
<i>Recovery of operating expenses</i>	3.1	735,726.31	1,358,726.30
<i>Other non-exchange revenue</i>	3.2	-	-
<b>Revenue from exchange transactions</b>			
<i>Financial revenues</i>	3.3	-	-
<i>Other exchange revenue</i>		24,155.20	44.01
<b>Total revenue</b>		<b>777,881.51</b>	<b>1,358,770.31</b>
<b>EXPENSES</b>			
<i>Operating costs</i>	3.4	(96,240,456.56)	(180,509,553.75)
<i>Staff costs</i>	3.5	(5,321,636.14)	(4,532,034.86)
<i>Financial expenses</i>	3.6	(604,724.34)	(14,775.09)
<i>Other expenses</i>	3.7	(3,361,129.67)	(5,500,284.58)
<b>Total expenses</b>		<b>(105,527,312.86)</b>	<b>(190,556,648.28)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(104,750,065.20)</b>	<b>(189,197,877.97)</b>

## CASHFLOW STATEMENT

	2023	2022
<i>Economic result of the year</i>	(104,750,065.20)	(189,197,877.97)
<b><u>Operating activities</u></b>		
<i>Depreciation and amortization</i>	53,987.24	54,385.39
<i>(Increase)/Decrease in pre-financing</i>	(132,634,520.67)	80,981,540.99
<i>(Increase)/Decrease in exchange receivables and non-exchange</i>	87,354,731.94	(54,986,140.14)
<i>(Increase)/Decrease in payables</i>	(138,933,356.14)	78,548,424.16
<i>(Increase)/Decrease in accrued charges &amp; deferred income</i>	(5,331,149.19)	(7,552,416.79)
<i>(Increase)/Decrease in cash contributions</i>	190,657,493.27	5,809,031.57
<i>(Increase)/Decrease in in-kind contributions</i>	105,137,660.08	84,827,978.58
<i>Other non-cash movements</i>	(1,533,666.83)	1,533,666.83
<b><u>Investing activities</u></b>		
<i>(Increase)/Decrease in intangible assets and property, plant, equipment</i>	(25.454,24)	(13,507.57)
<b>Net Cashflow</b>	<b>4,339.74</b>	<b>5.087,05</b>
<i>Net Increase/(decrease) in cash and cash equivalents</i>	4,339.74	5.087,05
<i>Cash and cash equivalents at the beginning of the year</i>	9.232,43	4.145,38
<i>Cash and cash equivalents at year-end</i>	4,892.69	9.232,43

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
<b>BALANCE AS AT 31.12.2021</b>	<b>2.686.078.628,89</b>	<b>(2,497,254,441.81)</b>	<b>(175,979,222.40)</b>	<b>12,844,964.68</b>
<i>Allocation 2021 economic result</i>	-	(175,979,222.40)	175,979,222.40	-
<i>Cash contribution</i>	57,334,755.41	-	-	57.334.755,41
<i>Contribution in-kind</i>	84,827,978.58	-	-	84.827.978,58
<i>Unpaid cash contributions</i>	(51,525,723.84)	-	-	(51,525,723.84)
<i>Economic result of the year</i>	-	-	(189,197,877.97)	(189,197,877.97)
<b>BALANCE AS AT</b>	<b>2,776,715,639.04</b>	<b>(2,673,233,664.21)</b>	<b>(189,197,877.97)</b>	<b>(85,715,903.14)</b>
<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>Unpaid cash contributions</i>	-	-	-	-
<i>Economic result of the year</i>	-	-	(104,750,065.20)	104,750,065.61
<b>BALANCE AS AT</b>	<b>3,072,510,792.39</b>	<b>(2,862,431,542.18)</b>	<b>(104,750,065.20)</b>	<b>105,329,185.01</b>

# 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	31.12.2023	31.12.2022	Currency	31.12.2023	31.12.2022
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.3395</b>	4.6808
<b>CZK</b>	<b>24.724</b>	24.116	<b>RON</b>	<b>4.9756</b>	4.9495
<b>DKK</b>	<b>7.4529</b>	7.4365	<b>SEK</b>	<b>11.096</b>	11.1218
<b>GBP</b>	<b>0.8869</b>	0.8869	<b>CHF</b>	<b>0.926</b>	0.9847
<b>NOK</b>	<b>11.2405</b>	10.4812	<b>JPY</b>	<b>156.33</b>	140.66
<b>HUF</b>	<b>382.80</b>	400.87	<b>USD</b>	<b>1.105</b>	1.0666

#### 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)

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

The following IPSAS standards are effective as of January 1, 2025 (earlier application is permitted):

- **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 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.

The Accounting Officer is assessing the impact of the above standards on the Annual Accounts and considering a possible revision of relevant EAR accordingly.

## 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 on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

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 received, the expense will be deferred and recognised in the subsequent accounting period.

### 1.3.10. Provisions

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

When the obligation whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity, is possible, no provision is recognised, but a contingent liability is disclosed. Refer to note **1.5.2** for details.

### 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 other liabilities ('Contributions of Members 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 program 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 program 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 program is approaching the finalisation stage.

Due to major simplifications introduced in Horizon Europe, the certification for IKOP is based on the CFS<sup>4</sup> 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 validation and recognition of the IKOP for H2020 is still ongoing, while 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 for both Programmes 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.

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<sup>4</sup> CFS: Certificate on Financial Statements



## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. INTANGIBLE ASSETS

	TOTAL
<i>Gross carrying amount at 31.12.2022</i>	2,174,548.09
<i>Additions</i>	2,220.00
<b>Gross carrying amount at 31.12.2023</b>	<b>2,176,768.09</b>
<i>Accumulated depreciation at 31.12.2022</i>	(2,174,548.09)
<i>Depreciation charge for the year</i>	(600.00)
<b>Accumulated depreciation at 31.12.2023</b>	<b>(2,175,148.09)</b>
<b>NET CARRYING AMOUNT AT 31.12.2023</b>	<b>1,620.00</b>
<i>NET CARRYING AMOUNT AT 31.12.2022</i>	-

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.

	Plant and equipment	Furniture and vehicles	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2022</i>	599,887.93	187,379.26	114,003.46	194,851.11	1,096,121.76
<i>Additions</i>				23,234.24	23,234.24
<i>Disposals</i>	(599,887.93)	(165,505.91)	(5,722.89)	(14,190.74)	(785,307.47)
<b>Gross carrying amount at 31.12.2023</b>	<b>-</b>	<b>21,873.35</b>	<b>108,280.57</b>	<b>203,894.61</b>	<b>334,048.53</b>
<i>Accumulated depreciation at 31.12.2022</i>	(599,887.93)	(170,816.26)	(74,079.46)	(149,794.11)	(994,577.76)
<i>Disposals</i>	599,887.93	161,712.91	5,052.89	12,854.74	779,508.47
<i>Depreciation charge for the year</i>		(1,980.00)	(17,650.00)	(27,958.24)	(47,588.24)
<b>Accumulated depreciation at 31.12.2023</b>	<b>-</b>	<b>(11,083.35)</b>	<b>(86,676.57)</b>	<b>(164,897.61)</b>	<b>(262,657.53)</b>
<b>NET CARRYING AMOUNT AT 31.12.2023</b>	<b>-</b>	<b>10,790.00</b>	<b>21,604.00</b>	<b>38,997.00</b>	<b>71,391.00</b>
<i>NET CARRYING AMOUNT AT 31.12.2022</i>	<i>-</i>	<i>16,563.00</i>	<i>39,924.00</i>	<i>45,057.00</i>	<i>101,544.00</i>

The additions represent audio-visual equipment acquired for the new meeting rooms in Eurocontrol premises with an amortisation rate of 25%. The disposals are a direct consequence of the move to Eurocontrol premises. The disposed items represent dismantled materials and works related to the partitioning and set up of the SESAR 3 JU office space in its previous premises.

## 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.

	31.12.2023	31.12.2022
<i>Long term pre-financing</i>	79,638,577.57	-
<i>Short term pre-financing</i>	63,488,157.22	10,492,214.12
<b>Total</b>	<b>143,126,734.79</b>	<b>10,492,214.12</b>

For all pre-financing amounts open at 31 December 2023, a case-by-case assessment has been performed. Contrary to 2022, when the SESAR 3 JU had only short-term pre-financing at year end, due to the new pre-financing paid for HE projects, kEUR 79 639 was classified as non-current at year-end. All the projects are running until 2026 (except one running until May 2027). Consequently, the clearing of this pre-financing will happen in the course of 2025, 2026 and 2027.

According to the H2020 and Horizon Europe rules, the incurred costs (both actual and estimated) are cleared against pre-financing when the total amounts paid to the beneficiary reach 90% of the grant agreement amount. In addition, only the amount exceeding this threshold is cleared. As the H2020 projects are reaching maturity and closed in 2023, the non-current pre-financing open at the end of year increased substantially compared to 2022.

## 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 transactions.

	31.12.2023	31.12.2022
<b>Recoverables from non-exchange transactions</b>		
<i>Cash Contributions to be paid by the Members</i>	-	1,500,000.00
<i>Central treasury liaison accounts</i>	21,511,188.53	107,167,513.51
<i>Recoverables from members and partners</i>	138,350.49	226,072.22
<i>Amounts written down ( - )</i>	-	-
<i>Other</i>	6,181.75	23,685.79
	<b>21,655,720.77</b>	<b>108,917,271.52</b>
<b>Receivables from exchange transactions</b>		
<i>Accrued income and deferred charges</i>	34,171.75	127,352.94
<i>Other</i>	-	-
	<b>34,171.75</b>	<b>127,352.94</b>
<b>Total</b>	<b>21,689,892.52</b>	<b>109,044,624.46</b>

The largest amount under this heading relates 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 decrease in the SESAR 3 JU treasury is due to the payment of pre-financing for the two first calls of Horizon Europe Programme for a total of EUR 154 million (initially foreseen for 2022 but paid in 2023).

*The impairment allowance:*

	31.12.2023	31.12.2022
<b>Gross short-term receivables</b>	<b>21,689,892.52</b>	<b>109,044,624.46</b>
<i>Impairment allowance opening balance</i>	-	-
<i>Impairment allowance movement of the year</i>	-	-
<i>Impairment allowance closing balance</i>	-	-
<b>Total short-term receivables</b>	<b>21,689,892.52</b>	<b>109,044,624.46</b>

## 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 exchange transactions' (see 2.4).

	31.12.2023	31.12.2022
<b>Imprest account</b>	<b>4,892.69</b>	<b>9,232.43</b>

The amounts on the imprest account are used for reimbursement of charges for the bank guarantee related to the rental contract of the previous SESAR 3 JU premises. The amounts presented under this heading are net of the guarantee fees of 2023. The imprest account will be 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).

	31.12.2023	31.12.2022
<b>Short-Term provisions</b>	<b>-</b>	<b>1,533,666.83</b>

SESAR 3 JU have moved to the Eurocontrol premises in February 2023. The provision of the new facilities and associated services was agreed under the Back Office Arrangements (Article 158 of the SBA), adopted by the SESAR 3 JU Governing Board. The conditions offered by Eurocontrol made the cost benefit analysis positive.

Included under 'short-term provisions' in 2022 is the amount corresponding to the indemnity to the lessor for the two years earlier termination of the SESAR 3 JU lease agreement.

As the settlement of the obligation was done at the beginning of 2023, the provision has been reversed.

## 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)

	31.12.2023	31.12.2022
<b>Non-current</b>		
<i>Pre-financing received from EC – operating subsidy</i>		
	-	-
<b>Current</b>		
<i>Contributions in kind to be validated</i>	27,404,961.78	84,595,055.02
<i>Contributions in cash to be validated</i>	1,962,190.70	85,207,886.00
<i>Suppliers</i>	2,043,526.89	2,008,524.09
<i>Pre-financing received from EC for Delegation agreements</i>	2,361,371.81	2,104,876.30
<i>Public bodies and other current payables</i>	3,076,020.21	1,806,612.15
<i>Sundry payables</i>	(50,522.72)	7,951.25
	<b>36,797,548.67</b>	<b>175,730,904.81</b>
<b>Total</b>	<b>36,797,548.67</b>	<b>175,730,904.81</b>

Under the 'contribution in-kind from Members to be validated' heading presented the in-kind contributions related to on-going Horizon Europe projects without a validated contribution certificate on 31 December.

The SESAR 3 JU in-kind validation process for 2022 and 2023 in-kind contributions was finalised and the validated values booked in the net assets (kEUR 105 138 – see note **2.9**).

Included under 'contribution in cash from Members to be validated' is the remaining unused pre-financing payment of the 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**).

The amount of pre-financing liability relates to the remaining amount due to the Commission in the context of the Delegation Agreement for U-Space Services (the reimbursement to the Commission will be executed in 2024). The increase for the amount of kEUR 256 corresponds to the recovery of expenses, as a result of audit findings on audited projects and related to the implementation of the U-space demonstration activities and Architecture of the European Airspace studies.

The Suppliers and Public Bodies and other current payables include mainly the cost claims received but not yet validated and paid at 31 December 2023.

<sup>6</sup> Accounting flows related to the new FPPA of the Joint Undertakings as explained in 1.5.1 'Financial contributions', 2.9 'Contributions from Members and 2.9.3 'Research and Innovation funding Programme for 2021-2027 (Horizon Europe)'

## 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 amounts 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.

	31.12.2023	31.12.2022
<i>Accrued charges</i>	22,765,181.97	28,098,335.56
<i>Other passive accruals and deferrals</i>	2,615.35	610.95
<b>Total</b>	<b>22,767,797.32</b>	<b>28,098,946.51</b>

Accrued charges are composed of estimated operational expenses of kEUR 20 725 for on-going or ended projects without a validated cost statement where the 2023 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2023. The portion of the estimated accrued charges related to pre-financing has been recorded as reduction of the open pre-financing (see note **2.3**). The decrease of the operating accruals is mainly due to the fact that the cost claims for final and interim payments were validated for many projects and there were fewer projects for which charges had to be estimated and accrued at year-end.

The heading also includes accrued administrative expense (kEUR 1 927 at 31 December 2023, kEUR 704 at 31 December 2022) and accrued staff costs of (kEUR 113 at 31 December 2023, kEUR 93 at 31 December 2022) 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 (infact 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 kEUR 83 458 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 contributions<sup>7</sup> 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	2023			2022		
	Cash	in-Kind	Total	Cash	in-Kind	Total
<i>FP7</i>	766.636.751,30	935.501.139,40	1.702.137.890,70	766.636.751,30	935.501.139,40	1.702.137.890,70
<i>Horizon 2020</i>	593.781.805,71	613.323.585,68	1.207.105.391,39	564.891.372,74	508.185.925,60	1.073.077.298,34
<i>Horizon Europe</i>	163.267.510,30	-	163.267.510,30	1.500.450,00	-	1.500.450,00
<b>Total</b>	<b>1.523.686.067,31</b>	<b>1.548.824.725,08</b>	<b>3.072.510.792,39</b>	<b>1.333.028.574,04</b>	<b>1.443.687.065,00</b>	<b>2.776.715.639,04</b>

<sup>7</sup> 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

<sup>8</sup> Included under this heading are also unpaid contributions for which recovery order was issued and not yet cashed at the year end. See Statement of changes in net assets.



## 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 as an in-kind contribution.

FP7

Member	Commission Cash	Industry Members		Eurocontrol		Total	
		Cash	In kind	Cash	In kind	Cash	In kind
<i>Running costs contributions at 31.12.2022</i>	22.021.000,00	23.386.987,00	-	20.026.957,22	-	65.434.944,22	-
<i>Current year contributions</i>	-	-	-	-	-	-	-
<b>Running costs contributions at 31.12.2023</b>	<b>22.021.000,00</b>	<b>23.386.987,00</b>	<b>-</b>	<b>20.026.957,22</b>	<b>-</b>	<b>65.434.944,22</b>	<b>-</b>
<i>Operating costs contributions at 31.12.2022</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>	-	-	-	-	-	-	-
<b>Operating costs contributions at 31.12.2023</b>	<b>588.217.407,08</b>	<b>-</b>	<b>512.559.000,00</b>	<b>112.984.000,00</b>	<b>422.942.139,40</b>	<b>701.201.407,08</b>	<b>935.501.139,40</b>
<i>TOTAL contributions at 31.12.2022</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
<b>TOTAL contributions at 31.12.2023</b>	<b>610.238.807,08</b>	<b>23.386.987,00</b>	<b>512.559.000,00</b>	<b>133.010.957,22</b>	<b>422.942.139,40</b>	<b>766.636.751,30</b>	<b>935.501.139,40</b>

On 8 October 2020 the SESAR 3 JU Administrative Board adopted a decision for anticipated reimbursement of the remaining cash for the SESAR 1 Programme (ADB(D)09-2020). At the beginning of 2021 the surplus has been reimbursed to all the Members for a total amount of kEUR 30 767. The program is, since then, closed and therefore in 2023 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 has not been validated by the Executive Director, are reported under other liabilities.

Horizon 2020								
Member	Commission Cash	Industry Members		Eurocontrol		Cash	Total	In kind
		Cash	In kind	Cash	In kind			
<i>Running costs contributions at 31.12.2022</i>	19.807.225,00	10.755.889,00	-	16.840.035,00	-	47.403.149,00	-	-
<i>Adjustments of prior years' contributions</i>	-	-	-	(369.332,97)	-	(369.332,97)	-	-
<i>Current year contributions</i>	3.660.147,00	3.213.095,90	-	378.099,04	-	7.251.341,94	-	-
<b>Running costs contributions at 31.12.2023</b>	<b>23.467.372,00</b>	<b>13.968.984,90</b>	<b>-</b>	<b>16.848.801,07</b>	<b>-</b>	<b>54.285.157,97</b>	<b>-</b>	<b>-</b>
<i>Operating costs contributions at 31.12.2022</i>	517.488.223,74	-	234.127.242,01	-	274.058.683,59	517.488.223,74	508.185.925,60	-
<i>Current year contributions</i>	22.008.424,00	-	53,287,848.25	-	51,849,811.43	22.008.424,00	105.137.660,08	-
<b>Operating costs contributions at 31.12.2023</b>	<b>539.496.647,74</b>	<b>-</b>	<b>287,415,090.26</b>	<b>-</b>	<b>325,908,495.42</b>	<b>539.496.647,74</b>	<b>613.323.585,68</b>	<b>-</b>
<i>TOTAL contributions at 31.12.2022</i>	537.295.448,74	10.755.889,00	234.127.242,01	16.840.035,00	274.058.683,59	564.891.372,74	508.185.925,60	-
<b>TOTAL contributions at 31.12.2023</b>	<b>562.964.019.74</b>	<b>13.968.984,90</b>	<b>287,415,090.26</b>	<b>16.848.801,07</b>	<b>325,908,495.42</b>	<b>593.781.805,71</b>	<b>613.323.585,68</b>	<b>-</b>

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 2023 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 in 2023 for the amount of kEUR 83 458 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.

Horizon Europe Member	Commission Cash	Industry Members		Eurocontrol		Total	
		Cash	In kind	Cash	In kind	Cash	In kind
<i>Running costs contributions at 31.12.2022</i>	-	-	-	1.500.000,00	-	1.500.000,00	-
<i>Current year contributions</i>	-	-	-	4.571.500,00	-	4.571.500,00	-
<b>Running costs contributions at 31.12.2023</b>	-	-	-	<b>6.071.500,00</b>	-	<b>6.071.500,00</b>	-
<i>Operating costs contributions at 31.12.2022</i>	450,00	-	-	-	-	450,00	-
<i>Current year contributions</i>	157.195.560,30	-	-	-	-	157.195.560,30	-
<b>Operating costs contributions at 31.12.2023</b>	<b>157.196.010,30</b>	-	-	-	-	<b>157.196.010,30</b>	-
<i>TOTAL contributions at 31.12.2022</i>	450,00	-	-	1.500.000,00	-	1.500.450,00	-
<b>TOTAL contributions at 31.12.2023</b>	<b>157.196.010,30</b>	-	-	<b>6.071.500,00</b>	-	<b>163.267.510,30</b>	-

## 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 resulting from recovery of expenses refers to operational expenses recovered from beneficiaries during the year and adjustments coming from audits that will be collected in the following year.

	2023	2022
<i>Recovery of expenses</i>	753,726.31	1,358,726.30

Included under this heading are recoveries of expenses following the implementation projects' audits. The heading also includes kEUR 53 recovery of the paid pre-financing to EASA, exceeding the actual costs for 2022 and resulting from the Service Level Agreement between SESAR 3 JU and EASA.

Included under this heading are also the revenues recognised for the Delegation Agreement MOVE/E3/DA/2017 for the U-Space Services and for the Architecture of the European Airspace studies. The remaining liability representing the unspent amount is recognised under payables (see note 2.7).

#### 3.2. Other non-exchange revenue

	2023	2022
<i>Other</i>	-	-

In 2023 the SESAR 3 JU did not have other non-exchange revenue.

## EXCHANGE REVENUE

### 3.3. Revenue from exchange transactions

The revenue from exchange transactions and events relates to the following types of transactions: rendering of services; sales of goods; and the use by others of entity assets yielding interest, royalties and dividends.

	2023	2022
<i>Recovery of operational expenses</i>	18,754.39	-
<i>Miscellaneous income exchange</i>	5,392.25	-
<i>Interest income on late payment</i>	-	(344.73)
<i>Financial revenue</i>	8.56	-
<i>Other</i>	-	388.74
<b>Total</b>	<b>24.155,20</b>	<b>44,01</b>

The recovery of operational expenses relates to recovery of erroneously declared by a beneficiary operational cost, considered as ineligible for one of the SESAR 3 JU projects.

## EXPENSES

### 3.4. OPERATIONAL COSTS

Included under this heading are operating expenses related to all Programme related activities that were performed in 2023 (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:

	2023	2022
<i>Operational costs: validated in-kind contributions</i>	105,137,660.08	84,827,978.58
<i>Operational costs: estimated in-kind contributions</i>	(57,190,093.24)	(2,499,359.62)
<b>Total operational costs from in-kind contributions</b>	<b>47,947,566.84</b>	<b>82,328,618.96</b>
<i>Operational costs: validated EU contributions</i>	116,540,374.33	78,425,132.38
<i>Operational costs: estimated EU contributions</i>	(68,247,484.61)	19,755,802.41
<b>Total operational costs from EU contributions</b>	<b>48,292,889.72</b>	<b>98,180,934.79</b>
<b>Total</b>	<b>96,240,456.56</b>	<b>180,509,553.75</b>

The H2020 in-kind contributions from 2022 and 2023 were both validated by the SESAR 3 JU Executive Director in May 2024 (kEUR 105 138) and recognised in the net assets for the 2023 final accounts. The SESAR 3 JU internal procedure for the validation of the in-kind contribution requires a comparison between the EU co-financing and the co-financing reported by the Members.

The overall decrease of the operational costs is due to the fact that the projects are reaching maturity and leading to less cost claims received and validated in 2023.

As the H2020 projects were closed in 2023 and the reporting period for some projects was extended to 18 months, instead of the initially foreseen 12 months, the amounts related to the validated cost claims were higher than in 2022. This explains the decrease of estimated operational costs under this sub-heading.

For the start-up phase of Horizon Europe Programme, SESAR 3 JU put in place IKA planning and reporting, which is a time-consuming process and runs in parallel with the in-kind validation process.

### 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 for 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.

	2023	2022
<i>Staff costs</i>	5,321,636.14	4,532,034.86

The increase in 2023 is related to the indexation of salaries and the reclassification exercise.

### 3.6. FINANCE EXPENSES

	2023	2022
<i>Interest expense on late payment of charges</i>	1,075.77	9,641.78
<i>Other financial expenses</i>	4,339.74	5,133.31
<i>Amounts written down Recoverables</i>	601,359.87	-
<b>Total</b>	<b>604,724.34</b>	<b>14,775.09</b>

The decrease of interest expenses on overdue payments is result of a significant reduction in late payments in 2023. Given the audit results on the U-Space demonstration activities implemented under Delegation Agreement, SESAR 3 JU has implemented audit adjustments and made the relevant recoveries, with the exception of three recovery orders against the same beneficiary. Consequently, SESAR 3 does not expect to recover any amounts from the beneficiary's insolvency proceedings and has written-down the outstanding recoverable for the amount of kEUR 601.

### 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.

	2023	2022
<i>Property, plant and equipment related expenses</i>	53,987.24	54,385.39
<i>External non-IT services</i>	621,522.95	633,037.46
<i>Maintenance and security expenses</i>	13,976.26	57,868.66
<i>Office Supplies &amp; maintenance</i>	31,075.29	55,417.46
<i>External IT services</i>	1,399,903.39	1,620,095.75
<i>Experts' expenses</i>	32,155.62	17,995.78
<i>Training costs</i>	14,359.04	5,345.97
<i>Recruitment costs</i>	(402.28)	1,038.86
<i>Missions</i>	160,772.37	156,306.75
<i>Communications &amp; publications</i>	739,669.27	718,580.96
<i>Rent expenses</i>	1,799,159.35	544,153.26
<i>Taxes related to building</i>	18,947.91	88,664.18
<i>Provision for other liabilities</i>	(1,533,666.83)	1,533,666.83
<i>Realised exchange rate</i>	16.46	-
<i>Insurances</i>	9,653.63	13,727.27
<b>Total</b>	<b>3,361,129.67</b>	<b>5,500,284.58</b>

The overall decrease of kEUR 2 139 compared to the previous year can be largely explained by reversal of the 2022 recognised provision, stemming from the SESAR 3 JU obligation to pay indemnity to the landlord for the earlier termination of the SESAR 3 JU lease agreement.

The rise in the costs for both the work-related meetings with experts (kEUR 14 under Experts' expenses) and for communication and publication expenses (kEUR 21) is due to projects' review of deliverables and experts' evaluations in DES calls and more activities organized in 2023.

The reduction in the costs of maintenance and security expenses kEUR 44 and office supplies and maintenance kEUR 24 are mainly due to the termination of previous administrative contracts, following the decision to move to the Eurocontrol premises in February 2023. The drop in taxes related to building for kEUR 70 is proportional with the incurred expenses only for the 1<sup>st</sup> trimester 2023, compared to complete 2022 expenses.

The reduction in the IT costs 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), is due mainly to the time-lag in the invoicing process (2023: kEUR 1 400 compared to 2022: kEUR 1 620).

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	234,000.00	936,000.00



## 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.

	31.12.2023	31.12.2022
<i>Outstanding commitments not yet expensed</i>	66,735,501.78	164,120,469.21

### 4.4. IN-KIND CONTRIBUTIONS (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 is 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 IN ADDITIONAL ACTIVITIES (IKAA)<sup>5</sup>

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 does 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 means contributions by the private members, constituent entities or the affiliated entities of either, and by international organisations, consisting of the costs incurred by them in implementing additional activities less any contribution to those costs from the Union and from the participating states of that joint undertaking;

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<sup>5</sup> Only for Horizon Europe Programme

## 4.6. CONTRIBUTIONS PER PROGRAMME

	EU cash (a)	Eurocontrol (b)	Private members' cash (c)	Private members' IKOP (d)	Private members' IKAAs (e)	<b>Total (f)=(a)+(b)+(c)+(d)+(e)</b>
FP7	700.000.000,00	670.000.000,00	584.000.000,00	-	-	1.954.000.000,00
H2020	585.000.000,00	458.000.000,00	-	298.000.000,00	-	1.341.000.000,00
Horizon Europe	600.000.000,00	500.000.000,00	-	500.000.000,00	-	1.600.000.000,00

Members contributions as of 31.12.2023											
	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	IKAAs certified	IKAAs reported but not validated	<b>Total</b>	<b>Achievement rate</b>
FP7	610.238.807,08	-	133.010.957,22	422.942.139,40	23.386.987,00	512.559.000,00	-	-	-	<b>1.702.137.890,70</b>	<b>87%</b>
H2020	562.964.019,74	-	16.848.801,07	325.908.495,42	13.968.984,90	287.415.090,26	-	-	-	<b>1.207.105.391,39</b>	<b>90%</b>
Horizon Europe	157.196.010,30	1.962.190,70	6.071.500,00	-	-	-	27.404.961,78	14.706.000,00	42.928.000,00	<b>250.268.662,78</b>	<b>16%</b>

#### 4.6.1. 2007-2013 (FP7) MFF: Total Members `Contributions<sup>6</sup>

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

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 whole surplus has been reimbursed to all the Members for a total amount of kEUR 30 767.

The FP7 Programme is in line with the expectations. The specific legal target for contributions is already achieved with an implementation rate of 87%.

#### 4.6.2. 2014-2020 (Horizon 2020) MFF: Total Members `Contributions<sup>7</sup>

The SESAR 3 JU in-kind validation process for 2022 and 2023 in-kind contributions was finalised and the contributions from the private members were booked in the net assets.

SESAR 3 JU internal procedure for the validation of the in-kind contribution requires a comparison between the EU co-financing and the co-financing reported by the Members.

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

#### 4.6.3. 2021-2027 (Horizon Europe) MFF: Total Members `Contributions

During 2023 the first projects were launched under Horizon Europe Programme and pre-financings paid. At the end of 2023, the commitments for the signed grant agreements from EU funding were EUR 203 081 million (EUR 22 287 million for Exploratory research 01 call and EUR 180 794 million for Industrial Research 01 call).

At the end of 2023, 26 % of the commitment appropriations had been paid out (EUR 157 227 million pre-financing out of EUR 600 000 million EU cash contribution).

There was no IKOP reported by SESAR 3 JU private members in 2023. As the first SESAR 3 JU grants were signed in 2023, the first contributions in terms of IKOP will be reported in 2024 and 2025. In 2023, we received the first IKAA reporting (certified and reported but not validated) for the year 2022 and planning for the year 2023. The IKAA reporting (end of May 2024) and the planned IKAA for the costs incurred in 2024 will be shown in 2024 Annual Accounts.

## 4.7. RELATED PARTIES

The related parties of the JU and 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, no specific disclosures are required.

## 4.8. KEY MANAGEMENT ENTITLEMENTS

The Director, or head of entity, is remunerated in accordance with the Staff Regulations of the European Union, which establish the rights and obligations of all officials of the EU. The Staff Regulations are published on the Europa website.

	31.12.2023	31.12.2022
<i>Executive Director</i>	<i>AD14</i>	<i>AD14</i>

<sup>6</sup> No IKAA planned for FP7 Programme.

<sup>7</sup> No IKAA planned for Horizon 2020 Programme.

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. In July 2021, the former Executive Director left SESAR 3 JU and was replaced by as an ad interim, appointed by the Governing Board. A new 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

Nothing to report.

## 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.

# 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**

Budget lines provide for Unused Appropriations not required in the current Year (both administrative and operational).

### 1.3. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2023	2022
<b>Revenue</b>		<b>110 897</b>	<b>143 467</b>
<i>of which:</i>			
<i>Contribution from the European Union</i>	1	99 618	139 570
<i>Contribution from Eurocontrol</i>	2	6 450	918
<i>Contribution from other members</i>	3	3 213	2 050
<i>Other revenue</i>	4	1 616	928
<b>Expenditure</b>		<b>(196 543)</b>	<b>(36 281)</b>
<i>of which:</i>			
<i>Staff expenditure</i>	1	(5 871)	(5 030)
<i>Administrative expenditure</i>	2	(3 459)	(3 009)
<i>Operational expenditure</i>	3	(30 018)	(28 242)
<i>Specific expenditure</i>	4	(157 196)	(0)
<i>Other expenditure</i>	5	0	0
<b>Exchange rate differences</b>		<b>(0)</b>	<b>0</b>
<b>Budget result</b>		<b>(85 646)</b>	<b>107 186</b>

## 1.4. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR '000	
	2023	2022
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(104 750)</b>	<b>(189 198)</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	<b>62 378</b>	<b>153 777</b>
<i>In-kind contributions validated in the year</i>	105 138	84 828
<i>Adjustments for accrual cut-off (net)</i>	(125 512)	18 959
<i>Unpaid invoices at year end but booked in expenses</i>	2 270	193
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	54	(12)
<i>Recovery orders issued in the year and not yet cashed</i>	(601)	(1 654)
<i>Reversal of provision</i>	215	72
<i>Correction of recovery orders issued last year</i>	80 822	51 296
<i>Pre-financing given in previous year and cleared in the year</i>	0	71
<i>Payments made from non-budget lines</i>	(7)	24
<i>Other individually immaterial</i>		
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	<b>(43 273)</b>	<b>142 606</b>
<i>Members' cash contributions collected in the year</i>	109 281	57 335
<i>Asset acquisitions (less unpaid amounts)</i>	27	64
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(153 750)	0
<i>New pre-financing received in the year and remaining open as at 31 December</i>	0	85 208
<i>Entitlements established in previous year and cashed in the year</i>	154	0
<i>Invoices paid in the year but booked in charges in previous year (class 6)</i>	(102)	0
<i>Cashed recovery orders for pre-financing recovery</i>	1 117	0
<b>BUDGET RESULT OF THE YEAR</b>	<b>85 646</b>	<b>107 186</b>

## 2. IMPLEMENTATION OF BUDGET REVENUE

EUR '000

	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
1101	Horizon 2020 contribution to administrative expenditure	3 660	3 660	3 660	0	3 660	3 660	0	3 660	100 %	0
1102	Horizon Europe contribution to administrative expenditure	3 648	3 648	3 648	0	3 648	3 648	0	3 648	100 %	0
<b>Total Chapter 11</b>		<b>7 308</b>	<b>7 308</b>	<b>7 308</b>	<b>0</b>	<b>7 308</b>	<b>7 308</b>	<b>0</b>	<b>7 308</b>	<b>100 %</b>	<b>0</b>
1201	Horizon 2020 contribution to operational expenditure	13 115	22 008	22 008	0	22 008	22 008	0	22 008	100 %	0
1202	Horizon Europe contribution to operational expenditure	70 302	70 302	70 302	0	70 302	70 302	0	70 302	100 %	0
<b>Total Chapter 12</b>		<b>83 416</b>	<b>92 310</b>	<b>92 310</b>	<b>0</b>	<b>92 310</b>	<b>92 310</b>	<b>0</b>	<b>92 310</b>	<b>100 %</b>	<b>0</b>
<b>Total Title 1</b>		<b>90 725</b>	<b>99 618</b>	<b>99 618</b>	<b>0</b>	<b>99 618</b>	<b>99 618</b>	<b>0</b>	<b>99 618</b>	<b>100 %</b>	<b>0</b>
2101	Contribution from Eurocontrol in cash SESAR2020	1 013	1 013	378	0	378	378	0	378	37 %	0
2102	Contribution from Eurocontrol in cash SESAR3	0	4 572	4 572	1 500	6 072	4 572	1 500	6 072	133 %	0
<b>Total Chapter 21</b>		<b>1 013</b>	<b>5 585</b>	<b>4 950</b>	<b>1 500</b>	<b>6 450</b>	<b>4 950</b>	<b>1 500</b>	<b>6 450</b>	<b>115 %</b>	<b>0</b>
<b>Total Title 2</b>		<b>1 013</b>	<b>5 585</b>	<b>4 950</b>	<b>1 500</b>	<b>6 450</b>	<b>4 950</b>	<b>1 500</b>	<b>6 450</b>	<b>115 %</b>	<b>0</b>
3101	Contribution from other members in cash SESAR2020	3 213	3 213	3 213	0	3 213	3 213	0	3 213	100 %	0
<b>Total Chapter 31</b>		<b>3 213</b>	<b>3 213</b>	<b>3 213</b>	<b>0</b>	<b>3 213</b>	<b>3 213</b>	<b>0</b>	<b>3 213</b>	<b>100 %</b>	<b>0</b>
<b>Total Title 3</b>		<b>3 213</b>	<b>3 213</b>	<b>3 213</b>	<b>0</b>	<b>3 213</b>	<b>3 213</b>	<b>0</b>	<b>3 213</b>	<b>100 %</b>	<b>0</b>
4400	Exceptional revenues SESAR1	0	0	938	72	1 010	871	0	871	-	138
4401	Exceptional revenues SESAR2020	0	0	1 192	154	1 346	590	154	745	-	601
<b>Total Chapter 44</b>		<b>0</b>	<b>0</b>	<b>2 130</b>	<b>226</b>	<b>2 356</b>	<b>1 462</b>	<b>154</b>	<b>1 616</b>	<b>-</b>	<b>740</b>

*Annual accounts of the SESAR 3 Joint Undertaking 2023*

<b>Total Title 4</b>		<b>0</b>	<b>0</b>	<b>2 130</b>	<b>226</b>	<b>2 356</b>	<b>1 462</b>	<b>154</b>	<b>1 616</b>	<b>-</b>	<b>740</b>
5101	Budget outturn previous years SESAR2020	45 428	46 246							-	
5102	Budget outturn previous years SESAR3	0	83 458							-	
Total Chapter 51		45 428	129 704							-	
<b>Total Title 5</b>		<b>45 428</b>	<b>129 704</b>							<b>-</b>	

<b>GRAND TOTAL</b>		<b>140 379</b>	<b>238 120</b>	<b>109 911</b>	<b>1 726</b>	<b>111 637</b>	<b>109 243</b>	<b>1 654</b>	<b>110 897</b>	<b>47 %</b>	<b>740</b>
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### 3. IMPLEMENTATION OF BUDGET EXPENDITURE

#### Breakdown & changes in commitment appropriations

Breakdown &amp; changes in commitment appropriations – Title 1

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	
1100	Salaries & allowances : establishment plan posts	1 590	0	0	1 590	3 660	0	3 660	5 250
1110	Salaries & allowances: external personnel	625	0	0	625	0	0	0	625
Total Chapter 11		2 215	0	0	2 215	3 660	0	3 660	5 875
1200	Expenditure relating to staff recruitment	7	0	0	7	0	0	0	7
Total Chapter 12		7	0	0	7	0	0	0	7
1300	Missions expenses	230	0	0	230	0	0	0	230
Total Chapter 13		230	0	0	230	0	0	0	230
1500	Training	49	0	0	49	0	0	0	49
Total Chapter 15		49	0	0	49	0	0	0	49
1600	External services	82	0	15	97	0	0	0	97
Total Chapter 16		82	0	15	97	0	0	0	97
1900	Other staff related expenditure	53	0	( 15)	38	0	0	0	38
Total Chapter 19		53	0	( 15)	38	0	0	0	38
<b>Total Title 1</b>		<b>2 635</b>	<b>0</b>	<b>0</b>	<b>2 635</b>	<b>3 660</b>	<b>0</b>	<b>3 660</b>	<b>6 296</b>

Breakdown & changes in commitment appropriations – Title 2

	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
2000	Rental of buildings and associated costs	2 015	0	11	2 026	0	1	1	2 027
Total Chapter 20		2 015	0	11	2 026	0	1	1	2 027
2100	Information and communication technology	1 862	0	0	1 862	0	0	0	1 862
Total Chapter 21		1 862	0	0	1 862	0	0	0	1 862
2200	Movable property and associated costs	5	0	7	12	0	0	0	12
Total Chapter 22		5	0	7	12	0	0	0	12
2300	Current administrative expenditure	457	0	( 66)	390	0	4	4	394
Total Chapter 23		457	0	( 66)	390	0	4	4	394
2500	Meeting expenses	30	0	24	54	0	0	0	54
Total Chapter 25		30	0	24	54	0	0	0	54
2700	Information and publishing	494	0	24	519	0	0	0	519
Total Chapter 27		494	0	24	519	0	0	0	519
<b>Total Title 2</b>		<b>4 863</b>	<b>0</b>	<b>0</b>	<b>4 863</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>4 868</b>

Breakdown & changes in commitment appropriations – Title 3

	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
3400	Providing strategic steering to the SESAR Programme	0	0	0	0	0	53	53	53
Total Chapter 34		0	0	0	0	0	53	53	53
3500	Deliver exploratory research	0	0	0	0	0	59	59	59
Total Chapter 35		0	0	0	0	0	59	59	59
3600	Deliver industrial research and validation	0	0	0	0	0	1 282	1 282	1 282
Total Chapter 36		0	0	0	0	0	1 282	1 282	1 282
3700	Deliver very large-scale demonstration activities	0	0	0	0	4 828	217	5 045	5 045
Total Chapter 37		0	0	0	0	4 828	217	5 045	5 045
3800	Deliver SESAR outreach	0	0	0	0	4	0	4	4
Total Chapter 38		0	0	0	0	4	0	4	4
<b>Total Title 3</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4 832</b>	<b>1 611</b>	<b>6 443</b>	<b>6 443</b>



Breakdown & changes in commitment appropriations – Title 4

	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	
4000	Digital European Sky Programme	85 363	0	0	85 363	0	0	0	85 363
Total Chapter 40		85 363	0	0	85 363	0	0	0	85 363
<b>Total Title 4</b>		<b>85 363</b>	<b>0</b>	<b>0</b>	<b>85 363</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85 363</b>

Breakdown & changes in commitment appropriations – Title 5

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
5000	Running costs (H2020)	1 876	0	0	1 876	0	1 750	1 750	3 626
5002	Running costs (HE) CTRL	0	4 572	0	4 572	0	0	0	4 572
Total Chapter 50		1 876	4 572	0	6 448	0	1 750	1 750	8 198
<b>Total Title 5</b>		<b>1 876</b>	<b>4 572</b>	<b>0</b>	<b>6 448</b>	<b>0</b>	<b>1 750</b>	<b>1 750</b>	<b>8 198</b>
<b>GRAND TOTAL</b>		<b>94 738</b>	<b>4 572</b>	<b>0</b>	<b>99 309</b>	<b>8 493</b>	<b>3 366</b>	<b>11 859</b>	<b>111 168</b>

## Breakdown & changes in payment appropriations

Breakdown &amp; changes in payment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total apppr. 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
1100	Salaries & allowances : establishment plan posts	1 790	194	0	1 984	3 660	0	3 660	5 644
1110	Salaries & allowances: external personnel	625	85	0	710	0	0	0	710
Total Chapter 11		2 415	279	0	2 694	3 660	0	3 660	6 354
1200	Expenditure relating to staff recruitment	7	1	0	7	0	0	0	7
Total Chapter 12		7	1	0	7	0	0	0	7
1300	Missions expenses	230	58	0	288	0	0	0	288
Total Chapter 13		230	58	0	288	0	0	0	288
1500	Training	49	0	0	49	0	0	0	49
Total Chapter 15		49	0	0	49	0	0	0	49
1600	External services	82	2	15	99	0	0	0	99
Total Chapter 16		82	2	15	99	0	0	0	99
1900	Other staff related expenditure	53	0	( 15)	38	0	0	0	38
Total Chapter 19		53	0	( 15)	38	0	0	0	38
<b>Total Title 1</b>		<b>2 835</b>	<b>339</b>	<b>0</b>	<b>3 175</b>	<b>3 660</b>	<b>0</b>	<b>3 660</b>	<b>6 835</b>

Breakdown & changes in payment appropriations – Title 2

	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	8=4+7
2000	Rental of buildings and associated costs	2 015	104	0	2 119	0	1	1	2 120
Total Chapter 20		2 015	104	0	2 119	0	1	1	2 120
2100	Information and communication technology	1 862	113	0	1 975	818	0	818	2 793
Total Chapter 21		1 862	113	0	1 975	818	0	818	2 793
2200	Movable property and associated costs	5	0	0	5	0	0	0	5
Total Chapter 22		5	0	0	5	0	0	0	5
2300	Current administrative expenditure	457	20	( 1)	475	0	4	4	479
Total Chapter 23		457	20	( 1)	475	0	4	4	479
2500	Meeting expenses	30	5	1	36	0	0	0	36
Total Chapter 25		30	5	1	36	0	0	0	36
2700	Information and publishing	494	395	0	889	0	0	0	889
Total Chapter 27		494	395	0	889	0	0	0	889
<b>Total Title 2</b>		<b>4 863</b>	<b>636</b>	<b>0</b>	<b>5 499</b>	<b>818</b>	<b>5</b>	<b>824</b>	<b>6 323</b>

Breakdown & changes in payment appropriations – Title 3

	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	8=4+7
3400	Providing strategic steering to the SESAR Programme	0	135	662	798	999	53	1 052	1 850
Total Chapter 34		0	135	662	798	999	53	1 052	1 850
3500	Deliver exploratory research	13 115	0	( 4 105)	9 010	10 646	59	10 705	19 715
Total Chapter 35		13 115	0	( 4 105)	9 010	10 646	59	10 705	19 715
3600	Deliver industrial research and validation	0	8 759	226	8 985	3 251	1 282	4 533	13 518
Total Chapter 36		0	8 759	226	8 985	3 251	1 282	4 533	13 518
3700	Deliver very large-scale demonstration activities	0	0	2 923	2 923	4 315	217	4 532	7 454
Total Chapter 37		0	0	2 923	2 923	4 315	217	4 532	7 454
3800	Deliver SESAR outreach	0	0	294	294	2	0	2	295
Total Chapter 38		0	0	294	294	2	0	2	295
<b>Total Title 3</b>		<b>13 115</b>	<b>8 894</b>	<b>0</b>	<b>22 008</b>	<b>19 213</b>	<b>1 611</b>	<b>20 824</b>	<b>42 832</b>

Breakdown & changes in payment appropriations – Title 4

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
4000	Digital European Sky Programme	70 302	5 113	0	75 415	83 458	0	83 458	158 873
Total Chapter 40		70 302	5 113	0	75 415	83 458	0	83 458	158 873
<b>Total Title 4</b>		<b>70 302</b>	<b>5 113</b>	<b>0</b>	<b>75 415</b>	<b>83 458</b>	<b>0</b>	<b>83 458</b>	<b>158 873</b>

Breakdown & changes in payment appropriations – Title 5

	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 (H2020)	1 676	( 1 500)	0	176	0	1 750	1 750	1 926
5001	Running costs (HE) EU	3 778	( 3 778)	0	0	9 989	0	9 989	9 989
5002	Running costs (HE) ECTRL	0	3 761	0	3 761	0	0	0	3 761
5004	Operational costs (H2020)	0	0	0	0	9 044	0	9 044	9 044
5005	Operational costs (HE)	0	0	0	0	1 903	0	1 903	1 903
Total Chapter 50		5 454	( 1 517)	0	3 937	20 937	1 750	22 687	26 624
<b>Total Title 5</b>		<b>5 454</b>	<b>( 1 517)</b>	<b>0</b>	<b>3 937</b>	<b>20 937</b>	<b>1 750</b>	<b>22 687</b>	<b>26 624</b>

<b>GRAND TOTAL</b>		<b>96 569</b>	<b>13 465</b>	<b>0</b>	<b>110 034</b>	<b>128 086</b>	<b>3 366</b>	<b>131 452</b>	<b>241 486</b>
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## 4. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

Implementation of commitment appropriations – Title 1

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	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=7+8	10	11	12	13=10+11+12
1100	Salaries & allowances : establishment plan posts	5 250	1 418	3 655	0	5 073	97 %	0	0	0	172	5	0	177
1110	Salaries & allowances: external personnel	625	431	0	0	431	69 %	0	0	0	194	0	0	194
Total Chapter 11		5 875	1 849	3 655	0	5 504	94 %	0	0	0	366	5	0	371
1200	Expenditure relating to staff recruitment	7	7	0	0	7	100 %	0	0	0	0	0	0	0
Total Chapter 12		7	7	0	0	7	100 %	0	0	0	0	0	0	0
1300	Missions expenses	230	230	0	0	230	100 %	0	0	0	0	0	0	0
Total Chapter 13		230	230	0	0	230	100 %	0	0	0	0	0	0	0
1500	Training	49	20	0	0	20	41 %	0	0	0	29	0	0	29
Total Chapter 15		49	20	0	0	20	41 %	0	0	0	29	0	0	29
1600	External services	97	97	0	0	97	100 %	0	0	0	0	0	0	0
Total Chapter 16		97	97	0	0	97	100 %	0	0	0	0	0	0	0
1900	Other staff related expenditure	38	19	0	0	19	51 %	0	0	0	19	0	0	19
Total Chapter 19		38	19	0	0	19	51 %	0	0	0	19	0	0	19
<b>Total Title 1</b>		<b>6 296</b>	<b>2 222</b>	<b>3 655</b>	<b>0</b>	<b>5 877</b>	<b>93 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>414</b>	<b>5</b>	<b>0</b>	<b>418</b>

Implementation of commitment appropriations – Title 2

	Item	Total approp. available	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	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=7+8	10	11	12	13=10+11+12
2000	Rental of buildings and associated costs	2 027	2 026	0	0	2 026	100 %	0	0	0	0	0	1	2
Total Chapter 20		2 027	2 026	0	0	2 026	100 %	0	0	0	0	0	1	2
2100	Information and communication technology	1 862	1 763	0	0	1 763	95 %	0	0	0	99	0	0	99
Total Chapter 21		1 862	1 763	0	0	1 763	95 %	0	0	0	99	0	0	99
2200	Movable property and associated costs	12	5	0	0	5	42 %	0	0	0	7	0	0	7
Total Chapter 22		12	5	0	0	5	42 %	0	0	0	7	0	0	7
2300	Current administrative expenditure	394	165	0	0	165	42 %	0	0	0	225	0	4	229
Total Chapter 23		394	165	0	0	165	42 %	0	0	0	225	0	4	229
2500	Meeting expenses	54	54	0	0	54	100 %	0	0	0	0	0	0	0
Total Chapter 25		54	54	0	0	54	100 %	0	0	0	0	0	0	0
2700	Information and publishing	519	519	0	0	519	100 %	0	0	0	0	0	0	0
Total Chapter 27		519	519	0	0	519	100 %	0	0	0	0	0	0	0
<b>Total Title 2</b>		<b>4 868</b>	<b>4 531</b>	<b>0</b>	<b>0</b>	<b>4 531</b>	<b>93 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>332</b>	<b>0</b>	<b>5</b>	<b>337</b>

Implementation of commitment appropriations – Title 3

	Item	Total approp. available	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	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=7+8	10	11	12	13=10+11+12
3400	Providing strategic steering to the SESAR Programme	53	0	0	35	35	66 %	0	0	0	0	0	18	18
Total Chapter 34		53	0	0	35	35	66 %	0	0	0	0	0	18	18
3500	Deliver exploratory research	59	0	0	36	36	61 %	0	0	0	0	0	23	23
Total Chapter 35		59	0	0	36	36	61 %	0	0	0	0	0	23	23
3600	Deliver industrial research and validation	1 282	0	0	1 077	1 077	84 %	0	0	0	0	0	205	205
Total Chapter 36		1 282	0	0	1 077	1 077	84 %	0	0	0	0	0	205	205
3700	Deliver very large-scale demonstration activities	5 045	0	4 828	0	4 828	96 %	0	0	0	0	0	217	5 045
Total Chapter 37		5 045	0	0	0	0	0 %	0	0	0	0	0	217	5 045
3800	Deliver SESAR outreach	4	0	4	0	4	100 %	0	0	0	0	0	0	0
Total Chapter 38		4	0	4	0	4	100 %	0	0	0	0	0	0	0
<b>Total Title 3</b>		<b>6 443</b>	<b>0</b>	<b>4 832</b>	<b>1 148</b>	<b>5 981</b>	<b>93 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>462</b>	<b>462</b>



Implementation of commitment appropriations – Title 4

	Item	Total approp. available	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	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=7+8	10	11	12	13=10+11+12
4000	Digital European Sky Programme	85 363	85 363	0	0	85 363	100 %	0	0	0	0	0	0	0
Total Chapter 40		85 363	85 363	0	0	85 363	100 %	0	0	0	0	0	0	0
<b>Total Title 4</b>		<b>85 363</b>	<b>85 363</b>	<b>0</b>	<b>0</b>	<b>85 363</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Implementation of commitment appropriations – Title 5

	Item	Total approp. available	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	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=7+8	10	11	12	13=10+11+12
5000	Running costs (H2020)	3 626	0	0	0	0	0 %	0	0	0	1 876	0	1 750	3 626
5002	Running costs (HE) ECTRL	4 572	0	0	0	0	0 %	0	0	0	4 572	0	0	4 572
Total Chapter 50		8 198	0	0	0	0	0 %	0	0	0	6 448	0	1 750	8 198
<b>Total Title 5</b>		<b>8 198</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6 448</b>	<b>0</b>	<b>1 750</b>	<b>8 198</b>
<b>GRAND TOTAL</b>		<b>111 168</b>	<b>92 116</b>	<b>8 488</b>	<b>1 148</b>	<b>101 752</b>	<b>92 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7 193</b>	<b>5</b>	<b>2 218</b>	<b>9 415</b>

## 5. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

Implementation of payment appropriations – Title 1

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2024				Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	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	11	12	13	14=11+12+13
1100	Salaries & allowances : establishment plan posts	5 644	1 413	3 660	0	5 073	90 %	0	0	0	0	571	0	0	571
1110	Salaries & allowances: external personnel	710	447	0	0	447	63 %	0	0	0	0	263	0	0	263
<b>Total Chapter 11</b>		<b>6 354</b>	<b>1 860</b>	<b>3 660</b>	<b>0</b>	<b>5 520</b>	<b>87 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>834</b>	<b>0</b>	<b>0</b>	<b>834</b>
1200	Expenditure relating to staff recruitment	7	1	0	0	1	12 %	0	0	0	0	6	0	0	6
<b>Total Chapter 12</b>		<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>12 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>
1300	Missions expenses	288	219	0	0	219	76 %	0	0	0	0	68	0	0	68
<b>Total Chapter 13</b>		<b>288</b>	<b>219</b>	<b>0</b>	<b>0</b>	<b>219</b>	<b>76 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>68</b>
1500	Training	49	14	0	0	14	28 %	0	0	0	0	35	0	0	35
<b>Total Chapter 15</b>		<b>49</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>28 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>35</b>
1600	External services	99	99	0	0	99	100 %	0	0	0	0	0	0	0	0
<b>Total Chapter 16</b>		<b>99</b>	<b>99</b>	<b>0</b>	<b>0</b>	<b>99</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1900	Other staff related expenditure	38	18	0	0	18	47 %	0	0	0	0	20	0	0	20
<b>Total Chapter 19</b>		<b>38</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>47 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>20</b>
<b>Total Title 1</b>		<b>6 835</b>	<b>2 211</b>	<b>3 660</b>	<b>0</b>	<b>5 871</b>	<b>86 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>964</b>	<b>0</b>	<b>0</b>	<b>964</b>

Implementation of payment appropriations – Title 2

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2024				Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	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	11	12	13	14=11+12+13
2000	Rental of buildings and associated costs	2 120	1 881	0	1	1 882	89 %	0	0	0	0	238	0	1	239
Total Chapter 20		2 120	1 881	0	1	1 882	89 %	0	0	0	0	238	0	1	239
2100	Information and communication technology	2 793	356	416	0	772	28 %	0	0	0	0	1 619	402	0	2 021
Total Chapter 21		2 793	356	416	0	772	28 %	0	0	0	0	1 619	402	0	2 021
2200	Movable property and associated costs	5	0	0	0	0	0 %	0	0	0	0	5	0	0	5
Total Chapter 22		5	0	0	0	0	0 %	0	0	0	0	5	0	0	5
2300	Current administrative expenditure	479	132	0	0	132	28 %	0	0	0	0	343	0	4	347
Total Chapter 23		479	132	0	0	132	28 %	0	0	0	0	343	0	4	347
2500	Meeting expenses	36	30	0	0	30	85 %	0	0	0	0	6	0	0	6
Total Chapter 25		36	30	0	0	30	85 %	0	0	0	0	6	0	0	6
2700	Information and publishing	889	643	0	0	643	72 %	0	0	0	0	246	0	0	246
Total Chapter 27		889	643	0	0	643	72 %	0	0	0	0	246	0	0	246
<b>Total Title 2</b>		<b>6 323</b>	<b>3 042</b>	<b>416</b>	<b>1</b>	<b>3 459</b>	<b>55 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 457</b>	<b>402</b>	<b>5</b>	<b>2 864</b>

Implementation of payment appropriations – Title 3

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2024				Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	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	11	12	13	14=11+12+13
3400	Providing strategic steering to the SESAR Programme	1 850	9	154	0	163	9 %	0	0	0	0	788	845	53	1 686
Total Chapter 34		1 850	9	154	0	163	9 %	0	0	0	0	788	845	53	1 686
3500	Deliver exploratory research	19 715	8 218	10 646	40	18 904	96 %	0	0	0	0	792	0	19	811
Total Chapter 35		19 715	8 218	10 646	40	18 904	96 %	0	0	0	0	792	0	19	811
3600	Deliver industrial research and validation	13 518	1 275	3 251	1 086	5 613	42 %	0	0	0	0	7 710	0	196	7 906
Total Chapter 36		13 518	1 275	3 251	1 086	5 613	42 %	0	0	0	0	7 710	0	196	7 906
3700	Deliver very large-scale demonstration activities	7 454	511	4 315	217	5 043	68 %	0	0	0	0	2 412	0	0	2 412
Total Chapter 37		7 454	511	4 315	217	5 043	68 %	0	0	0	0	2 412	0	0	2 412
3800	Deliver SESAR outreach	295	294	2	0	295	100 %	0	0	0	0	0	0	0	0
Total Chapter 38		295	294	2	0	295	100 %	0	0	0	0	0	0	0	0
<b>Total Title 3</b>		<b>42 832</b>	<b>10 306</b>	<b>18 368</b>	<b>1 343</b>	<b>30 018</b>	<b>70 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11 702</b>	<b>845</b>	<b>267</b>	<b>12 815</b>

Implementation of payment appropriations – Title 4

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2024				Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	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	11	12	13	14=11+12+13
4000	Digital European Sky Programme	158 873	75 415	81 781	0	157 196	99 %	0	0	0	0	0	1 677	0	1 677
Total Chapter 40		158 873	75 415	81 781	0	157 196	99 %	0	0	0	0	0	1 677	0	1 677
<b>Total Title 4</b>		<b>158 873</b>	<b>75 415</b>	<b>81 781</b>	<b>0</b>	<b>157 196</b>	<b>99 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 677</b>	<b>0</b>	<b>1 677</b>

Implementation of payment appropriations – Title 5

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2024				Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	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	11	12	13	14=11+12+13
5000	Running costs (H2020)	1 926	0	0	0	0	0 %	0	0	0	0	176	0	1 750	1 926
5001	Running costs (HE) EU	9 989	0	0	0	0	0 %	0	0	0	0	0	9 989	0	9 989
5002	Running costs (HE) ECTRL	3 761	0	0	0	0	0 %	0	0	0	0	3 761	0	0	3 761
5004	Operational costs (H2020)	9 044	0	0	0	0	0 %	0	0	0	0	0	9 044	0	9 044
5005	Operational costs (HE)	1 903	0	0	0	0	0 %	0	0	0	0	0	1 903	0	1 903
Total Chapter 50		26 624	0	0	0	0	0 %	0	0	0	0	3 937	20 937	1 750	26 624
<b>Total Title 5</b>		<b>26 624</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3 937</b>	<b>20 937</b>	<b>1 750</b>	<b>26 624</b>
<b>GRAND TOTAL</b>		<b>241 486</b>	<b>90 974</b>	<b>104 225</b>	<b>1 344</b>	<b>196 543</b>	<b>81 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19 060</b>	<b>23 861</b>	<b>2 022</b>	<b>44 943</b>

## 6. OUTSTANDING COMMITMENTS

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	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	9=4+8
1100	Salaries & allowances : establishment plan posts	194	( 194)	0	0	5 073	5 073	0	0	0
1110	Salaries & allowances: external personnel	85	( 0)	85	0	431	362	0	69	69
Total Chapter 11		279	( 194)	85	0	5 504	5 435	0	69	69
1200	Expenditure relating to staff recruitment	1	( 0)	1	0	7	0	0	6	6
Total Chapter 12		1	( 0)	1	0	7	0	0	6	6
1300	Missions expenses	58	( 16)	41	0	230	178	0	52	52
Total Chapter 13		58	( 16)	41	0	230	178	0	52	52
1500	Training	0	0	0	0	20	14	0	6	6
Total Chapter 15		0	0	0	0	20	14	0	6	6
1600	External services	2	0	2	0	97	97	0	0	0
Total Chapter 16		2	0	2	0	97	97	0	0	0
1900	Other staff related expenditure	0	( 0)	0	0	19	18	0	1	1
Total Chapter 19		0	( 0)	0	0	19	18	0	1	1
<b>Total Title 1</b>		<b>339</b>	<b>( 211)</b>	<b>129</b>	<b>0</b>	<b>5 877</b>	<b>5 742</b>	<b>0</b>	<b>135</b>	<b>135</b>

Outstanding commitments – Title 2

	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	9=4+8
2000	Rental of buildings and associated costs	104	( 40)	64	0	2 026	1 818	0	208	208
Total Chapter 20		104	( 40)	64	0	2 026	1 818	0	208	208
2100	Information and communication technology	931	( 2)	480	449	1 763	292	0	1 471	1 920
Total Chapter 21		931	( 2)	480	449	1 763	292	0	1 471	1 920
2200	Movable property and associated costs	0	0	0	0	5	0	0	5	5
Total Chapter 22		0	0	0	0	5	0	0	5	5
2300	Current administrative expenditure	20	( 1)	13	6	165	119	0	46	51
Total Chapter 23		20	( 1)	13	6	165	119	0	46	51
2500	Meeting expenses	5	( 3)	1	0	54	29	0	25	25
Total Chapter 25		5	( 3)	1	0	54	29	0	25	25
2700	Information and publishing	395	( 1)	394	0	519	249	0	270	270
Total Chapter 27		395	( 1)	394	0	519	249	0	270	270
<b>Total Title 2</b>		<b>1 455</b>	<b>( 48)</b>	<b>952</b>	<b>455</b>	<b>4 531</b>	<b>2 507</b>	<b>0</b>	<b>2 024</b>	<b>2 479</b>



Outstanding commitments – Title 3

	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	9=4+8
3400	Providing strategic steering to the SESAR Programme	2 704	0	163	2 541	35	0	0	35	2 576
Total Chapter 34		2 704	0	163	2 541	35	0	0	35	2 576
3500	Deliver exploratory research	23 344	( 42)	18 904	4 398	36	0	0	36	4 434
Total Chapter 35		23 344	( 42)	18 904	4 398	36	0	0	36	4 434
3600	Deliver industrial research and validation	25 035	0	5 389	19 646	1 077	224	0	854	20 499
Total Chapter 36		25 035	0	5 389	19 646	1 077	224	0	854	20 499
3700	Deliver very large-scale demonstration activities	9 124	( 4)	5 043	4 077	4 828	0	0	4 828	8 906
Total Chapter 37		13 953	( 4)	5 043	8 906	0	0	0	0	8 906
3800	Deliver SESAR outreach	700	( 70)	291	339	4	4	0	0	339
Total Chapter 38		700	( 70)	291	339	4	4	0	0	339
<b>Total Title 3</b>		<b>60 906</b>	<b>( 116)</b>	<b>29 790</b>	<b>31 001</b>	<b>5 981</b>	<b>228</b>	<b>0</b>	<b>5 753</b>	<b>36 754</b>

Outstanding commitments – Title 4

		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Item	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
4000	Digital European Sky Programme	128 412	( 1 438)	93 176	33 798	85 363	64 020	0	21 344	55 142
Total Chapter 40		128 412	( 1 438)	93 176	33 798	85 363	64 020	0	21 344	55 142
<b>Total Title 4</b>		<b>128 412</b>	<b>( 1 438)</b>	<b>93 176</b>	<b>33 798</b>	<b>85 363</b>	<b>64 020</b>	<b>0</b>	<b>21 344</b>	<b>55 142</b>

<b>GRAND TOTAL</b>		<b>191 112</b>	<b>( 1 812)</b>	<b>124 047</b>	<b>65 253</b>	<b>101 752</b>	<b>72 496</b>	<b>0</b>	<b>29 256</b>	<b>94 510</b>
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## 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 carry -overs, 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 can not 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.