



Annual accounts of the SESAR Joint Undertaking

Financial year 2019

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of SESAR Joint Undertaking in accordance with Article 49 of the Framework Financial Regulation ('FFR')¹ and I hereby certify that the annual accounts of the SESAR Joint Undertaking for the year 2019 have been prepared in accordance with Title IX of the FFR 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 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 Joint Undertaking.

Rosa ALDEA BUSQUETS
**Accounting Officer of the
SESAR Joint Undertaking**

¹ COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

BACKGROUND INFORMATION ON THE SJU

SESAR Joint Undertaking (SJU) 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. In particular, the SJU is responsible for the implementation of the European ATM Master Plan and for carrying out specific activities aiming at developing the new generation of air traffic management system capable of ensuring the safety and fluidity of air transport worldwide over the next thirty years. A substantial part of the benefit of the SESAR Programme lies in the involvement of most of the European ATM stakeholders for the development of the operational and technical solutions which best meet the objectives set out in the European ATM Master Plan. SJU is funded by the members contributing either in cash or in-kind to the administrative and operational costs of the joint undertaking.

The SJU was established by Council Regulation (EC) No 219/2007², and last amended by the Council Regulation (EC) 721/2014³ (hereinafter the 'Regulation'). The Regulation extended the mandate of SJU up to 31 December 2024 to continue research and innovation on air traffic management and in particular the coordinated approach in the context of the Single European Sky to achieve the performance targets there defined. This decision was taken in recognition of the need to foster Research and Innovation on Air Traffic Management beyond the organisation's original mandate until 2016, as well as in appreciation of the SJU partnership's ability to respond to evolving business needs and fast track technological and operational improvements in Europe's ATM system.

Annual Accounts

Following Article 25 of the Model Financial Regulation (MFR)⁴, the Administrative Board of the joint undertaking appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts.

In accordance with Article 47 of the MFR, 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 international accounting standards (IPSAS). 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 based on principles of accrual accounting adapted to the specific environment of the European Union, the budget implementation reports are primarily based on movements of cash.

Following the decision ADB(D)18-2016 of the SJU Administrative Board, the Accounting Officer of the Commission shall also act as the Accounting Officer of SJU as of 1 November 2016.

Highlights of the year

2019 was a new year of delivery for the SJU, a year of continued commitment of the SJU's members and stakeholders in achieving the objectives of the Single European Sky, and a year of further development of the SJU's activities.

The Single Programming Document 2019-2021's annual work programme for 2019 focuses on 6 strategic areas of operations, representing the six strategic objectives of the SJU for the year 2019:

- Provide strategic steering to the SESAR programme,
- Deliver Exploratory Research (ER),

² Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR)

³ Council Regulation (EC) No 721/2014 of 16 June 2014 amending Regulation (EC) No 219/2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) as regards the extension of the Joint Undertaking until 2024.

⁴ 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, OJEU L 142, 29.5.2019

- Deliver Industrial Research and Validation (IR),
- Deliver Very Large-Scale Demonstrations (VLD),
- Deliver SESAR Outreach,
- Deliver effective financial, administrative and corporate management.

Strategic steering to the SESAR programme

Delegation Agreement Implementation Report on Airspace Architecture study.

Final update of the European Master Plan and release of the 2020 edition.

Transversal Activities providing coordination and monitoring of the SESAR 2020 delivery in terms of Concept of Operations, Architecture and Performance.

Preparation of the Wave 2 IR-VLD, ER4 and start of the preparation of VLD Open 2 call for proposals.

Exploratory Research (ER)

45 projects resulting from three open calls for proposals: ER1, ER2 and ER3.

All 28 ER1 projects were closed.

The nine projects resulting from ER2 (focusing on Remotely Piloted Aircraft System) and the eight projects resulting from ER3 are under implementation and delivering their results.

The Exploratory Research projects receive contributions from organisations, universities and research centres from all over Europe.

In addition, the fourth Exploratory Research call has been launched in 2019 and has received 128 proposals. The evaluation has taken place at the end of 2019 and results were sent out in January 2020.

Industrial Research and Validation (IR)

20 projects resulting from the restricted call for proposals Wave 1, 17 IR and 3 transversal steering activities were in full execution during 2019.

The Industrial Research projects receive contributions from organisations (members and their linked third-parties) of which SMEs from all over Europe.

Very Large-Scale Demonstrations (VLD)

21 projects resulting from four calls for proposals: restricted Wave 1 (H2020 – 5 projects), VLD Open 1 (H2020 – 9 projects), Geo-fencing (1 project) and U-space (Connecting Europe Facility - 6 projects).

All projects are under implementation and delivering their results.

The Very Large-Scale Demonstration projects receive contributions from organisations of which SMEs from all over Europe.

In the financial statements, the impact of the above mentioned activities can be noted in the:

- Increase of the non-current pre-financing (kEUR 39 133) due to payments for projects related to Call H2020-SESAR-2019-1 which were made in the last months of 2019. The first clearing of these projects with the incurred costs is expected in 2021.
- Decrease of current pre-financing (kEUR 55 057) due to the clearing of pre-financing related to the Wave 1 projects, as almost all of these projects were closed in 2019.
- Increase of the contribution from Members in cash (kEUR 118 714) and in-kind (kEUR 54 063).

As for budget implementation, in 2019 the execution of commitment and payment appropriations reached 92% and 83% respectively. The good implementation rates of the SESAR 2020 programme show that H2020 projects are at their maximal growth level and SESAR 2020 programme is in a ramping phase.

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

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

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BALANCE SHEET

EUR '000

	Note	31.12.2019	31.12.2018
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	2	4
<i>Property, plant and equipment</i>	2.2	115	174
<i>Pre-financing</i>	2.3	50 061	10 928
		50 178	11 106
CURRENT ASSETS			
<i>Pre-financing</i>	2.3	5 845	60 902
<i>Exchange receivables and non-exchange recoverables</i>	2.4	45 800	77 852
<i>Cash and cash equivalents</i>	2.5	5	1
		51 651	138 755
TOTAL ASSETS		101 829	149 861
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.6	(182 052)	(123 368)
<i>Accrued charges and deferred income</i>	2.7	(28 237)	(93 990)
		(210 288)	(217 359)
TOTAL LIABILITIES		(210 288)	(217 359)
NET ASSETS		(108 459)	(67 498)
<i>Contribution from Members</i>	2.8	2 256 158	2 083 381
<i>Accumulated deficit</i>		(2 150 879)	(1 906 999)
<i>Economic result of the year</i>		(213 738)	(243 879)
NET ASSETS		(108 459)	(67 498)

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2019	2018
<i>EUR '000</i>			
REVENUE			
Revenue from exchange transactions			
<i>Financial revenue</i>		1	-
		1	-
Total revenue		1	-
EXPENSES			
<i>Operational costs</i>	3.1	(205 644)	(235 341)
<i>Staff costs</i>	3.2	(4 705)	(4 824)
<i>Finance costs</i>		(5)	(5)
<i>Other expenses</i>	3.3	(3 386)	(3 709)
Total expenses		(213 740)	(243 879)
ECONOMIC RESULT OF THE YEAR		(213 738)	(243 879)

CASHFLOW STATEMENT⁵

	<i>EUR '000</i>	
	2019	2018
<i>Economic result of the year</i>	(213 738)	(243 879)
Operating activities		
<i>Depreciation and amortization</i>	76	71
<i>(Increase)/decrease in pre-financing</i>	15 923	10 438
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	32 051	(16 515)
<i>Increase/(decrease) in payables</i>	58 683	21 910
<i>Increase/(decrease) in accrued charges & deferred income</i>	(65 754)	18 044
<i>Increase/(decrease) in cash contributions</i>	118 714	95 920
<i>Increase/(decrease) in in-kind contributions</i>	54 063	114 064
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(14)	(57)
NET CASHFLOW	4	(5)
<i>Net increase/(decrease) in cash and cash equivalents</i>	4	(5)
<i>Cash and cash equivalents at the beginning of the year</i>	1	7
<i>Cash and cash equivalents at year-end</i>	5	1

⁵ Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of SESAR JU, the treasury of SESAR JU was integrated into the Commission's treasury system. Because of this, SESAR JU has only one bank account of its own covering the bank guarantee issued for the rental of the SJU premises. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Contribution from Members	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2017	1 873 397	(1 743 330)	(163 670)	(33 603)
<i>Allocation 2017 economic result</i>	-	(163 670)	163 670	-
<i>Cash contribution</i>	95 920	-	-	95 920
<i>Contribution in-kind</i>	114 064	-	-	114 064
<i>Economic result of the year</i>	-	-	(243 879)	(243 879)
BALANCE AS AT 31.12.2018	2 083 381	(1 906 999)	(243 879)	(67 498)
<i>Allocation 2018 economic result</i>	-	(243 879)	243 879	-
<i>Cash contribution</i>	118 714	-	-	118 714
<i>Contribution in-kind</i>	54 063	-	-	54 063
<i>Economic result of the year</i>	-	-	(213 738)	(213 738)
BALANCE AS AT 31.12.2019	2 256 158	(2 150 879)	(213 738)	(108 459)

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 cashflows of an entity that is useful to a wide range of users.

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 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	31.12.2019	31.12.2018	Currency	31.12.2019	31.12.2018
BGN	1.9558	1.9558	PLN	4.2568	4.3014
CZK	25.4080	25.7240	RON	4.783	4.6635
DKK	7.4715	7.4673	SEK	10.4468	10.2548
GBP	0.8508	0.8945	CHF	1.0854	1.1269
HRK	7.4395	7.4125	JPY	121.9400	125.8500
HUF	330.5300	320.9800	USD	1.1234	1.145

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, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of assets. 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.

1.3. 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 (i.e. it is capable of being separated or divided from the entity, e.g. by being sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so), or arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations).

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. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful lives (3 to 11 years). The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

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 asset 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. When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Contingent rents shall be charged as expenses in the period in which they are incurred.

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 a leased asset nor a leasing liability presented in the statement of financial position.

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

Financial assets are classified in the following categories: 'financial assets at fair value through surplus or deficit', 'loans and receivables', 'held-to-maturity investments' and 'available for sale financial assets'. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

(i) *Financial assets at fair value through surplus or deficit*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also presented in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.

(iv) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date. During this financial year, the entity did not hold any investments in this category.

Initial recognition and measurement

Purchases and sales of financial assets at fair value through surplus or deficit, held-to-maturity and available for sale are recognised on their trade date, i.e. the date on which the entity commits to purchase or sell the asset. Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit, transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

Subsequent measurement

Financial assets at fair value through surplus or deficit are subsequently carried at fair value, with gains and losses arising from changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised in the fair value reserve. Interest on available for sale financial assets, calculated using the effective interest method, is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

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 presented 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 a 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 and are thus classified as loans and receivables and measured accordingly (see 1.3.4 above).

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) 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 instruments 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. 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).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

1.3.9. 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 **1.4.1**).

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount 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 and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.3.10. 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, 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 which 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.

1.4. 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 it 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. 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 (pre-financing received).

(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 incurrance of liabilities that result in decreases in net assets/equity. 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 a possible obligation 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; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is 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 (no shares are issued) of the JU 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. The financial contributions are recognised in the net assets in the period in which the 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 are recognised in the net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation were met.

The expenses related to the IKOP incurred in the financial year are recognised in the statement of financial performance. At year-end, incurred IKOP not yet reported are estimated and recorded as other liabilities ('Contributions of Members to be validated').

The IKAA relate to contributions linked to implementing additional activities outside the work plan of the JU that contribute to the objectives of the JU. 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.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

	EUR '000
	TOTAL
<i>Gross carrying amount at 31.12.2018</i>	2 175
Gross carrying amount at 31.12.2019	2 175
<i>Accumulated amortisation at 31.12.2018</i>	(2 171)
<i>Amortisation charge for the year</i>	(2)
Accumulated amortisation at 31.12.2019	(2 172)
NET CARRYING AMOUNT AT 31.12.2019	2
<i>NET CARRYING AMOUNT AT 31.12.2018</i>	4

The heading comprises intangible assets with depreciation rate 25% which include mainly software and developments made under the SJU/EUROCONTROL Membership Agreement.

2.2. PROPERTY, PLANT AND EQUIPMENT

	EUR '000				TOTAL
	Land and buildings	Furniture and vehicles	Computer hardware	Other	
<i>Gross carrying amount at 31.12.2018</i>	600	172	177	113	1 062
<i>Additions</i>	-	1	3	11	14
<i>Disposals</i>	-	-	-	(4)	(4)
Gross carrying amount at 31.12.2019	600	173	180	121	1 073
<i>Accumulated depreciation at 31.12.2018</i>	(600)	(140)	(88)	(60)	(888)
<i>Depreciation charge for the year</i>	-	(11)	(43)	(20)	(74)
<i>Disposals</i>	-	-	-	4	4
Accumulated depreciation at 31.12.2019	(600)	(151)	(131)	(76)	(958)
NET CARRYING AMOUNT AT 31.12.2019	-	22	48	44	115
<i>NET CARRYING AMOUNT AT 31.12.2018</i>	-	32	89	54	174

Included under the heading 'Land and Buildings' are materials and works related to the partitioning and set-up of the SJU office space. The heading 'Other' is related to technical equipment. The additions of kEUR 14 are primarily related to purchases of video projectors and other office equipment. The disposals of kEUR 4 relate mainly to disposal of beamers.

2.3. PRE-FINANCING

	31.12.2019	31.12.2018
	<i>EUR '000</i>	
Non-current pre-financing		
<i>Non-current pre-financing</i>	50 061	10 928
	50 061	10 928
Current pre-financing		
<i>Current pre-financing</i>	5 845	60 902
	5 845	60 902
Total	55 906	71 829

For all pre-financing amounts open at 31 December 2019 a case-by-case assessment has been performed and all the pre-financing that was considered unlikely to be cleared in the course of 2020 was classified as non-current pre-financing.

The first year of pre-financing payments for SESAR2020 projects was in 2016, related to the Call H2020-SESAR-2015-1 (Exploratory Research) and Call H2020-SESAR-2015-2 (Industrial Research and Very Large Demonstration activities restricted to the SJU Private Members).

In 2019, a total pre-financing amount of kEUR 52 324 was paid for SESAR2020 projects, out of which kEUR 164 was for the Call H2020-SESAR-2016-2 (Exploratory research 3 and Very Large Demonstration Activities 1 –open call) and kEUR 52 160 for the Call H2020-SESAR-2019-1 (Industrial Research and Very Large Demonstration activities restricted to the SJU Private Members – Wave 2 projects) for which the signature took place in the last months of the year together with the payment. These projects, which were restricted to the Members will generate pre-financing clearing starting only in 2021 - hence the large increase in non-current pre-financing at year-end.

The large decrease of the current pre-financing is due to the clearing done for almost all Wave 1 projects closed during 2019 (kEUR 57 120).

In 2018, the clearing of pre-financing included kEUR 79 to be recovered from beneficiaries due to underspending in 2 Exploratory Research projects (COCTA and SALSA from Exploratory research open call H2020-SESAR-2015-1) closed in 2018. In 2019, these amounts have been cashed.

The outstanding pre-financing (long and short-term pre-financing) at the end of 2019 is net of estimated (cut-off) expenses for ongoing or ended projects without validated cost claims on 31.12.2019. The remaining portion of the cut-off expenses is recorded in accrued charges (see note **2.7**).

2.4. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31 December 2019 SJU did not have any balances related to non-current receivables and recoverables. All the amounts are current and can be split as follows:

	EUR '000	
	31.12.2019	31.12.2018
Recoverables from non-exchange transactions		
<i>Cash contributions to be paid by the Members</i>	–	92
<i>Other</i>	8	5
	8	96
Receivables from exchange transactions		
<i>Central treasury liaison accounts</i>	45 759	72 483
<i>Customers</i>	–	673
<i>Other</i>	34	4 599
	45 793	77 756
Total	45 800	77 852

Included under the sub-heading Other recoverables from non-exchange transactions are amounts related to recoverables from other EU entities.

The main element concerns the treasury liaison/intercompany accounts with the Commission that represent a virtual bank account of SJU. Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of SJU, the treasury of SJU was integrated into the Commission's treasury system. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under this heading. The result of the incoming and outgoing payments represents the funds available for the Joint Undertaking.

In 2018, receivables from customers are related to amounts to be recovered from: open pre-financing for one SESAR2020 project after early closure; a cash contribution not received at the end of the year from one member and ex-post audit corrections for SESAR1 projects.

In 2018 under the heading "Other", there was kEUR 4 535 representing amounts paid by SESAR JU to the Participant Guarantee Fund. For all H2020 grant agreements signed, there is an automatic guarantee retention of 5% from the pre-financing payment due to beneficiaries. The guarantee is transferred to the Participant Guarantee Fund ("the Fund") and paid to the beneficiary by the Fund only when the project is successfully accomplished. This mechanism arises from EU Regulation 1290/2013 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)". Because of the increase of maximum grant amount resulting from the Amendments of SESAR 2020 IR VLD Wave 1 Actions, the SESAR JU Executive Director, acting as responsible Authorising Officer, is authorised by the SESAR JU Administrative Board to transfer to the Fund the amount corresponding to 5% of the increase and following this to recover these amounts from the beneficiaries by issuing recovery orders or by deduction from subsequent payments. For the amount paid to the Fund (kEUR 4 535) the recovery orders were issued at the end of January 2019 and cashed during the first semester of 2019, except for two cashed in October.

2.5. CASH AND CASH EQUIVALENTS

	EUR '000	
	31.12.2019	31.12.2018
<i>Current accounts</i>	(0)	1
<i>Imprest accounts</i>	5	0
Total	5	1

The amounts remaining under current accounts relate to bank charges for the old SJU bank account covering the bank guarantee issued for the rental of the SJU premises (initial balance minus all 2019 guarantee-fees).

LIABILITIES

2.6. PAYABLES AND OTHER LIABILITIES

	EUR '000	
	31.12.2019	31.12.2018
<i>Contribution in kind from Members to be validated</i>	179 250	120 090
<i>Vendors</i>	624	1 259
<i>Public bodies and other current payables</i>	2 163	1 931
<i>Sundry payables</i>	14	88
Total	182 052	123 368

Included under 'contribution in-kind from Members to be validated' are the in-kind contributions from Members related to on-going projects without a validated contribution certificate at 31 December. The amount of in-kind contributions was estimated on a case-by-case basis using the best available information on the projects. It should be noted that accrued charges related to the estimated EU co-financing to SESAR2020 projects are recorded under the heading 'accrued charges' (see note 2.7).

2.7. ACCRUED CHARGES

	EUR '000	
	31.12.2019	31.12.2018
<i>Accrued charges</i>	28 237	94 069
<i>Deferred income</i>	-	(79)
Total	28 237	93 990

Accrued charges are the amounts estimated by the Authorising Officer of costs incurred for services and goods delivered in year 2019 but not yet invoiced or processed by the end of the year. They are mainly accrued operational expenses that relate to on-going SESAR2020 projects without a validated cost statement where the 2019 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2019. The portion of the estimated accrued charges which relates to pre-financing paid has been recorded as a reduction of the pre-financing amounts (see note 2.3). It should be noted that the estimated in-kind contributions of Members are recorded under other liabilities (see note 2.6).

This heading also comprises estimated operational amounts related to Industrial Research and Very Large Demonstration activities for a total of kEUR 4 990 (for call H2020-SESAR-2015-2: restricted call to SJU Members); kEUR 76 (for call H2020-SESAR-2019-1: restricted call to SJU Members) and kEUR 12 931 (for open call H2020-SESAR-2016-2), estimated amounts related to the exploratory research kEUR 2 142 (for open call H2020-SESAR-2016-1), the provision of the Airspace Users Advice Services to support SESAR 2020 activities (kEUR 5 369), other operational expenditure kEUR 1 733, other administrative expense (kEUR 599), amounts related to allowances for secondment staff from Members (kEUR 259) and amounts related to staff (kEUR 137).

In 2018 under deferred income there was an amount of kEUR 79 referring the pre-financing to be recovered from beneficiaries due to underspending in 2 Exploratory Research projects (COCTA and SALSA) closed in 2018 (see note **2.3**), which was cashed during 2019.

In 2017, SJU signed a delegation agreement MOVE/E3/DA/2017 for U-Space Services and in order to execute the assigned tasks the SJU concluded six grants.

For the 2019 cut-off exercise, a portion of the current year estimated expenses relating to these grants has been recorded as a reduction of the pre-financing amounts for kEUR 2 466.

NET ASSETS

2.8. CONTRIBUTIONS FROM MEMBERS

EUR '000

Programming period	2019			2018		
	Cash	in-Kind	Total	Cash	in-Kind	Total
<i>FP7</i>	797 403	937 245	1 734 649	797 403	936 523	1 733 926
<i>H2020</i>	349 981	167 527	517 508	231 268	114 186	345 454
<i>Delegation Agreement DA Move</i>	4 000		4 000	4 000		4 000
Total	1 151 386	1 104 772	2 256 158	1 032 672	1 050 709	2 083 381

2.8.1. Research and Innovation funding programme for 2007-2013 (FP7)

Unlike for Horizon 2020 (see below note 2.8.2), under FP7 programme the total eligible costs minus the EU co-financing validated by the Executive Director of SJU are considered as an in-kind contribution.

Member	EUR '000						
	Commission Cash	Industry Members Cash	In kind	Eurocontrol Cash	In kind	Total Cash	In kind
<i>Running costs contributions at 31.12.2018</i>	23 990	25 478	–	21 817	–	71 285	–
<i>Current year contributions</i>	–	–	–	–	–	–	–
Running costs contributions at 31.12.2019	23 990	25 478	–	21 817	–	71 285	–
<i>Operating costs contributions at 31.12.2018</i>	610 146	–	513 580	115 972	422 943	726 118	936 523
<i>Adjustments of prior years contributions</i>	–	–	–	–	–	–	–
<i>Current year contributions</i>	–	–	722	–	–	–	722
Operating costs contributions at 31.12.2019	610 146	–	514 302	115 972	422 943	726 118	937 245
<i>TOTAL contributions at 31.12.2018</i>	634 136	25 478	513 580	137 789	422 943	797 403	936 523
TOTAL contributions at 31.12.2019	634 136	25 478	514 302	137 789	422 943	797 403	937 245
<i>% of total contributions (by type)</i>	79.53%	3.20%	54.87%	17.28%	45.13%	100.00%	100.00%
<i>Total contribution in %</i>	36.56%	31.12%		32.33%		100.00%	
<i>Voting rights %</i>	37.52%	20.90%		31.58%		90.00%	

2.8.2. 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 independent audit and validated by the Executive Director of SJU are considered in-kind contributions to the net assets. Estimated in-kind contributions, i.e. contributions for which no certifications has been received and/or this certification has not been validated by the Executive Director, are reported under other liabilities (see note **2.6**). In 2018, for the first time, certified in-kind contributions were validated for the Horizon 2020 programme. The 2019 cash and certified in-kind contributions under this heading can be split by member as follows:

Member	EUR '000						
	Commission Cash	Industry Members Cash In kind		Eurocontrol Cash In kind		Total Cash In kind	
<i>Running costs contributions at 31.12.2018</i>	6 568	2 546	-	11 871	-	20 985	-
<i>Current year contributions</i>	3 252	2 730	-	1 848	-	7 830	-
Running costs contributions at 31.12.2019	9 820	5 276	-	13 719	-	28 815	-
<i>Operating costs contributions at 31.12.2018</i>	210 283	-	54 583	-	59 603	210 283	114 186
<i>Adjustments of prior years contributions</i>	-	-	-	-	-	-	-
<i>Current year contributions</i>	110 884	-	53 341	-	-	110 884	53 341
Operating costs contributions at 31.12.2019	321 167	-	107 924	-	59 603	321 167	167 527
<i>TOTAL contributions at 31.12.2018</i>	216 851	2 546	54 583	11 871	59 603	231 268	114 186
TOTAL contributions at 31.12.2019	330 987	5 276	107 924	13 719	59 603	349 981	167 527
<i>% of total contributions (by type)</i>	94.57%	1.51%	64.42%	3.92%	35.58%	100.00%	100.00%
<i>Total contribution in %</i>	63.96%	21.87%		14.17%		100.00%	
<i>Voting rights %</i>	37.52%	20.90%		31.58%		90.00%	

* The rules of distribution of voting rights are defined in Article 4 of the Regulation. Based on this article the representative of civil users of airspace, designated by their representative organisation at European level has at least 10% of the voting rights in the Administrative Board of SJU. This organisation is not a member of SJU and does not provide any financial or in-kind contributions to the joint undertaking.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

EXPENSES

3.1. OPERATIONAL COSTS

Included under this heading are operational expenses related to all programme activities that were performed in 2019 (estimated works achieved) and expenses related to contracts for industrial support, legal, financial & management support, experts, launch of specific technical activities and the Programme Management Unit (PMU) of Eurocontrol.

The part of the operational costs related to on-going or ended projects without any validated cost claims (or equivalent) available at 31 December 2019 was estimated using the best information available at the time of the 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 operating costs of the year. Depending on the availability of information at the time of the preparation of the annual accounts, the estimates are based on reports of services or work performed or 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. It should be noted that in line with the accounting rules the portion of the estimated cost also includes a revision of accounting estimates made in the previous periods.

	Note	EUR '000	
		2019	2018
<i>Operational costs: validated in-kind contributions</i>		53 341	113 838
<i>Operational costs: estimated in-kind contributions</i>	2.6	59 160	22 781
Total operational costs from in-kind contributions		112 501	136 619
<i>Operational costs: incurred and validated</i>		94 635	89 304
<i>Operational costs: estimated</i>	2.7	(1 492)	9 418
Total operational costs from EU contributions		93 143	98 722
Total		205 644	235 341

In 2019, the operational costs decreased by kEUR 29 697. Out of this kEUR 24 118 relates to decrease in in-kind contribution as they were reported by Members at the end of April 2020.

The decrease in the validated in-kind contribution by kEUR 60 496 is due to the fact that at the end of 2019 there were 4 members for which the in-kind contribution could not be validated due to delays, errors and missing documents. In the 2019 financial statements the corresponding amounts were reported as 'in-kind contributions to be validated' and the corresponding increase can be thus noted under payables and other liabilities (see note **2.6**). When all the administrative procedures are fulfilled the amounts will be transferred to net assets.

3.2. STAFF COSTS

	EUR '000	
	2019	2018
<i>Staff costs</i>	4 705	4 824

Included under this heading are salary expenses and other employment-related allowances and benefits. Calculations related to staff costs are, based on the service level agreement, entrusted to the European Commission's Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO).

The pensions of the SJU 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 factors such as age and years of service. Both SJU staff and the Commission contribute to the pension scheme and the contribution percentage is revised yearly to reflect the changes in the Staff Regulation. The cost to the Commission is not reflected in the SJU accounts. Similarly, the future benefits payable to the SJU staff are accounted for in the liabilities of the Commission, as it is the Commission who will pay out these benefits. No provisions related to the future pensions are made in these accounts.

3.3. OTHER EXPENSES

	EUR '000	
	2019	2018
<i>External IT services</i>	1 378	1 567
<i>External non IT services</i>	528	626
<i>Operating leasing expenses</i>	496	503
<i>Communications & publications</i>	385	369
<i>Missions</i>	251	258
<i>Property, plant and equipment related expenses</i>	238	258
<i>Other</i>	73	79
<i>Experts expenses</i>	24	10
<i>Training costs</i>	13	39
Total	3 386	3 709

The level of other expenses decreased by 9% compared to the previous year, primarily due to decreased IT costs.

The operating lease expenses relate to the SESAR building in Brussels. The amounts committed to be paid during the remaining term of this lease contract, i.e. until February 2025, including rent and related charges are as follows:

	EUR '000			
	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	479	1 996	520	2 995

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

	<i>EUR '000</i>	
	31.12.2019	31.12.2018
<i>Outstanding commitments not yet expensed</i>	<i>117 601</i>	<i>10 701</i>

The outstanding commitments not yet expensed comprise the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2019 statement of financial performance. The budgetary RAL is an amount representing the open 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.

4.2. RELATED PARTIES

The related parties of the SJU are the participants of the JU and key management personnel of these entities. Transactions between these entities take place as part of the normal operations of SJU and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

4.3. KEY MANAGEMENT ENTITLMENTS

The highest ranked civil servant of SJU is the Executive Director, who executes the role of the Authorising Officer.

	31.12.2019	31.12.2018
<i>Executive Director</i>	<i>AD 15</i>	<i>AD 15</i>

The Executive Director is remunerated in accordance with the Staff Regulation of the European Union that is published on the Europa website and which is the official document describing the rights and the obligations of all officials of the EU.

4.4. EVENTS AFTER REPORTING DATE

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts. For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cashflows 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 SJU has no significant other price risk).

(1) Currency risk is the risk that the SJU operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.

(2) Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. SJU 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/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Liquidity risk is the risk that arises from the difficulty in selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

5.2. CURRENCY RISKS

Exposure to currency risk at year-end

At 31 December 2019 the ending balances of financial assets and financial liabilities did not include any material amounts quoted in different currencies than euro. At the year-end SJU thus does not have any material exposure to currency risks.

5.3. CREDIT RISK

Financial assets that are neither past due nor impaired

At 31 December 2019 the financial assets are entirely composed of receivables and recoverables that are neither past due nor impaired.

Financial assets by risk category

At 31 December 2019 the financial assets are mainly composed of receivables and recoverables against entities with a prime external credit rating. The amount relates to entities which never defaulted in the past.

5.4. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities entirely compose of accounts payable. All the accounts payable have a 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.

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1. BUDGETARY PRINCIPLES, STRUCTURE AND HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

1.1. BUDGETARY PRINCIPLES

The budget of the SJU has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency (as set out in Title II of the SJU Financial Rules):

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 SJU. 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

The SJU is responsible for the development phase of the SESAR Programme which, following the extension of the SJU in June 2014 is expected to last until 2024. SESAR is a multi-annual programme and in this respect, the programme will be characterized during its life by an expected imbalance between revenues and expenditure. Considering the nature of the SJU Work Programme, the Administrative Board adopted its first Budget in 2008 introducing the following interpretation with regard to the principle of equilibrium:

'For the SJU the principle of equilibrium shall apply for the totality of the foreseen period for the development phase. That means that the total budget revenue of the foreseen lifetime of the SJU shall be in balance with the total budget expenditure of the same period. However, at no point of the existence of the SJU must cumulative commitment appropriations exceed the cumulative amount of revenue appropriations.'

Principle of unit of account

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

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 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 SJU within four weeks of their adoption and shall be transmitted to the Commission and the Court of Auditors.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

The budget of the SJU consists of a statement of revenue and a statement of expenditure with administrative and operational appropriations both for commitments and payments. Following the extension of the SJU until 2024 and in view of running two Programmes in parallel with two different funds sources, the Administrative Board introduced in 2014 the presentation of the Budget in two separate sections:

Section 1 ("SESAR1"):

Revenues, Commitments and Payments related to the first Programme 2007-2016 under FP7/TEN-T funding are presented here. It should be noted that the European Union commitment revenues – EUR 700 million – were received by the SJU and that all funds related to this Programme had been committed towards the Members by the end of 2013.

In term of revenues, only exceptional revenues for a total amount of EUR 0.9 million were recovered. These exceptional revenues are only composed of recoveries related to Members (Audit corrections, recovery of still open pre-financing,...).

Section 2 ("SESAR2020"):

Revenues, Commitments and Payments related to the second SESAR Programme 2014-2024 under HORIZON 2020 funding are presented here. It should be noted that the 2019 Budget includes both Running and Operational Costs and an Annex with the detailed In-kind Contributions in relation to SESAR 2020 programme.

In term of revenues, an amount of EUR 113.7 million was received from the European Union in order to cover Sesar JU outstanding obligations of 2019 and of the first months of 2020.

The SESAR JU received the payment of the balance of EUR 0.25 million for Delegation Agreement MOVE/E3/DA/2016-669/SI2.743803 to organise a call for proposals for a geo-fencing demonstration (estimated budget for this entrusted task is EUR 0.5 million).

The SESAR JU received a second pre-financing for EUR 0.15 million for delegation agreement EC/SESAR JU ref. MOVE/E3/DA/2017-477/SI2.766828 to procure a study to develop a proposal for the future architecture of European airspace (the indicative budget for the entrusted task is EUR 0.8 million).

A total amount of EUR 1.85 million was received from Eurocontrol and EUR 2.7 million from the other Members.

SESAR recovered also exceptional revenues for EUR 5.2 million composed of operational costs (for EUR 5.15 million: recoveries of amounts paid by the SESAR JU, on behalf of the SESAR JU Members to the H2020 Guarantee Fund and ex-post audit adjustments) and administrative costs (for EUR 0.05 million: excess of provision for the rental charges, insurance recoveries for missions' cancellations,...).

1.3. HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

Overall in 2019, budget execution of commitment and payment appropriations reached 92 % and 83 % respectively (for SESAR 1: 3% and 51% and for SESAR 2020: 92% and 83%). For SESAR 1, the low commitment and payment implementation rate was a direct consequence of the winding-up of the Programme and the financial closure of the SESAR 1 projects. In contrast, the good implementation rates of the SESAR 2020 programme show that H2020 projects are at their maximal growth level and SESAR 2020 programme is in a ramping phase.

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 SJU.

Unlike for operational expenditure below, appropriations for Running Costs (Titles 1 and 2 of the SJU Budget) are non-differentiated appropriations, i.e. initial Commitment and Payment Appropriations must match.

In 2020 and in line with the new SESAR JU Financial Rules (Annex to SESAR JU Administrative Board decision ADB(D)21-2019 of 9 October 2019), stipulating that the budget of the SESAR JU shall contain (only) differentiated appropriations. Consequently, administrative payment appropriations (contained in Titles 1 and 2 of the SESAR 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 92% and 86% and for payment appropriations 83% and 55%. The amounts related to missions, training, recruitment expenditures, HR support fees, IT services, and rental of the building, amongst others, were carried forward to the next year, mainly due to a contractually fixed time-lag in the invoicing process. This explains why the implementation rates for Payments 2019 (83% and 55%) are lower, an effect which will be counterbalanced by the payments on the RAL in 2020.

Operational expenditure

Regarding **SESAR 1 operational costs**, the execution rate on the commitment appropriations reached 3% and on payment appropriations 51%. The 2019 commitment appropriations (EUR 1.2 million) consist of recoveries of ex-post audits. In the framework of the winding-up of SESAR 1 only kEUR 32 (=3%) were implemented. The 2019 payment appropriations (EUR 1.8 million) also consist of recoveries of ex-post audits. In 2019, SESAR JU paid only EUR 0.8 million to the Members and other beneficiaries for negative ex-post audits and the audit costs.

Regarding **SESAR 2020 operational costs**, the execution rate on the commitment appropriations reached 93% and on payment appropriations 84%.

The 2019 available payment appropriations includes EUR 130.1 million for interim payments for Wave 1 projects and 1st Pre-Financing of Wave 2 projects (restricted to Members), EUR 19.5 million for Pre-Financing, interim and balance payments under Exploratory Research calls launched in 2015 and 2016 and EUR 19.2 million for interim payments of the First Very Large Demonstration Activities call launched in 2016. The unused payment appropriations (EUR 22.6 million) will be re-inscribed in 2020.

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

Budget Result

The 2019 budget shows a negative budget result of EUR 26.7 million:

- a surplus of EUR 0.03 million for SESAR 1 Programme
- a deficit of EUR 26.8 million for the SESAR 2020 Programme

Nevertheless, with the cumulated Budget Outturns from previous years of EUR 77.2 million (of which EUR 30.9 million for SESAR 1 Programme and EUR 46.3 million for SESAR 2020 Programme), the new budget surplus amounts to EUR 50.5 million (of which EUR 30.9 million for SESAR 1 Programme and EUR 19.6 million for SESAR 2020 Programme). The accumulated Budget results for the SESAR 1 Programme will be used to reimburse the surplus Cash Contributions of the Members and the remaining unused amount will be paid back to the European Union (the repayment of SESAR 1 Budget surplus to all SESAR 1 Members will be made in 2020 based on an Administrative Board decision).

COVID-19 crisis impact:

The SJU together with DG RTD has established measures to provide flexibility to its Members.

A set of budgetary measures will be taken in order to:

- (1) increase financial support to Members and beneficiaries, by increasing the pre-financing rates;
- (2) reduce the Members' contributions to running costs; and
- (3) reduce expenses of the running costs of the SJU.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2019	2018
Revenue		124 778	97 887
of which:			
Contribution from the European Union	1	114 136	88 185
Contribution from Eurocontrol	2	1 848	5 189
Contribution from other members	3	2 730	2 546
Other revenue	4	6 064	1 967
Expenditure		(151 505)	(78 626)
of which:			
Staff expenditure	1	(5 325)	(5 220)
Administrative expenditure	2	(2 449)	(4 220)
Operational expenditure	3	(143 731)	(69 186)
Exchange rate differences		0	0
Budget result		(26 727)	19 262

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2019	2018
ECONOMIC RESULT OF THE YEAR	(213 738)	(243 879)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	52 397	150 750
<i>In-kind contributions validated in the year</i>	54 064	114 064
<i>Adjustments for accrual cut-off (net)</i>	(6 644)	39 109
<i>Unpaid invoices at year end but booked in expenses</i>	4 144	(3 575)
<i>Depreciation of intangible and tangible assets</i>	72	59
<i>Recovery orders issued in the year and not yet cashed</i>	761	1 093
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	134 614	112 391
<i>Members' cash contributions collected in the year</i>	118 714	95 920
<i>Asset acquisitions (less unpaid amounts)</i>	(17)	(16)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	15 923	10 438
<i>Entitlements established in previous year and cashed in the year</i>	(92)	
<i>Entitlements established on balance sheet accounts and cashed in the year</i>	(151)	(84)
<i>Payments made from non-budget lines</i>	237	6 133
BUDGET RESULT OF THE YEAR	(26 727)	19 262

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue – Title 1

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		10=5-8
1101	Horizon 2020 contribution to administrative expenditure	3 409	3 409	3 252	-	3 252	3 252	-	3 252	95 %	-
Total Chapter 11		3 409	3 409	3 252	-	3 252	3 252	-	3 252	95 %	-
1201	Horizon 2020 contribution to operational expenditure	108 324	108 324	110 481	-	110 481	110 481	-	110 481	102 %	-
Total Chapter 12		108 324	108 324	110 481	-	110 481	110 481	-	110 481	102 %	-
1300	Horizon 2020 programme	-	-	250	-	250	250	-	250	-	-
Total Chapter 13		-	-	250	-	250	250	-	250	-	-
1400	COM/EP Contribution to very large scale demos (assigned revenue)	-	-	153	-	153	153	-	153	-	-
Total Chapter 14		-	-	153	-	153	153	-	153	-	-
Total Title 1		111 734	111 734	114 136	-	114 136	114 136	-	114 136	102 %	-

4.2. Implementation of budget revenue – Title 2

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	
2101 Contributions Eurocontrol in cash SESAR2020	3 868	3 868	1 848	-	1 848	1 848	-	1 848	48 %	-
Total Chapter 21	3 868	3 868	1 848	-	1 848	1 848	-	1 848	48 %	-
Total Title 2	3 868	3 868	1 848	-	1 848	1 848	-	1 848	48 %	-

4.3. Implementation of budget revenue – Title 3

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	
3100 Contributions other members in cash	-	-	2 638	92	2 730	2 638	92	2 730	-	-
3101 Contributions other members in cash SESAR2020	3 087	3 087	-	-	-	-	-	-	0 %	-
Total Chapter 31	3 087	3 087	2 638	92	2 730	2 638	92	2 730	88 %	-
Total Title 3	3 087	3 087	2 638	92	2 730	2 638	92	2 730	88 %	-

4.4. Implementation of budget revenue – Title 4

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		10=5-8
4301 Programme revenues from non members SESAR2020	7 000	7 000	-	-	-	-	-	-	-	0 %	-
Total Chapter 43	7 000	7 000	-	-	-	-	-	-	-	0 %	-
4400 Exceptional revenues	-	-	5 389	675	6 064	5 389	675	6 064	-	-	-
Total Chapter 44	-	-	5 389	675	6 064	5 389	675	6 064	-	-	-
Total Title 4	7 000	7 000	5 389	675	6 064	5 389	675	6 064	87 %	-	-
GRAND TOTAL	125 688	125 688	124 012	766	124 778	124 012	766	124 778	99 %	-	-

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item	Initial adopted budget	Budget appropriations			Final budget adopted	Additional appropriations			Total approp. available
		Amending budgets	Transfers	Carry-overs		Assigned revenue	Total		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
1110 Temporary agents	4 597	-	-	4 597	-	8	8	4 605	
Total Chapter 11	4 597	-	-	4 597	-	8	8	4 605	
1210 Contract agents	316	-	-	316	-	-	-	316	
1220 Interim staff	416	-	-	416	-	-	-	416	
Total Chapter 12	732	-	-	732	-	-	-	732	
1410 Seconded national experts (END)	188	-	-	188	-	-	-	188	
Total Chapter 14	188	-	-	188	-	-	-	188	
1510 Mission costs	335	-	-	335	-	1	1	336	
Total Chapter 15	335	-	-	335	-	1	1	336	
1610 Internal and external training and seminars	50	-	-	50	-	2	2	52	
1620 Social and recreational activities	35	-	-	35	-	-	-	35	
1630 Recruitment expenditure	15	-	-	15	-	-	-	15	
1640 HR support fees	92	-	-	92	-	-	-	92	
Total Chapter 16	192	-	-	192	-	2	2	194	
Total Title 1	6 044	-	-	6 044	-	11	11	6 055	

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

Item	Initial adopted budget	Budget appropriations			Additional appropriations			Total approp. available
		Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2110 Office and parking rental	408	-	-	408	-	-	-	408
2120 Office and parking charges	122	-	-	122	-	26	26	148
2130 Real estate tax	55	-	-	55	-	-	-	55
2140 Regional tax	36	-	-	36	-	21	21	56
2160 Cleaning and reception	193	-	-	193	-	-	-	193
2170 Security maintenance contract	35	-	-	35	-	-	-	35
2180 Works and repairs	70	-	-	70	-	-	-	70
Total Chapter 21	919	-	-	919	-	46	46	965
2210 Furniture	10	-	-	10	-	-	-	10
Total Chapter 22	10	-	-	10	-	-	-	10
2310 Realisation and PR activities and material	398	-	(2)	396	-	-	-	396
Total Chapter 23	398	-	(2)	396	-	-	-	396
2510 Costs related to governance bodies	10	-	-	10	-	0	0	10
Total Chapter 25	10	-	-	10	-	0	0	10
2610 Administrative supplies and postage	25	-	-	25	-	8	8	33
2620 Photocopier/printer consumables	1	-	-	1	-	-	-	1
2630 Subscription to publications, newspapers, memberships	20	-	-	20	-	-	-	20
2640 Insurances	15	-	-	15	-	-	-	15
2650 Office hospitality	30	-	-	30	-	3	3	33
2660 Packaging and transport	10	-	-	10	-	-	-	10
2670 Bank charges	5	-	-	5	-	-	-	5
2680 Contingencies 2	463	-	-	463	-	-	-	463
Total Chapter 26	570	-	-	570	-	11	11	580
2710 IT system maintenance and unified communication	1 041	-	-	1 041	-	-	-	1 041
2720 Software	41	-	-	41	-	-	-	41
2730 Hardware	64	-	67	131	-	-	-	131

EUR '000

Item	Budget appropriations			Additional appropriations			Total appropri- available	
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue		Total
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2740 Website	122	-	-	122	-	-	-	122
2750 ICT coordination	230	-	-	230	-	-	-	230
2751 ICT advice, benchmarking and consulting services	65	-	(65)	-	-	-	-	-
Total Chapter 27	1 563	-	2	1 565	-	-	-	1 565
2810 Translation of official documents	44	-	-	44	-	-	-	44
2820 Legal support	20	-	-	20	-	-	-	20
2830 Audit fiscal and accounting support	80	-	-	80	-	-	-	80
Total Chapter 28	144	-	-	144	-	-	-	144
Total Title 2	3 613	-	-	3 613	-	57	57	3 670

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
3100 SESAR1 Closure Non-members operating expenditure	-	-	-	-	-	28	28	28
Total Chapter 31	-	-	-	-	-	28	28	28
3300 SESAR1 Closure Other members operating expenditure	-	-	-	-	-	1 168	1 168	1 168
Total Chapter 33	-	-	-	-	-	1 168	1 168	1 168
3400 Providing strategic steering to the SESAR programme	5 951	-	-	5 951	1 791	-	1 791	7 742
Total Chapter 34	5 951	-	-	5 951	1 791	-	1 791	7 742
3500 Deliver exploratory research	40 628	-	-	40 628	-	130	130	40 758
Total Chapter 35	40 628	-	-	40 628	-	130	130	40 758
3600 Deliver industrial research and validation	36 764	18 703	-	55 467	6 462	5 090	11 552	67 019
Total Chapter 36	36 764	18 703	-	55 467	6 462	5 090	11 552	67 019
3700 Deliver very large-scale demonstration activities	5 554	-	-	5 554	22 733	4 000	26 733	32 287
Total Chapter 37	5 554	-	-	5 554	22 733	4 000	26 733	32 287
3800 Deliver SESAR outreach	2 315	-	-	2 315	-	-	-	2 315
Total Chapter 38	2 315	-	-	2 315	-	-	-	2 315
Total Title 3	91 212	18 703	-	109 915	30 986	10 416	41 401	151 317
GRAND TOTAL	100 870	18 703	-	119 573	30 986	10 483	41 469	161 042

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
1110 Temporary agents	4 597	-	-	4 597	-	8	8	4 605
Total Chapter 11	4 597	-	-	4 597	-	8	8	4 605
1210 Contract agents	316	-	-	316	-	-	-	316
1220 Interim staff	416	-	-	416	112	-	112	529
Total Chapter 12	732	-	-	732	112	-	112	844
1410 Seconded national experts (END)	188	-	-	188	-	-	-	188
Total Chapter 14	188	-	-	188	-	-	-	188
1510 Mission costs	335	-	-	335	99	1	100	435
Total Chapter 15	335	-	-	335	99	1	100	435
1610 Internal and external training and seminars	50	-	-	50	22	2	24	74
1620 Social and recreational activities	35	-	-	35	10	-	10	45
1630 Recruitment expenditure	15	-	-	15	13	-	13	28
1640 HR support fees	92	-	-	92	73	-	73	165
Total Chapter 16	192	-	-	192	118	2	120	312
Total Title 1	6 044	-	-	6 044	329	11	340	6 384

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
2110 Office and parking rental	408	-	-	408	-	-	-	408
2120 Office and parking charges	122	-	-	122	12	26	37	160
2130 Real estate tax	55	-	-	55	3	-	3	58
2140 Regional tax	36	-	-	36	40	21	61	96
2160 Cleaning and reception	193	-	-	193	47	-	47	240
2170 Security maintenance contract	35	-	-	35	55	-	55	90
2180 Works and repairs	70	-	-	70	84	-	84	154
Total Chapter 21	919	-	-	919	241	46	287	1 205
2210 Furniture	10	-	-	10	62	-	62	72
Total Chapter 22	10	-	-	10	62	-	62	72
2310 Realisation and PR activities and material	398	-	(2)	396	167	-	167	563
Total Chapter 23	398	-	(2)	396	167	-	167	563
2510 Costs related to governance bodies	10	-	-	10	15	0	15	25
Total Chapter 25	10	-	-	10	15	0	15	25
2610 Administrative supplies and postage	25	-	-	25	31	8	39	64
2620 Photocopier/printer consumables	1	-	-	1	2	-	2	3
2630 Subscription to publications, newspapers, memberships	20	-	-	20	8	-	8	28
2640 Insurances	15	-	-	15	5	-	5	20
2650 Office hospitality	30	-	-	30	21	3	24	54
2660 Packaging and transport	10	-	-	10	18	-	18	28
2670 Bank charges	5	-	-	5	5	-	5	10
2680 Contingencies 2	463	-	-	463	-	-	-	463
Total Chapter 26	570	-	-	570	90	11	101	671
2710 IT system maintenance and unified communication	1 041	-	-	1 041	28	-	28	1 069
2720 Software	41	-	-	41	17	-	17	58

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
2730 Hardware	64	-	67	131	7	-	7	138
2740 Website	122	-	-	122	-	-	-	122
2750 ICT coordination	230	-	-	230	13	-	13	242
2751 ICT advice, benchmarking and consulting services	65	-	(65)	-	-	-	-	-
Total Chapter 27	1 563	-	2	1 565	64	-	64	1 629
2810 Translation of official documents	44	-	-	44	38	-	38	82
2811 Quality management	-	-	-	-	120	-	120	120
2820 Legal support	20	-	-	20	-	-	-	20
2830 Audit fiscal and accounting support	80	-	-	80	22	-	22	102
Total Chapter 28	144	-	-	144	181	-	181	324
Total Title 2	3 613	-	-	3 613	820	57	877	4 490

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3100 SESAR1 Closure Non-members operating expenditure	-	-	-	-	-	553	553	553
Total Chapter 31	-	-	-	-	-	553	553	553
3300 SESAR1 Closure Other members operating expenditure	-	-	-	-	-	1 198	1 198	1 198
Total Chapter 33	-	-	-	-	-	1 198	1 198	1 198
3400 Providing strategic steering to the SESAR programme	6 204	-	(3 605)	2 599	1 078	-	1 078	3 677
Total Chapter 34	6 204	-	(3 605)	2 599	1 078	-	1 078	3 677
3500 Deliver exploratory research	5 035	-	12 700	17 735	1 681	123	1 804	19 539
Total Chapter 35	5 035	-	12 700	17 735	1 681	123	1 804	19 539
3600 Deliver industrial research and validation	68 785	11 771	2 405	82 961	37 134	6 332	43 466	126 427
Total Chapter 36	68 785	11 771	2 405	82 961	37 134	6 332	43 466	126 427
3700 Deliver very large-scale demonstration activities	22 421	-	(11 500)	10 921	4 276	4 000	8 276	19 197
Total Chapter 37	22 421	-	(11 500)	10 921	4 276	4 000	8 276	19 197
3800 Deliver SESAR outreach	1 815	-	-	1 815	-	-	-	1 815
Total Chapter 38	1 815	-	-	1 815	-	-	-	1 815
Total Title 3	104 260	11 771	-	116 031	44 169	12 206	56 375	172 406
GRAND TOTAL	113 917	11 771	-	125 688	45 318	12 274	57 591	183 280

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

Item	Total appropriations available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	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
1110 Temporary agents	4 605	4 281	-	-	4 281	93 %	-	-	-	317	-	8	324
Total Chapter 11	4 605	4 281	-	-	4 281	93 %	-	-	-	317	-	8	324
1210 Contract agents	316	226	-	-	226	72 %	-	-	-	90	-	-	90
1220 Interim staff	416	416	-	-	416	100 %	-	-	-	-	-	-	-
Total Chapter 12	732	642	-	-	642	88 %	-	-	-	90	-	-	90
1410 Seconded national experts (END)	188	147	-	-	147	78 %	-	-	-	41	-	-	41
Total Chapter 14	188	147	-	-	147	78 %	-	-	-	41	-	-	41
1510 Mission costs	336	335	-	-	335	100 %	-	-	-	-	-	1	1
Total Chapter 15	336	335	-	-	335	100 %	-	-	-	-	-	1	1
1610 Internal and external training and seminars	52	50	-	-	50	95 %	-	-	-	-	-	2	2
1620 Social and recreational activities	35	24	-	-	24	68 %	-	-	-	11	-	-	11
1630 Recruitment expenditure	15	15	-	-	15	100 %	-	-	-	-	-	-	-
1640 HR support fees	92	92	-	-	92	100 %	-	-	-	-	-	-	-
Total Chapter 16	194	181	-	-	181	93 %	-	-	-	11	-	2	14
Total Title 1	6 055	5 586	-	-	5 586	92 %	-	-	-	459	-	11	469

5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made						Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	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	
2110 Office and parking rental	408	408	-	-	408	100 %	-	-	-	-	-	-	-	
2120 Office and parking charges	148	122	-	26	148	100 %	-	-	-	-	-	-	-	
2130 Real estate tax	55	55	-	-	55	100 %	-	-	-	-	-	-	-	
2140 Regional tax	56	36	-	21	56	100 %	-	-	-	-	-	-	-	
2160 Cleaning and reception	193	193	-	-	193	100 %	-	-	-	-	-	-	-	
2170 Security maintenance contract	35	35	-	-	35	100 %	-	-	-	-	-	-	-	
2180 Works and repairs	70	70	-	-	70	100 %	-	-	-	-	-	-	-	
Total Chapter 21	965	919	-	46	965	100 %	-	-	-	-	-	-	-	
2210 Furniture	10	10	-	-	10	100 %	-	-	-	-	-	-	-	
Total Chapter 22	10	10	-	-	10	100 %	-	-	-	-	-	-	-	
2310 Realisation and PR activities and material	396	396	-	-	396	100 %	-	-	-	-	-	-	-	
Total Chapter 23	396	396	-	-	396	100 %	-	-	-	-	-	-	-	
2510 Costs related to governance bodies	10	10	-	-	10	98 %	-	-	-	-	-	0	0	
Total Chapter 25	10	10	-	-	10	98 %	-	-	-	-	-	0	0	
2610 Administrative supplies and postage	33	25	-	-	25	76 %	-	-	-	-	-	8	8	
2620 Photocopier/printer consumables	1	1	-	-	1	100 %	-	-	-	-	-	-	-	
2630 Subscription to publications, newspapers, memberships	20	20	-	-	20	100 %	-	-	-	-	-	-	-	
2640 Insurances	15	15	-	-	15	100 %	-	-	-	-	-	-	-	
2650 Office hospitality	33	15	-	-	15	46 %	-	-	-	15	-	3	18	
2660 Packaging and transport	10	10	-	-	10	100 %	-	-	-	-	-	-	-	
2670 Bank charges	5	5	-	-	5	100 %	-	-	-	-	-	-	-	
2680 Contingencies 2	463	-	-	-	-	0 %	-	-	-	463	-	-	463	
Total Chapter 26	580	91	-	-	91	16 %	-	-	-	478	-	11	489	

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	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
2710 IT system maintenance and unified communication	1 041	1 022	-	-	1 022	98 %	-	-	-	20	-	-	20
2720 Software	41	41	-	-	41	100 %	-	-	-	-	-	-	-
2730 Hardware	131	131	-	-	131	100 %	-	-	-	-	-	-	-
2740 Website	122	122	-	-	122	100 %	-	-	-	-	-	-	-
2750 ICT coordination	230	230	-	-	230	100 %	-	-	-	-	-	-	-
Total Chapter 27	1 565	1 545	-	-	1 545	99 %	-	-	-	20	-	-	20
2810 Translation of official documents	44	44	-	-	44	100 %	-	-	-	-	-	-	-
2820 Legal support	20	20	-	-	20	100 %	-	-	-	0	-	-	0
2830 Audit fiscal and accounting support	80	80	-	-	80	100 %	-	-	-	-	-	-	-
Total Chapter 28	144	144	-	-	144	100 %	-	-	-	0	-	-	0
Total Title 2	3 670	3 115	-	46	3 161	86 %	-	-	-	498	-	11	509

5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	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
3100 SESAR1 Closure Non-members operating expenditure	28	-	-	28	28	100 %	-	-	-	-	-	-	-
Total Chapter 31	28	-	-	28	28	100 %	-	-	-	-	-	-	-
3300 SESAR1 Closure Other members operating expenditure	1 168	-	-	4	4	0 %	-	-	-	-	-	1 164	1 164
Total Chapter 33	1 168	-	-	4	4	0 %	-	-	-	-	-	1 164	1 164
3400 Providing strategic steering to the SESAR programme	7 742	5 951	1 791	-	7 742	100 %	-	-	-	-	-	-	-
Total Chapter 34	7 742	5 951	1 791	-	7 742	100 %	-	-	-	-	-	-	-
3500 Deliver exploratory research	40 758	38 694	-	130	38 824	95 %	-	-	-	1 934	-	-	1 934
Total Chapter 35	40 758	38 694	-	130	38 824	95 %	-	-	-	1 934	-	-	1 934
3600 Deliver industrial research and validation	67 019	55 467	6 462	5 090	67 019	100 %	-	-	-	-	-	-	-
Total Chapter 36	67 019	55 467	6 462	5 090	67 019	100 %	-	-	-	-	-	-	-
3700 Deliver very large-scale demonstration activities	32 287	247	22 733	-	22 980	71 %	-	-	-	5 306	-	4 000	9 306
Total Chapter 37	32 287	247	22 733	-	22 980	71 %	-	-	-	5 306	-	4 000	9 306
3800 Deliver SESAR outreach	2 315	2 315	-	-	2 315	100 %	-	-	-	-	-	-	-
Total Chapter 38	2 315	2 315	-	-	2 315	100 %	-	-	-	-	-	-	-
Total Title 3	151 317	102 675	30 986	5 252	138 913	92 %	-	-	-	7 240	-	5 164	12 404
GRAND TOTAL	161 042	111 376	30 986	5 298	147 660	92 %	-	-	-	8 197	-	5 185	13 382

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations - Title 1

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	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
1110 Temporary agents	4 605	4 281	-	-	4 281	93 %	-	-	-	-	317	-	8	324
Total Chapter 11	4 605	4 281	-	-	4 281	93 %	-	-	-	-	317	-	8	324
1210 Contract agents	316	226	-	-	226	72 %	-	-	-	-	90	-	-	90
1220 Interim staff	529	215	67	-	282	53 %	-	-	-	-	201	46	-	247
Total Chapter 12	844	441	67	-	508	60 %	-	-	-	-	291	46	-	336
1410 Seconded national experts (END)	188	147	-	-	147	78 %	-	-	-	-	41	-	-	41
Total Chapter 14	188	147	-	-	147	78 %	-	-	-	-	41	-	-	41
1510 Mission costs	435	225	31	-	256	59 %	-	-	-	-	110	68	1	179
Total Chapter 15	435	225	31	-	256	59 %	-	-	-	-	110	68	1	179
1610 Internal and external training and seminars	74	30	1	-	31	42 %	-	-	-	-	20	21	2	43
1620 Social and recreational activities	45	8	10	-	18	40 %	-	-	-	-	27	0	-	27
1630 Recruitment expenditure	28	1	1	-	1	5 %	-	-	-	-	14	12	-	26
1640 HR support fees	165	73	10	-	83	50 %	-	-	-	-	19	63	-	82
Total Chapter 16	312	112	22	-	134	43 %	-	-	-	-	80	96	2	178
Total Title 1	6 384	5 206	119	-	5 325	83 %	-	-	-	-	839	210	11	1 059

5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	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	
2110 Office and parking rental	408	402	-	-	402	99 %	-	-	-	-	6	-	-	6	
2120 Office and parking charges	160	80	12	26	117	73 %	-	-	-	-	43	-	-	43	
2130 Real estate tax	58	-	-	-	-	0 %	-	-	-	-	55	3	-	58	
2140 Regional tax	96	36	32	15	83	86 %	-	-	-	-	-	8	5	13	
2160 Cleaning and reception	240	147	12	-	159	66 %	-	-	-	-	46	35	-	81	
2170 Security maintenance contract	90	24	8	-	33	36 %	-	-	-	-	11	46	-	57	
2180 Works and repairs	154	6	1	-	7	4 %	-	-	-	-	64	84	-	148	
Total Chapter 21	1 205	694	65	41	800	66 %	-	-	-	-	225	176	5	406	
2210 Furniture	72	0	-	-	0	0 %	-	-	-	-	10	62	-	72	
Total Chapter 22	72	0	-	-	0	0 %	-	-	-	-	10	62	-	72	
2310 Realisation and PR activities and material	563	54	157	-	210	37 %	-	-	-	-	342	11	-	353	
Total Chapter 23	563	54	157	-	210	37 %	-	-	-	-	342	11	-	353	
2510 Costs related to governance bodies	25	6	1	-	7	26 %	-	-	-	-	4	14	0	18	
Total Chapter 25	25	6	1	-	7	26 %	-	-	-	-	4	14	0	18	
2610 Administrative supplies and postage	64	9	9	-	18	28 %	-	-	-	-	16	21	8	46	
2620 Photocopier/printer consumables	3	0	0	-	1	19 %	-	-	-	-	1	2	-	3	
2630 Subscription to publications, newspapers, memberships	28	10	-	-	10	37 %	-	-	-	-	10	8	-	18	
2640 Insurances	20	8	0	-	8	40 %	-	-	-	-	7	5	-	12	
2650 Office hospitality	54	6	14	-	20	38 %	-	-	-	-	24	7	3	34	
2660 Packaging and transport	28	0	2	-	2	7 %	-	-	-	-	10	17	-	26	
2670 Bank charges	10	5	5	-	10	96 %	-	-	-	-	0	-	-	0	

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assig. 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
2680 Contingencies 2	463	-	-	-	-	0 %	-	-	-	-	463	-	-	463
Total Chapter 26	671	38	31	-	69	10 %	-	-	-	-	532	59	11	602
2710 IT system maintenance and unified communication	1 069	869	19	-	888	83 %	-	-	-	-	172	9	-	181
2720 Software	58	25	4	-	30	51 %	-	-	-	-	16	13	-	28
2730 Hardware	138	10	-	-	10	7 %	-	-	-	-	121	7	-	128
2740 Website	122	92	-	-	92	75 %	-	-	-	-	31	-	-	31
2750 ICT coordination	242	178	13	-	191	79 %	-	-	-	-	51	-	-	51
Total Chapter 27	1 629	1 175	36	-	1 211	74 %	-	-	-	-	390	28	-	418
2810 Translation of official documents	82	3	-	-	3	4 %	-	-	-	-	41	38	-	79
2811 Quality management	120	-	69	-	69	58 %	-	-	-	-	-	51	-	51
2820 Legal support	20	-	-	-	-	0 %	-	-	-	-	20	-	-	20
2830 Audit fiscal and accounting support	102	58	22	-	80	79 %	-	-	-	-	22	-	-	22
Total Chapter 28	324	61	91	-	152	47 %	-	-	-	-	83	89	-	172
Total Title 2	4 490	2 027	381	41	2 449	55 %	-	-	-	-	1 586	439	16	2 041

5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020					Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenu e	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry- overs	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	
3100 SESAR1 Closure Non-members operating expenditure	553	-	-	438	438	79 %	-	-	-	-	-	-	115	115	
Total Chapter 31	553	-	-	438	438	79 %	-	-	-	-	-	-	115	115	
3300 SESAR1 Closure Other members operating expenditure	1 198	-	-	448	448	37 %	-	-	-	-	-	-	750	750	
Total Chapter 33	1 198	-	-	448	448	37 %	-	-	-	-	-	-	750	750	
3400 Providing strategic steering to the SESAR programme	3 677	2 599	257	-	2 856	78 %	-	-	-	-	-	821	-	821	
Total Chapter 34	3 677	2 599	257	-	2 856	78 %	-	-	-	-	-	821	-	821	
3500 Deliver exploratory research	19 539	9 898	846	123	10 867	56 %	-	-	-	-	7 837	836	-	8 672	
Total Chapter 35	19 539	9 898	846	123	10 867	56 %	-	-	-	-	7 837	836	-	8 672	
3600 Deliver industrial research and validation	126 427	82 961	22 893	6 332	112 187	89 %	-	-	-	-	-	14 240	-	14 240	
Total Chapter 36	126 427	82 961	22 893	6 332	112 187	89 %	-	-	-	-	-	14 240	-	14 240	
3700 Deliver very large- scale demonstration activities	19 197	10 921	4 276	-	15 197	79 %	-	-	-	-	-	-	4 000	4 000	
Total Chapter 37	19 197	10 921	4 276	-	15 197	79 %	-	-	-	-	-	-	4 000	4 000	
3800 Deliver SESAR outreach	1 815	1 739	-	-	1 739	96 %	-	-	-	-	76	-	-	76	
Total Chapter 38	1 815	1 739	-	-	1 739	96 %	-	-	-	-	76	-	-	76	
Total Title 3	172 406	108 118	28 272	7 341	143 731	83 %	-	-	-	-	7 913	15 897	4 865	28 675	
GRAND TOTAL	183 280	115 351	28 772	7 382	151 505	83 %	-	-	-	-	10 337	16 545	4 892	31 775	

6. OUTSTANDING COMMITMENTS

6.1. Outstanding commitments – Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	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
1110 Temporary agents	-	-	-	-	4 281	4 281	-	-	-
Total chapter 11	-	-	-	-	4 281	4 281	-	-	-
1210 Contract agents	-	-	-	-	226	226	-	-	-
1220 Interim staff	112	(46)	67	-	416	215	-	201	201
Total chapter 12	112	(46)	67	-	642	441	-	201	201
1410 Seconded national experts (END)	-	-	-	-	147	147	-	-	-
Total chapter 14	-	-	-	-	147	147	-	-	-
1510 Mission costs	99	(68)	31	-	335	225	-	110	110
Total chapter 15	99	(68)	31	-	335	225	-	110	110
1610 Internal and external training and seminars	22	(21)	1	(0)	50	30	-	20	20
1620 Social and recreational activities	10	(0)	10	-	24	8	-	16	16
1630 Recruitment expenditure	13	(12)	1	(0)	15	1	-	14	14
1640 HR support fees	73	(63)	10	(0)	92	73	-	19	19
Total chapter 16	118	(96)	22	(0)	181	112	-	69	69
Total Title 1	329	(210)	119	(0)	5 586	5 206	-	380	380

6.2. Outstanding commitments – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end	
	Commitm. carried 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
2110	Office and parking rental	–	–	–	–	408	402	–	6	6
2120	Office and parking charges	12	–	12	–	148	105	–	43	43
2130	Real estate tax	3	(3)	–	–	55	–	–	55	55
2140	Regional tax	40	(8)	32	–	56	51	–	5	5
2160	Cleaning and reception	47	(35)	12	–	193	147	–	46	46
2170	Security maintenance contract	55	(46)	8	–	35	24	–	11	11
2180	Works and repairs	84	(84)	1	(0)	70	6	–	64	64
	Total chapter 21	241	(176)	65	(0)	965	735	–	230	230
2210	Furniture	62	(62)	–	–	10	0	–	10	10
	Total chapter 22	62	(62)	–	–	10	0	–	10	10
2310	Realisation and PR activities and material	167	(11)	157	–	396	54	–	342	342
	Total chapter 23	167	(11)	157	–	396	54	–	342	342
2510	Costs related to governance bodies	15	(14)	1	–	10	6	–	4	4
	Total chapter 25	15	(14)	1	–	10	6	–	4	4
2610	Administrative supplies and postage	31	(21)	9	–	25	9	–	16	16
2620	Photocopier/printer consumables	2	(2)	0	–	1	0	–	1	1
2630	Subscription to publications, newspapers, memberships	8	(8)	–	–	20	10	–	10	10
2640	Insurances	5	(5)	0	–	15	8	–	7	7
2650	Office hospitality	21	(7)	14	–	15	6	–	9	9
2660	Packaging and transport	18	(17)	2	(0)	10	0	–	10	10
2670	Bank charges	5	–	5	–	5	5	–	0	0

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	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	
Total chapter 26	90	(59)	31	(0)	91	38	–	53	53
2710 IT system maintenance and unified communication	28	(9)	19	–	1 022	869	–	153	153
2720 Software	17	(13)	4	–	41	25	–	16	16
2730 Hardware	7	(7)	–	–	131	10	–	121	121
2740 Website	–	–	–	–	122	92	–	31	31
2750 ICT coordination	13	–	13	–	230	178	–	51	51
Total chapter 27	64	(28)	36	–	1 545	1 175	–	371	371
2810 Translation of official documents	38	(38)	–	–	44	3	–	41	41
2811 Quality management	120	(51)	69	–	–	–	–	–	–
2820 Legal support	–	–	–	–	20	–	–	20	20
2830 Audit fiscal and accounting support	22	–	22	–	80	58	–	22	22
Total chapter 28	181	(89)	91	–	144	61	–	83	83
Total Title 2	820	(439)	381	(0)	3 161	2 068	–	1 093	1 093

6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried 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
3100 SESAR1 Closure Non-members operating expenditure	1 162	(752)	409	-	28	28	-	-	-
Total chapter 31	1 162	(752)	409	-	28	28	-	-	-
3300 SESAR1 Closure Other members operating expenditure	60 238	(59 790)	448	(0)	4	-	-	4	4
Total chapter 33	60 238	(59 790)	448	(0)	4	-	-	4	4
3400 Providing strategic steering to the SESAR programme	850	(50)	195	605	7 742	2 661	-	5 081	5 686
Total chapter 34	850	(50)	195	605	7 742	2 661	-	5 081	5 686
3500 Deliver exploratory research	27 834	(241)	10 847	16 746	38 824	20	-	38 804	55 550
Total chapter 35	27 834	(241)	10 847	16 746	38 824	20	-	38 804	55 550
3600 Deliver industrial research and validation	105 544	(123)	74 781	30 639	67 019	37 405	-	29 613	60 252
Total chapter 36	105 544	(123)	74 781	30 639	67 019	37 405	-	29 613	60 252
3700 Deliver very large-scale demonstration activities	17 815	(2 038)	2 683	13 094	22 980	12 514	-	10 467	23 560
Total chapter 37	17 815	(2 038)	2 683	13 094	22 980	12 514	-	10 467	23 560
3800 Deliver SESAR outreach	2 531	(1 004)	1 361	166	2 315	378	-	1 937	2 103
Total chapter 38	2 531	(1 004)	1 361	166	2 315	378	-	1 937	2 103
Total Title 3	215 973	(63 999)	90 724	61 249	138 913	53 007	-	85 906	147 156
GRAND TOTAL	217 122	(64 648)	91 225	61 249	147 660	60 280	-	87 380	148 629

7. GLOSSARY

ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

Accounting Officer

The role, powers and responsibilities of the accounting officer are set out in the Financial Regulation:

- proper implementation of payments,
- collection of revenue,
- recovery of amounts and offsetting,
- keeping, preparing and presenting the accounts,
- laying down the accounting rules and methods and the chart of accounts,
- laying down and validating the accounting systems and validating systems laid down by the authorising officer to supply or justify accounting information (local systems),
- treasury management,
- designation of the Imprest Administrators,
- opening and closing bank accounts in the name of the Institution.

Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

Adjustment

Amending budget or transfer of funds from one budget item to another.

Adopted budget

Draft budget becomes the adopted budget as soon as approved by the Budgetary Authority.

Cf. Budget

Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

Amending budget

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

Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) 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. Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure.

Main sources of external assigned revenue are *financial contributions from third countries to programmes financed by the Union*.

Main sources of internal assigned revenue are revenue from third parties in respect of goods, services or work supplied at their request, revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.

The complete list of items constituting assigned revenue is given in the Financial Regulation Art. 21.

Authorising Officer by Delegation (AOD)

The AOD is responsible in each entity for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

The AOD is responsible for taking all financial decision concerning actions under his/her responsibility. Particularly, he/she must take decisions to implement the budget based on his/her risk analysis.

Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

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 as provided in the Financial Regulation for agencies.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget 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 authority

Institutions with decisional powers on budgetary matters: for the EU institutions, the European Parliament and the Council of Ministers.

For the agencies and joint undertakings, their board is the budgetary authority.

Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

Cancellation of appropriations

Unused appropriations that may no longer be used.

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 cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Financial Regulation Art. 7: *Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.*

De-commitment

Cancellation of a reservation of appropriations.

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. Financial Regulation Art. 7: *Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.*

Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution.

Cf. Assigned revenue

Economic result

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

Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

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 currency at the closure.

Expenditure

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

Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union.

For reference, Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

Funds Source

Type of appropriations

Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body, which pursues an aim of general European interest or has an objective forming part of an EU policy.

Implementation

Cf. Budget implementation

Income

Cf. Revenue

Joint Undertakings (JUs)

A legal EU-body established under the Treaty on the Functioning of the European Union. The term can be used to describe any collaborative structure proposed for the *"efficient execution of Union research, technological development and demonstration programmes"*.

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, which is represented by an appropriation.

Only for joint undertakings, 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 could be re-activated until financial year "N+3".

Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty on the Functioning of the European Union giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain articles from the treaty authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

Legal commitment

A legal commitment establishes a legal obligation towards third parties.

Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Financial Regulation Art. 9). In the EU Budget, non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments.

Operational appropriations

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

Outstanding commitment

Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid or legal commitments having not fully given rise to liquidation by payments. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

Outturn

Cf. Budget result

Payment

A payment is a disbursement to honour legal obligations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Financial Regulation Art. 7).

RAL

Sum of outstanding commitments. Cf. Outstanding commitments

Recovery

The recovery order is the procedure by which the Authorising officer by Delegation (AOD) registers an entitlement by the Commission in order to retrieve the amount, which is due. The entitlement is the right that the Commission has to claim the sum, which is due by a debtor, usually a beneficiary.

Result

Cf. Budget result

Revenue

Term used to describe income from all sources financing the budget.

Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

Surplus

Positive difference between revenue and expenditure (Cf. Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

Transfer

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. However, they are expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The Financial Regulation identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.