



Annual accounts of the
SESAR 3 Joint Undertaking

Financial year 2021

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of SESAR 3 Joint Undertaking in accordance with Article 52 of the Model Financial Regulation ('MFR')¹ and I hereby certify that the annual accounts of the SESAR 3 Joint Undertaking for the year 2021 have been prepared in accordance with Chapter 8 of the MFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the SESAR 3 Joint Undertaking's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the SESAR 3 Joint Undertaking.

Rosa ALDEA BUSQUETS

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

¹ COMMISSION DELEGATED REGULATION (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

BACKGROUND INFORMATION NOTE

1. General background on the entity

Establishment

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

SESAR Joint Undertaking was established under Council Regulation (EC) No 219/2007 of 27 February 2007 (as modified by Council Regulation (EC) No 1361 / 2008 of 16 December 2008 (SESAR 3 JU Regulation), amended by Council Regulation (EU) No. 721/2014 of 16 June 2014).

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

The joint undertakings under Horizon Europe have been established, with effect from 30 November 2021, by Council Regulation (EU) 2021/2085 of 19 November 2021 (the 'Single Basic Act', or 'SBA'). Under Article 174 (9) SBA SESAR 3 JU is the legal and universal successor in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property of the SESAR Joint Undertaking established by Council Regulation (EC) No 219/2007, which it shall replace and succeed.

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

Mission

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

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

Main operational activities

As the technological pillar of Europe's Single European Sky (SES) initiative, SESAR is the mechanism which coordinates and concentrates all EU research and development (R&D) activities in ATM, pooling together a public and private resources to develop the new generation of ATM. The solutions developed and delivered by SESAR are divided into four key areas of ATM

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

- (4) Enabling aviation infrastructure: activities aimed on integration and rationalisation of aviation infrastructure for providing the required technical capabilities in a resource-efficient manner.

Governance

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

- The EU, represented by the European Commission (“Commission”);
- The European Organisation for the Safety of Air Navigation (“Eurocontrol”);
- States’ representatives group;
- Private Members (founding members);
- The associated members;
- Stakeholders;
- Representatives.

Other bodies of SESAR 3 JU include:

The Programme Committee which support the Executive Director in the SESAR 2020 Programme delivery, covering the Industrial Research and Validation and VLD (Very Large Demonstration) phases of the programme.

The ATM Master Planning Committee which provides advice to the Executive Director on the progress of the execution and the implementation of the European ATM Master Plan. It monitors and identifies potential gaps or opportunities for improving Master Plan priorities and advise the Executive Director of needed measures.

The Scientific Advisory Body which supports the Executive Director in ensuring the scientific excellence of the SESAR 2020 Programme.

Sources of financing

The SESAR 3 Joint Undertaking jointly funded by the European Union, Eurocontrol and Industry Members (“Members”). (European Union EUR 600 million, private members EUR 500 million and Eurocontrol EUR 500 million). The funding comprises financial contributions paid in annual instalments and in kind contributions consisting of the costs incurred by Members in implementing indirect actions that are not reimbursed by the SESAR 3 JU. The resources of the SESAR 3 JU are composed of:

- Members’ financial contributions to the administrative costs;
- Members’ financial contributions to the operational costs;
- Any other revenue generated by the JU;
- Other financial contributions, resources and revenues namely related to the delegation agreements signed with the Commission.

2. Annual accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the Model Financial Regulation (MFR).² As per this regulation, the annual accounts are prepared in accordance with

the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

Accounting Officer

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

Following the decision ADB(D)18-2016 of the SESAR 3 JU's Administrative Board, the Accounting Officer of the Commission shall, as of 1 November 2016, act as the Accounting Officer of SESAR 3 JU.

Composition of the annual accounts

The annual accounts cover the period from 1 January to 31 December and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

Process from provisional accounts to discharge

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

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

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

3. Operational highlights

Achievements of the year

In 2021, SESAR 3 JU continued research and investment efforts through Exploratory Research projects (ER4: 41 projects for a total of EUR 53.8 million), Wave 2 projects (restricted to the SESAR 3 JU Members);, Very Large Demonstration activities – VLD2 open call: 8 projects for a total of EUR 29.2 million, and the ramp up of the Wave 3 projects (restricted to the SESAR 3 JU Members: 5 projects for a total of EUR 30 million), for proposals closely coupled with the EU aviation policy. By continuing these efforts in cooperation with its Members and with other organisations involved in ATM-related research, SESAR 3 JU will progress towards delivering the research necessary to achieve the performance ambitions set out in the European ATM Master Plan.

While delivering on its strategic objectives, the SESAR 3 JU remains committed to strengthening its effective and efficient organisation by continually improving its processes, procedures, performance and risk management, ICT infrastructure, as well as by investing in its talented people.

In the context of the COVID-19 crisis and its financial impact on the SESAR 3 JU Members, the JU has put in place a series of budgetary measures following a discussion supported at the Administrative Board's meeting of 7 May 2020. These measures aim to provide the Members and the aviation sector with immediate cash-flow support through measures that in 2021, in continuation of the measures implemented in 2020, will take the form of:

- An increase in pre-financing rates from 20 % to 40 % for projects under the VLD Open 2 call and from 60 % to 80 % for projects under the Wave 2 (pre-financing of second instalments) and Wave 3 calls; and

- A temporary reduction of 20 % in the cash contributions requested from the Members other than the EU for the SESAR 3 JU's running costs. The overall due amount will be regularised later on, on the basis of the actual accepted in-kind contribution costs of each Member under the SESAR 2020 Programme.

Budget implementation

Revenue

In terms of revenue, an amount of EUR 38 million was received from the European Commission in order to cover the SESAR 3 JU outstanding operational obligations of 2021 and an amount of EUR 3.3 million to cover the running costs.

A total amount of EUR 0.8 million was received from Eurocontrol and EUR 2.1 million from the other Members.

SESAR recovered also exceptional revenues for EUR 1.7 million, which were mainly composed of:

- Reimbursement of the Guarantee Fund following the closure of almost all Wave 1 projects for EUR 1.3 million; and
- Recovery of some previous interim and pre-financing payments for projects closed in 2021 for EUR 0.4 million.

Expenditure

Overall in 2021, budget implementation of commitment and payment appropriations reached 27 % and 90 % respectively (Sesar 2020: 69% and 90% and Title 4: 0% and 0%). Nevertheless, the impact of Title 4 (appropriations not required in current year) has to be taken into account: as the last year to request the remaining EU entitlements was 2020, the SESAR JU received in 2020 EUR 13.4 million of commitment appropriations frontloaded in 2020 for 2021-2024 expenditure to cover the running costs. The frontloaded amount is going to be redistributed annually for EUR 3.3 million. Moreover, EUR 21.3 million of commitment appropriations were inscribed on title IV, available for reactivation in coming years, in order to cover 2022-2024 needs.

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.

In 2021 and in line with the 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 86% and 79% and for payment appropriations 86% and 58%. The unspent 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.

Operational expenditure

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 (implementation rate of payment appropriations of 93%). The 2021 payments executed are distributed as follows:

- EUR 35.5 million final payments for Wave 1 projects, 2nd Pre-Financing and interim payments of Wave 2 projects (all these projects are restricted to our Members);
- EUR 11.6 million for Pre-Financing, interim and balance payments under Exploratory Research calls;
- EUR 5.4 million for interim payments of the First Very Large Demonstration Activities call and of the second Very Large Demonstration Activities call; and
- EUR 3.7 million of other operational activities.

The unused payment appropriations will be re-inscribed in 2022.

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

Budget Outturn

The 2021 budget shows a negative budget result of EUR 17.6 million (of which a deficit of EUR 0.3 million for SESAR 1 Programme and a surplus of EUR 17.3 million for the SESAR 2020 Programme). Nevertheless, with the cumulated Budget Outturns from previous years of EUR 18.1 million (of which EUR 0.3 for SESAR 1 Programme and EUR 17.8 million for SESAR 2020 Programme), the new Budget surplus amounts to EUR 0.6 million. The remaining Budget result for the SESAR 1 Programme at the beginning of 2021 (EUR 0.3 million) has been used to reimburse the surplus Cash Contributions of three Members.

Impact of the activities in the financial statements

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

- **Decrease of revenue from recovery of expenses** of kEUR 4 583: as no activities were implemented in 2021 under the delegation agreement with DG MOVE for U-Space Services, no costs or revenue were recognised in this respect in the 2021 financial statements. This explains both the decrease of the revenue (see note **3.1**) as well as the absence of movement of the pre-financing liability under payables (see note **2.6**).
- **Increase of operational costs** by kEUR 34 976 is mainly due to the increase of the validated operational costs from EU contributions. The increase was driven by projects reaching maturity and leading to more cost claims being received and validated in 2021 (see note **3.2**). Consequently, the pre-financing has decreased by kEUR 41 481 as a result of higher clearing of pre-financing with the validated costs (see note **2.3**);
- **Increase of exchange receivables** by kEUR 35 467 in 2021 is a combined effect of a decrease in central treasury liaison accounts due to higher pre-financing rates and an increase of receivables with the European Commission due to the outstanding recovery order for the first instalment of the 2022 EU contributions to the operating and running costs that was cashed in January 2022 (see note **2.4**);
- Increase of **contributions from Members** recognised under **net assets** of kEUR 183 823 is largely due to the increase of EU contributions and the validated in-kind contributions from members (see note **2.8**).

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	31.12.2021	31.12.2020
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	1	1
<i>Property, plant and equipment</i>	2.2	142	196
<i>Pre-financing</i>	2.3	7 233	69 779
		7 376	69 977
CURRENT ASSETS			
<i>Pre-financing</i>	2.3	84 240	63 176
<i>Exchange receivables and non-exchange recoverables</i>	2.4	54 058	18 591
<i>Cash and cash equivalents</i>	2.5	4	10
		138 303	81 777
TOTAL ASSETS		145 679	151 753
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.6	(97 182)	(100 164)
<i>Accrued charges</i>	2.7	(35 651)	(46 588)
		(132 834)	(146 752)
TOTAL LIABILITIES		(132 834)	(146 752)
NET ASSETS		12 845	5 001
<i>Contribution from Members</i>	2.8	2 686 079	2 502 255
<i>Accumulated deficit</i>		(2 497 254)	(2 360 667)
<i>Economic result of the year</i>		(175 979)	(136 588)
NET ASSETS		12 845	5 001

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2021	EUR '000 2020
REVENUE			
Revenue from non-exchange transactions			
<i>Recovery of operating expenses</i>	3.1	-	4 583
		-	4 583
Revenue from exchange transactions			
<i>Financial revenue</i>		5	3
		5	3
Total revenue		5	4 586
EXPENSES			
<i>Operational costs</i>	3.2	(168 684)	(133 708)
<i>Staff costs</i>	3.3	(4 340)	(4 398)
<i>Finance costs</i>	3.4	(32)	(6)
<i>Other expenses</i>	3.5	(2 929)	(3 062)
Total expenses		(175 985)	(141 174)
ECONOMIC RESULT OF THE YEAR		(175 979)	(136 588)

CASHFLOW STATEMENT²

	EUR '000	
	2021	2020
<i>Economic result of the year</i>	(175 979)	(136 588)
Operating activities		
<i>Depreciation and amortization</i>	64	73
<i>(Increase)/decrease in pre-financing</i>	41 481	(77 049)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(35 467)	27 209
<i>Increase/(decrease) in payables</i>	(2 982)	(81 887)
<i>Increase/(decrease) in accrued charges</i>	(10 936)	18 351
<i>Increase/(decrease) in cash contributions</i>	97 193	78 641
<i>Increase/(decrease) in in-kind contributions</i>	86 630	167 457
<i>Other non-cash movements</i>	-	3 950
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(9)	(153)
NET CASHFLOW	(6)	5
<i>Net increase/(decrease) in cash and cash equivalents</i>	(6)	5
<i>Cash and cash equivalents at the beginning of the year</i>	10	5
<i>Cash and cash equivalents at year-end</i>	4	10

² 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 3 JU has only one bank account of its own covering the bank guarantee issued for the rental of the SESAR 3 JU premises. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading 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 31.12.2019	2 256 158	(2 150 879)	(213 738)	(108 459)
<i>Allocation 2019 economic result</i>	-	(213 738)	213 738	-
<i>Cash contribution</i>	78 625	3 950	-	82 575
<i>Contribution in-kind</i>	167 457	-	-	167 457
<i>Economic result of the year</i>	-	-	(136 588)	(136 588)
<i>Unpaid cash contributions</i>	16			16
BALANCE AS AT 31.12.2020	2 502 255	(2 360 667)	(136 588)	5 001
<i>Allocation 2020 economic result</i>	-	(136 588)	136 588	-
<i>Cash contribution</i>	43 814		-	43 814
<i>Contribution in-kind</i>	86 630	-	-	86 630
<i>Unpaid cash contributions</i>	53 379	-	-	53 379
<i>Economic result of the year</i>	-	-	(175 979)	(175 979)
BALANCE AS AT 31.12.2021	2 686 079	(2 497 254)	(175 979)	12 845

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 stakeholders.

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

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

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

1.2.2. Currency and basis for conversion

The annual accounts are presented in 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	31.12.2021	31.12.2020	Currency	31.12.2021	31.12.2020
BGN	1.9558	1.9558	PLN	4.5969	4.5597
CZK	26.8580	26.2420	RON	4.9490	4.8683
DKK	7.4364	7.4409	SEK	10.2503	10.0343
GBP	0.84028	0.8990	CHF	1.0331	1.0802
HRK	7.5156	7.5519	JPY	130.3800	126.4900
HUF	369.1900	363.8900	USD	1.1326	1.2271

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

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

Revised EAR which is effective for annual periods beginning on or after 1 January 2021

In 2020, the Accounting Officer adopted the revised EAR 11 'Financial Instruments', which is mandatorily effective as of 1 January 2021. The revised EAR 11 is based on the new IPSAS 41 'Financial Instruments', the amended IPSAS 28 'Financial Instruments: Presentation' and the amended IPSAS 30 'Financial Instruments: Disclosures' which were issued in August 2018. It establishes the financial reporting principles for financial assets and financial liabilities. In accordance with the transition provisions of the revised EAR 11, the entity accounts for any changes from the initial application, on 1 January 2021. The revised EAR 11 does not require the restatement of prior periods.

Changes from the application of the revised EAR 11

The only financial instruments of the entity, are the receivables from exchange transactions. In accordance with the revised EAR 11 requirements, the entity has classified these receivables as 'financial assets at amortised cost' ('loans and receivables' in prior periods). The entity has applied the impairment requirements of the revised EAR 11 to the receivables, but no recognition of loss allowance in the accumulated surplus or deficit on 1 January 2021 was needed.

1.3. BALANCE SHEET

1.3.1. Intangible assets

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

1.3.2. Property, plant and equipment

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

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

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed 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.

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

1.3.3. Impairment of non-financial assets

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

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

1.3.4. Financial assets

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

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

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

Initial recognition and measurement

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

Subsequent measurement

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

Derecognition

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

1.3.5. Pre-financing amounts

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

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

1.3.6. Receivables and recoverables

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

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

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

1.3.7. Cash and cash equivalents

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

1.3.8. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding, or pre-financing received (see note **1.4.1**).

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

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

1.3.9. Accrued and deferred revenue and charges

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

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

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

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

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

(i) Revenue from non-exchange transactions

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

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

(ii) Revenue from exchange transactions

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

1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or the incurring of liabilities that result in decreases in net assets. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

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

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

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

1.4.3. 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.

1.4.4. Contingent liabilities

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

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

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

1.5. CONTRIBUTIONS FROM MEMBERS

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

1.5.1. 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. These financial contributions are recognised in net assets in the period in which the enforceable right to receive the payment was established.

1.5.2. 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 net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation are 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. However to provide a complete picture of the operational activities related to the JU they are still disclosed as additional information in the notes.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

	EUR '000
	TOTAL
Gross carrying amount at 31.12.2020	2 175
Gross carrying amount at 31.12.2021	2 175
Accumulated amortisation at 31.12.2020	(2 173)
Amortisation charge for the year	(1)
Accumulated amortisation at 31.12.2021	(2 174)
NET CARRYING AMOUNT AT 31.12.2021	1
NET CARRYING AMOUNT AT 31.12.2020	1

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

2.2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

	EUR '000				
	Land and buildings	Furniture and vehicles	Computer hardware	Other	TOTAL
Gross carrying amount at 31.12.2020	600	189	238	198	1 225
Additions	-	-	-	11	11
Disposals	-	(1)	(84)	(1)	(87)
Gross carrying amount at 31.12.2021	600	187	154	207	1 149
Accumulated depreciation at 31.12.2020	(600)	(159)	(172)	(98)	(1 029)
Depreciation charge for the year	-	(7)	(18)	(38)	(63)
Disposals	-	1	83	1	85
Accumulated depreciation at 31.12.2021	(600)	(165)	(107)	(134)	(1 007)
NET CARRYING AMOUNT AT 31.12.2021	-	22	47	73	142
NET CARRYING AMOUNT AT 31.12.2020	-	29	66	100	196

Included under the heading 'Buildings' are materials and works related to the partitioning and set up of the SESAR 3 JU office space. The heading 'Other' is related to technical equipment and the disposals of kEUR 87 relate mostly to computer hardware (kEUR 84).

2.3. PRE-FINANCING

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular underlying contract, decision, agreement or basic legal act.

	EUR '000	
	31.12.2021	31.12.2020
<i>Non-current pre-financing</i>	7 233	69 779
<i>Current pre-financing</i>	84 240	63 176
Total	91 474	132 955

For all pre-financing amounts open at 31 December 2021, a case-by-case assessment has been performed and all the pre-financing that was considered unlikely to be cleared in the course of 2022 was classified as non-current pre-financing. According to the Horizon 2020 rules, the incurred costs (both actual and estimated) are cleared against pre-financing when the total amounts paid to the beneficiary reach 90% of the grant agreement amount. In addition, only the amount exceeding this threshold is cleared. As the H2020 projects are reaching maturity, the non-current pre-financing open at the end of year decreased substantially compared to 2020.

The overall decrease of pre-financing by kEUR 41 481 is mainly due to clearing the gross pre-financing by kEUR 44 375 of estimated (cut-off) expenses for on-going or ended projects where no cost claims were validated by 31 December 2021 (see note 2.7).

2.4. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

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

At 31 December 2021, SESAR 3 JU did not have any balances related to non-current receivables and recoverables. All the amounts under are current and can be split as follows:

	EUR '000	
	31.12.2021	31.12.2020
Recoverables from non-exchange transactions		
<i>Receivable from the Guarantee Fund</i>	-	795
	-	795
Receivables from exchange transactions		
<i>Central treasury liaison accounts</i>	592	17 601
<i>Deferred charges</i>	130	146
<i>Receivable from Members</i>	72	16
<i>Receivable from the Commission</i>	53 264	33
	54 058	17 796
Total	54 058	18 591

The treasury liaison/intercompany accounts with the Commission that represent a virtual bank account of SESAR 3 JU. 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. 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. The decrease of this heading is related to an increase of pre-financing rates and other measures that were agreed with the Administrative Board so as to contribute to the recovery of the aviation sector from the impact of the COVID-19 crisis.

The amount Receivable from the Commission comprises the recovery order for the first instalment on the 2022 EU contributions to the operating and running costs that was issued in December 2021 and cashed in January 2022.

2.5. CASH AND CASH EQUIVALENTS

Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of the entity, the treasury of entity has been integrated into the Commission's treasury system. The majority of payments and receipts are processed via the Commission's treasury system and registered on liaison accounts, which are presented under heading 'receivables from exchange transactions'.

	EUR '000	
	31.12.2021	31.12.2020
<i>Imprest account</i>	4	10

The amounts on the imprest account are used for reimbursement of charges for the bank guarantee related to the rental contract of the SESAR 3 JU premises. The amounts presented under this heading are net of the guarantee fees of 2021.

LIABILITIES

2.6. PAYABLES AND OTHER LIABILITIES

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

	EUR '000	
	31.12.2021	31.12.2020
<i>Contribution in kind from Members to be validated</i>	87 094	93 074
<i>Vendors</i>	4 155	4 367
<i>Pre-financing received from EC for Delegation agreements</i>	2 520	2 520
<i>Public Bodies and other current payables</i>	3 399	205
<i>Sundry payables</i>	14	(2)
Total	97 182	100 164

Included under 'contribution in-kind from Members to be validated' are the in kind contributions 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).

The amount of pre-financing liability relates to the unused amounts of the Commission contributions to the delegation agreement for U-Space Services. As no activities were implemented in 2021 under this delegation agreement, there was also no movement of the underlying pre-financing liability.

The Public Bodies and other current payables increased by kEUR 3 194 as a result of a higher number of cost claim received but not yet validated and paid at 31 December.

2.7. ACCRUED CHARGES

Accruals are liabilities to pay for goods or services that have been received or supplied but - unlike payables - have not yet been invoiced or formally agreed with the supplier. They include amounts due to employees (e.g. accruals for untaken holidays). The calculation of accruals is based on the open amount of budgetary

commitments at year-end. The portion of the estimated accrued charges relating to pre-financing paid has been recorded as a reduction of the pre-financing amounts.

	<i>EUR '000</i>	
	31.12.2021	31.12.2020
<i>Accrued charges</i>	<i>35 651</i>	<i>46 588</i>

Accrued charges are composed of estimated operational expenses of kEUR 35 202 for on-going or ended projects without a validated cost statement were the 2021 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2021. The portion of the estimated accrued charges related to pre-financing has been recorded as a reduction of the open pre-financing (see note **2.3**). The decrease of the operating accruals is mainly due to the fact that cost claims for final and interim payments were validated for many projects and there were thus fewer projects for which charges had to be estimated and accrued at year-end.

The heading also includes accrued administrative expense (kEUR 340) and accrued staff costs of (kEUR 108) for untaken leave.

NET ASSETS

2.8. CONTRIBUTIONS FROM MEMBERS

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

Programming period	EUR '000					
	Cash ³	2021 in-kind	Total	Cash	2020 in-kind	Total
FP7	766 636	935 502	1 702 138	766 928	935 502	1 702 430
H2020	560 583	423 357	983 940	463 097	336 727	799 824
Total	1 327 218	1 358 859	2 686 079	1 230 025	1 272 229	2 502 255

³ Included under this heading are also unpaid contributions for which recovery order was issued and not yet cashed at the year end. See Statement of changes in net assets.

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

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

Unlike for Horizon 2020 (see below 2.8.2), under FP7 programme the total eligible costs minus the EU co-financing validated by the Executive Director of SESAR 3 JU are considered as an in-kind contribution.

Member	EUR '000						
	Commission Cash	Industry Members Cash	In-kind	Eurocontrol Cash	In-kind	Total Cash	In-kind
<i>Running costs contributions at 31.12.2020</i>	22 021	23 680	-	20 027	-	65 728	-
<i>Adjustments of prior years' contributions</i>		(293)				(293)	
Running costs contributions at 31.12.2021	22 021	23 387	-	20 027	-	65 435	-
<i>Operating costs contributions at 31.12.2020</i>	588 217	-	512 559	112 984	422 943	701 201	935 502
Operating costs contributions at 31.12.2021	588 217	-	512 559	112 984	422 943	701 201	935 502
<i>TOTAL contributions at 31.12.2020</i>	610 239	23 680	512 559	133 010	422 943	766 928	935 502
TOTAL contributions at 31.12.2021	610 239	23 387	512 559	133 010	422 943	766 636	935 502
<i>% of total contributions (by type)</i>	79.60%	3.05%	54.79%	17.35%	45.21%	100.00%	100.00%
<i>Total contribution in %</i>	35.85%	31.49%		32.66%		100.00%	
<i>Voting rights %</i>	33.75%	28.13%		28.12%		90.00%	

On 8 October 2020 the SESAR JU Administrative Board adopted decision for anticipated reimbursement of the remaining cash for the SESAR 1 Programme but in 2021 no values of cash and in-kind contributions have been added to the FP7 programme.

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

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 external auditor and validated by the Executive Director of the JU are considered in-kind contributions to the net assets. Estimated in-kind contributions, i.e. contributions for which no certifications have been received and/or this certification has not been validated by the Executive Director, are reported under other liabilities.

Member	Commission		Industry Members		Eurocontrol		Total	
	Cash		Cash	In kind	Cash	In kind	Cash	In kind
<i>Running costs contributions at 31.12.2020</i>	13 167		6 595	–	14 856	–	34 618	–
<i>Current year contributions</i>	6 572		2 110		693		9 375	–
Running costs contributions at 31.12.2021	19 739		8 705	–	15 549	–	43 993	–
<i>Operating costs contributions at 31.12.2020</i>	428 479		–	150 477	–	186 251	428 479	336 727
<i>Adjustments of prior years' contributions</i>							–	–
<i>Current year contributions</i>	87 954			42 103	157	44 526	88 111	86 629
Operating costs contributions at 31.12.2021	516 433		–	192 580	157	230 777	516 590	423 357
<i>TOTAL contributions at 31.12.2020</i>	441 646		6 595	150 477	14 856	186 251	463 097	336 727
TOTAL contributions at 31.12.2021	536 172		8 705	192 580	15 706	230 777	560 583	423 357
<i>% of total contributions (by type)</i>	95.65%		1.55%	45.49%	2.80%	54.51%	100.00%	100.00%
<i>Total contribution in %</i>	54.49%		20.46%		25.05%		100.00%	
<i>Voting rights %</i>			19.20%	36.10%		34.70%		90.00%

Included under the cash contribution from Commission are also unpaid cash contributions kEUR 53 394 for administrative and operational costs related to the first instalment of 2022 contributions for which a recovery order was issued but not yet cashed at the end of the year.

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

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

NON-EXCHANGE REVENUE

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

3.1. RECOVERY OF EXPENSES

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

	<i>EUR '000</i>	
	2021	2020
<i>Recovery of expenses</i>	–	4 583

In 2020 the amount included under this heading corresponded to the revenues recognised for the delegation agreement with DG MOVE for the U-Space Services. The unused amount is recognised under payables (see note 2.6). During 2021 no activities under the delegation agreement have been implemented and thus no costs or revenue were recognised in the 2021 financial statements.

EXPENSES

3.2. OPERATIONAL COSTS

Included under this heading are operational expenses related to projects that were carried out in the current year. The part of the operational costs related to on-going projects without any validated cost claims (or equivalent) available at 31 December was estimated using the best information available at the time of preparation of the annual accounts. The estimation is based on case-by-case assessment of completion, which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates are based on costs incurred to date as a proportion of the estimated total costs of the projects ("pro-rata temporis").

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

		<i>EUR '000</i>	
	Note	2021	2020
<i>Operational costs: validated in-kind contributions</i>		86 630	167 375
<i>Operational costs: estimated in-kind contributions</i>	2.6	(5 980)	(86 176)
Total operational costs from in-kind contributions		80 650	81 199
<i>Operational costs: incurred and validated</i>		58 405	90 150
<i>Operational costs: estimated</i>	2.7	29 629	(37 642)
Total operational costs from EU co-financing		88 034	52 509
Total		168 684	133 708

The overall increase of the operational costs is a combined effect of the increase of estimated costs from in-kind and EU co-financing and a decrease of operating costs incurred on the basis of validated cost claims.

The amount of validated in-kind contributions was unusually high in 2020 because 2019 contributions from three members could not be validated in the normal process at the end of 2019 and were only validated in 2020. In 2021 there were no such cases, which explains the substantial decrease under this heading. Moreover, almost all Wave 1 projects closed during 2020. The validated IKOP in 2020 for these projects amounted to kEUR 106 554 and in 2021 kEUR 31 745.

Following the closure of H2020-2016-2 and H2020-2015-2 projects in 2020, there were fewer projects for which the operating costs needed to be estimated at 31 December 2020. The 2020 accrued expenses were thus substantially lower than the reversal of the 2019 estimates which resulted in overall negative estimated operational costs. In 2021 the situation returned back to normal and the estimated operating costs for the new and on-going projects at 31 December 2021 were higher than the reversal of the 2020 estimated costs. This explains the large increase of the estimated operating cost from in-kind and EU co-financing.

Due to closure of the H2020-2016-2 and H2020-2015-2 projects in 2020, the amounts related to the validated cost claims was much higher than in 2021 which explains the decrease of operational costs under this sub-heading.

3.3. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment-related benefits. Based on the service level agreement between the JU and the Commission, the calculations of staff-related costs is carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO). The pensions of the JU staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the JU staff and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the JU accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the JU, as the obligation falls to the Commission. Consequently, both the annual cost to the EU budget, and the future benefits payable to the JU staff, are accounted for in the Commission's annual accounts as part of its provision for pensions and other post-employment benefits. The pension costs included in the Commission's Statement of Financial Performance represent current service cost (rights accrued during the year due to service) and interest cost (unwinding of the liability discounting) which have arisen following the year-end actuarial valuation of the employee benefits liabilities.

	<i>EUR '000</i>	
	2021	2020
<i>Staff costs</i>	4 340	4 398

3.4. FINANCE EXPENSES

	<i>EUR '000</i>	
	31.12.2021	31.12.2020
<i>Interest expense on late</i>	27	1
<i>Other financial expenses</i>	5	5
Total	32	6

The increase of interest expenses on late payments relates to interest calculated on late payments of two final invoices for Wave 2 projects.

3.5. OTHER EXPENSES

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

	<i>EUR '000</i>	
	2021	2020
<i>External IT services</i>	1 111	1 410
<i>External non IT services</i>	556	590
<i>Operating leasing expenses</i>	550	538
<i>Communications & publications</i>	468	196
<i>Property, plant and equipment related expenses</i>	187	197
<i>Missions</i>	11	36
<i>Training costs</i>	(10)	17
<i>Experts expenses</i>	6	3
<i>Other</i>	49	75
Total	2 929	3 062

The overall decrease of 4.34% compared to the previous year can be largely explained by a decrease of IT costs due to a lower level of IT services provided by EUROCONTROL (2021: kEUR 850 vs. 2020: kEUR 1 043). It was partially off-set by an increase of communication and publication expenses by kEUR 272, incurred in order to compensate the impact of the lower in-situ activities organized in 2020 due to the COVID-19 restrictions.

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:

	<i>EUR '000</i>			Total
	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	492	1 527	-	2 019

4. OTHER SIGNIFICANT DISCLOSURES

4.1. CONTINGENT ASSETS

	EUR '000	
	31.12.2021	31.12.2020
<i>Contingent assets</i>	611	–

The increase of the heading contingent assets of kEUR 611 is due to ex-post audit corrections in U-Space Services' projects. Nevertheless, as the audit contradictory procedure is not yet finalised, SESAR 3 will only recognise the amounts when receiving a signed agreement from the beneficiaries. Before the signing of the agreement, they are disclosed off-balance, i.e. shown as a contingent asset.

4.2. OUTSTANDING COMMITMENTS NOT YET EXPENSED

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

	EUR '000	
	31.12.2021	31.12.2020
<i>Outstanding commitments not yet expensed</i>	51 018	96 734

The high decrease between the years is driven by the high decrease in the budgetary RAL by kEUR 93 656 which can be noted in the budget implementation reports (see chapter 6).

4.3. RELATED PARTIES

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

4.4. KEY MANAGEMENT ENTITLEMENTS

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

	31.12.2021	31.12.2020
<i>Executive Director</i>	AD 14	AD 15

The Executive Director is remunerated in accordance with the Staff Regulation of the European Union that is published on the Europa website and which is the official document describing the rights and the obligations of all officials of the EU. In July 2021, the former Executive Director left SESAR JU and was replaced by an ad-interim Executive Director. A vacancy was published with an AD14 grade.

4.5. OTHER EVENTS

Council Regulation (EU) 2021/2085 of 19 November 2021 ('Single Basic Act' or 'SBA'), which became effective on 30 November 2021, established the new Joint Undertakings under Horizon Europe, including the reporting entity of these financial statements. According to Article 174. The Single European Sky ATM Research 3 Joint Undertaking shall be the legal and universal successor in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property of the SESAR Joint Undertaking established by Regulation (EC) No 219/2007, which it shall replace and succeed.

Consequently, the 2021 amounts presented in these financial statements are based on both transactions and events that occurred in the period 01 January to 30 November under the previous joint undertaking and transactions and events that occurred in the period 01 December to 31 December 2021 under the reporting entity.

Pension contribution of private members

Based on analysis undertaken in 2021 it has been determined that the entity, in line with Article 83a (2) of the Staff Regulations, should pay into the general budget of the European Union the part of the employers' contributions which corresponds to the proportion between the entity's revenues without the subsidy from the general budget of the European Union and its total revenues. The applicable proportion should be calculated based on the specific percentage of the administrative costs funded by the Private members. The Commission is working on guidance for calculating and collection the employer contributions, which has not been finalised and approved at the time of signature of these annual accounts. Due to the administrative limitations of applying Art. 83a (2) of the Staff Regulations retroactively, and in particular the change in the composition of Private members as compared to the entity's legal predecessor (see Council Regulation (EU) 2021/2085), the new guidance will be applied as of the financial year 2022 only.

4.6. EVENTS AFTER REPORTING DATE

In accordance with EU accounting rule 19, Events after Reporting Date, the war in Ukraine that began in February 2022 is a non-adjusting event, thus not requiring any adjustments to the figures reported in these financial statements at 31 December 2021. For subsequent reporting periods, the war 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 facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine on the SESAR 3 JU 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 entity has no significant interest rate risk and other price risk).

(1) Currency risk is the risk that the entity operations will be affected by changes in exchange rates. This risk arises from the change in the 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. The entity does not have any securities thus it is not exposed to the interest rate risk.

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

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

5.2. CURRENCY RISKS

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

5.3. CREDIT RISK

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

5.4. LIQUIDITY RISK

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

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

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

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1. BUDGETARY PRINCIPLES AND STRUCTURE

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 for both 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.

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 2021 Budget includes both Running and Operational Costs and an Annex with the detailed In-kind Contributions in relation to SESAR2020 programme.

In term of revenue, an amount of EUR 38 million was received from the European Commission in order to cover SESAR 3 JU outstanding operational obligations of 2021 and an amount of EUR 3.3 million to cover the running costs.

A total amount of EUR 0.8 million was received from Eurocontrol and EUR 2.1 million from the other Members.

SESAR recovered also exceptional revenues for EUR 1.7 million, which were mainly composed of:

- Reimbursement of the Guarantee Fund following the closure of almost all Wave 1 projects for EUR 1.3 million.
- Recovery of some previous interim and pre-financing payments for projects closed in 2021 for EUR 0.4 million.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2021	2020
Revenue		45 578	93 052
of which:			
Contribution from the European Union	1	41 287	93 815
Contribution from Eurocontrol	2	776	(3 642)
Contribution from other members	3	1 834	(819)
Other revenue	4	1 680	3 698
Expenditure		(63 132)	(121 207)
of which:			
Staff expenditure	1	(4 826)	(5 192)
Administrative expenditure	2	(2 159)	(2 946)
Operational expenditure	3	(56 147)	(113 069)
Specific expenditure	4	-	-
Exchange rate differences		0	(4)
Budget result		(17 554)	(28 159)

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR '000	
	2021	2020
ECONOMIC RESULT OF THE YEAR	(175 979)	(136 588)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	73 041	100 529
<i>In-kind contributions validated in the year</i>	86 630	167 457
<i>Adjustments for accrual cut-off (net)</i>	35 916	(67 946)
<i>Unpaid invoices at year end but booked in expenses</i>	2 933	1 758
<i>Depreciation of intangible and tangible assets</i>	(22)	72
<i>Recovery orders issued in the year and not yet cashed</i>	(52 499)	(809)
<i>Correction of recovery orders issued last year</i>	82	
<i>Other individually immaterial</i>		(3)
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	85 384	7 900
<i>Members' cash contributions collected in the year</i>	43 814	78 625
<i>Asset acquisitions (less unpaid amounts)</i>	85	(143)
<i>Payments made from non-budget lines</i>	4	10
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	41 481	(74 529)
<i>Cancellation of unused carried over payment appropriations from previous year</i>		2 520
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>		1 417
BUDGET RESULT OF THE YEAR	(17 554)	(28 159)

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	3 341	3 341	6 572	-	6 572	3 327	-	3 327	100 %	3 245
Total Chapter 11		3 341	3 341	6 572	-	6 572	3 327	-	3 327	100 %	3 245
1201	Horizon 2020 contribution to operational expenditure	37 961	37 961	87 954	-	87 954	37 961	-	37 961	100 %	49 993
Total Chapter 12		37 961	37 961	87 954	-	87 954	37 961	-	37 961	100 %	49 993
Total Title 1		41 301	41 301	94 526	-	94 526	41 287	-	41 287	100 %	53 238
2101	Contribution from Eurocontrol in cash SESAR2020	1 200	1 200	776	-	776	776	-	776	65 %	-
Total Chapter 21		1 200	1 200	776	-	776	776	-	776	65 %	-
Total Title 2		1 200	1 200	776	-	776	776	-	776	65 %	-
3100	Contribution from other members in cash SESAR1	0	0	(293)	16	(277)	(293)	16	(277)	-	0
3101	Contribution from other members in cash SESAR2020	2 110	2 110	2 110	-	2 110	2 110	-	2 110	100 %	0
Total Chapter 31		2 110	2 110	1 818	16	1 834	1 818	16	1 834	87 %	-
Total Title 3		2 110	2 110	1 818	16	1 834	1 818	16	1 834	87 %	-
4400	Exceptional revenues SESAR1	0	0	957	795	1 752	885	795	1 680	-	72
Total Chapter 44		0	0	957	795	1 752	885	795	1 680	-	72
Total Title 4		0	0	957	795	1 752	885	795	1 680	-	72
GRAND TOTAL		44 612	44 612	98 077	811	98 888	44 767	811	45 578	102 %	53 310

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri. available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1110 Temporary agents	3 087	-	-	3 087	1 712	3	1 715	4 802
Total Chapter 11	3 087	-	-	3 087	1 712	3	1 715	4 802
1210 Contract agents	-	-	-	-	82	-	82	82
1220 Interim staff	-	-	-	-	270	-	270	270
Total Chapter 12	-	-	-	-	352	-	352	352
1410 Seconded national experts (SNE)	-	-	-	-	136	-	136	136
Total Chapter 14	-	-	-	-	136	-	136	136
1510 Mission costs	-	-	-	-	155	2	157	157
Total Chapter 15	-	-	-	-	155	2	157	157
1610 Internal and external training and seminars	-	-	-	-	50	-	50	50
1620 Social and recreational activities	-	-	-	-	36	-	36	36
1630 Recruitment expenditure	-	-	-	-	5	-	5	5
1640 HR support fees	-	-	-	-	94	-	94	94
Total Chapter 16	-	-	-	-	185	-	185	185
Total Title 1	3 087	-	-	3 087	2 539	5	2 544	5 631

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropriable
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2110 Office and parking rental	-	-	-	-	418	-	418	418
2120 Office and parking charges	-	-	-	-	127	-	127	127
2130 Real estate tax	-	-	-	-	57	-	57	57
2140 Regional tax	-	-	-	-	37	-	37	37
2160 Cleaning and reception	-	-	-	-	174	-	174	174
2170 Security maintenance contract	-	-	-	-	92	-	92	92
2180 Works and repairs	-	-	-	-	2	-	2	2
Total Chapter 21	-	-	-	-	908	-	908	908
2210 Furniture	-	-	-	-	3	-	3	3
Total Chapter 22	-	-	-	-	3	-	3	3
2310 Realisation of public relations activities and material	-	-	-	-	445	-	445	445
Total Chapter 23	-	-	-	-	445	-	445	445
2510 Costs related to Governance bodies	-	-	-	-	10	-	10	10
Total Chapter 25	-	-	-	-	10	-	10	10
2610 Administrative supplies and postage	-	-	-	-	32	-	32	32
2620 Photocopier and printer consumables	-	-	-	-	1	-	1	1
2630 Subscription to publications, newspapers, memberships	-	-	-	-	18	-	18	18
2640 Insurances	-	-	-	-	18	1	19	19
2650 Office hospitality	-	-	-	-	16	-	16	16
2660 Packaging and transport	-	-	-	-	0	-	0	0
2670 Bank charges	-	-	-	-	5	-	5	5
Total Chapter 26	-	-	-	-	90	1	91	91
2710 IT system maintenance and unified communication	1 150	-	(3)	1 147	100	-	100	1 247
2720 Software	-	-	-	-	48	-	48	48
2730 Hardware	50	-	-	50	15	-	15	65
2740 Website	-	-	-	-	124	-	124	124

Item	Budget appropriations			Final adopted budget	Additional appropriations			Total	Total approp. available
	Initial adopted budget	Amending budgets	Transfers		Reactivated appropriations	Assigned revenue			
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
2750 ICT support	-	-	3	3	200	-	200	203	
Total Chapter 27	1 200	-	-	1 200	487	-	487	1 687	
2810 Translation of official documents	-	-	-	-	15	-	15	15	
2820 Legal support	-	-	-	-	50	-	50	50	
2830 Tax audit and accounting support	-	-	-	-	485	-	485	485	
Total Chapter 28	-	-	-	-	550	-	550	550	
Total Title 2	1 200	-	-	1 200	2 493	1	2 494	3 694	

5.1.3. Breakdown & changes in commitment appropriations – Title 3 and 4

EUR '000

Item	Initial adopted budget	Budget appropriations			Final adopted budget	Additional appropriations			Total approp. available
		Amending budgets	Transfers			Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
3400 Providing strategic steering to the SESAR programme	-	-	-	-	1 100	-	1 100	1 100	
Total Chapter 34	-	-	-	-	1 100	-	1 100	1 100	
3500 Deliver exploratory research	-	-	-	-	110	44	154	154	
Total Chapter 35	-	-	-	-	110	44	154	154	
3600 Deliver industrial research and validation	-	-	-	-	-	1 451	1 451	1 451	
Total Chapter 36	-	-	-	-	-	1 451	1 451	1 451	
3700 Deliver very large-scale demonstration activities	-	-	-	-	-	179	179	179	
Total Chapter 37	-	-	-	-	-	179	179	179	
3800 Deliver SESAR outreach	-	-	-	-	1 312	-	1 312	1 312	
Total Chapter 38	-	-	-	-	1 312	-	1 312	1 312	
Total Title 3	-	-	-	-	2 522	1 674	4 196	4 196	

EUR '000

Item	Initial adopted budget	Budget appropriations			Final adopted budget	Additional appropriations			Total approp. available
		Amending budgets	Transfers			Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
4100 Unused Appropriations not required in current year	-	-	-	-	21 307	-	21 307	21 307	
Total Chapter 41	-	-	-	-	21 307	-	21 307	21 307	
Total Title 4	-	-	-	-	21 307	-	21 307	21 307	

GRAND TOTAL	4 287	-	-	4 287	28 861	1 680	30 541	34 828
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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 appropriations	Total available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
1110 Temporary agents	4 799	-	-	4 799	-	3	3	4 802	
Total Chapter 11	4 799	-	-	4 799	-	3	3	4 802	
1210 Contract agents	82	-	-	82	-	-	-	82	
1220 Interim staff	-	-	-	-	270	-	270	270	
Total Chapter 12	82	-	-	82	270	-	270	352	
1410 Seconded national experts (SNE)	136	-	-	136	-	-	-	136	
Total Chapter 14	136	-	-	136	-	-	-	136	
1510 Mission costs	-	-	-	-	155	2	157	157	
Total Chapter 15	-	-	-	-	155	2	157	157	
1610 Internal and external training and seminars	-	-	-	-	50	-	50	50	
1620 Social and recreational activities	-	-	-	-	36	-	36	36	
1630 Recruitment expenditure	-	-	-	-	5	-	5	5	
1640 HR support fees	-	-	-	-	94	-	94	94	
Total Chapter 16	-	-	-	-	185	-	185	185	
Total Title 1	5 017	-	-	5 017	609	5	615	5 631	

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropriable
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2110 Office and parking rental	418	-	-	418	-	-	-	418
2120 Office and parking charges	16	-	-	16	111	-	111	127
2130 Real estate tax	-	-	-	-	57	-	57	57
2140 Regional tax	-	-	-	-	37	-	37	37
2160 Cleaning and reception	-	-	-	-	174	-	174	174
2170 Security maintenance contract	-	-	-	-	92	-	92	92
2180 Works and repairs	-	-	-	-	2	-	2	2
Total Chapter 21	434	-	-	434	474	-	474	908
2210 Furniture	-	-	-	-	3	-	3	3
Total Chapter 22	-	-	-	-	3	-	3	3
2310 Realisation of public relations activities and material	-	-	-	-	445	-	445	445
Total Chapter 23	-	-	-	-	445	-	445	445
2510 Costs related to Governance bodies	-	-	-	-	10	-	10	10
Total Chapter 25	-	-	-	-	10	-	10	10
2610 Administrative supplies and postage	-	-	-	-	32	-	32	32
2620 Photocopier and printer consumables	-	-	-	-	1	-	1	1
2630 Subscription to publications, newspapers, memberships	-	-	-	-	18	-	18	18
2640 Insurances	-	-	-	-	18	1	19	19
2650 Office hospitality	-	-	-	-	16	-	16	16
2660 Packaging and transport	-	-	-	-	0	-	0	0
2670 Bank charges	-	-	-	-	5	-	5	5
Total Chapter 26	-	-	-	-	90	1	91	91
2710 IT system maintenance and unified communication	1 150	-	(1)	1 149	100	-	100	1 249
2720 Software	-	-	-	-	48	-	48	48
2730 Hardware	50	-	-	50	15	-	15	65

Item	Budget appropriations				Additional appropriations			Total approp. available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2740 Website	-	-	-	-	124	-	124	124
2750 ICT support	-	-	1	1	200	-	200	201
Total Chapter 27	1 200	-	-	1 200	487	-	487	1 687
2810 Translation of official documents	-	-	-	-	15	-	15	15
2820 Legal support	-	-	-	-	50	-	50	50
2830 Tax audit and accounting support	-	-	-	-	485	-	485	485
Total Chapter 28	-	-	-	-	550	-	550	550
Total Title 2	1 634	-	-	1 634	2 059	1	2 059	3 694

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

Item	Initial budget adopted	Budget appropriations		Final adopted budget	Additional appropriations			Total	Total approp. available
		Amending budgets	Transfers		Reactivated appropriations	Assigned revenue			
	1				5			8=4+7	
3400 Providing strategic steering to the SESAR programme	1 039	–	(90)	949	500	–	500	1 449	
Total Chapter 34	1 039	–	(90)	949	500	–	500	1 449	
3500 Deliver exploratory research	21 739	–	(20 459)	1 280	13 300	44	13 344	14 624	
Total Chapter 35	21 739	–	(20 459)	1 280	13 300	44	13 344	14 624	
3600 Deliver industrial research and validation	9 486	–	20 112	29 599	6 550	1 451	8 001	37 600	
Total Chapter 36	9 486	–	20 112	29 599	6 550	1 451	8 001	37 600	
3700 Deliver very large-scale demonstration activities	4 574	–	788	5 362	–	179	179	5 542	
Total Chapter 37	4 574	–	788	5 362	–	179	179	5 542	
3800 Deliver SESAR outreach	1 122	–	(351)	772	552	–	552	1 323	
Total Chapter 38	1 122	–	(351)	772	552	–	552	1 323	
Total Title 3	37 961	–	(0)	37 961	20 902	1 674	22 576	60 537	
GRAND TOTAL	44 612	–	(0)	44 612	23 570	1 680	25 250	69 862	

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2022			Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1110 Temporary agents	4 802	2 887	1 406	-	4 293	89 %	-	-	-	200	306	3	509
Total Chapter 11	4 802	2 887	1 406	-	4 293	89 %	-	-	-	200	306	3	509
1210 Contract agents	82	-	76	-	76	92 %	-	-	-	-	6	-	6
1220 Interim staff	270	-	222	-	222	82 %	-	-	-	-	48	-	48
Total Chapter 12	352	-	298	-	298	85 %	-	-	-	-	54	-	54
1410 Seconded national experts (SNE)	136	-	108	-	108	79 %	-	-	-	-	28	-	28
Total Chapter 14	136	-	108	-	108	79 %	-	-	-	-	28	-	28
1510 Mission costs	157	-	13	-	13	8 %	-	-	-	-	142	2	144
Total Chapter 15	157	-	13	-	13	8 %	-	-	-	-	142	2	144
1610 Internal and external training and seminars	50	-	16	-	16	33 %	-	-	-	-	34	-	34
1620 Social and recreational activities	36	-	35	-	35	98 %	-	-	-	-	1	-	1
1630 Recruitment expenditure	5	-	1	-	1	18 %	-	-	-	-	4	-	4
1640 HR support fees	94	-	78	-	78	83 %	-	-	-	-	16	-	16
Total Chapter 16	185	-	130	-	130	70 %	-	-	-	-	55	-	55
Total Title 1	5 631	2 887	1 955	-	4 842	86 %	-	-	-	200	584	5	789

5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made				Appropriations carried over to 2022			Appropriations lapsing				
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
2110 Office and parking rental	418	-	417	-	417	100 %	-	-	-	-	1	-	1
2120 Office and parking charges	127	-	98	-	98	77 %	-	-	-	-	29	-	29
2130 Real estate tax	57	-	57	-	57	100 %	-	-	-	-	-	-	-
2140 Regional tax	37	-	37	-	37	100 %	-	-	-	-	-	-	-
2160 Cleaning and reception	174	-	142	-	142	81 %	-	-	-	-	32	-	32
2170 Security maintenance contract	92	-	29	-	29	31 %	-	-	-	-	63	-	63
2180 Works and repairs	2	-	1	-	1	58 %	-	-	-	-	1	-	1
Total Chapter 21	908	-	781	-	781	86 %	-	-	-	-	127	-	127
2210 Furniture	3	-	1	-	1	54 %	-	-	-	-	1	-	1
Total Chapter 22	3	-	1	-	1	54 %	-	-	-	-	1	-	1
2310 Realisation of public relations activities and material	445	-	444	-	444	100 %	-	-	-	-	1	-	1
Total Chapter 23	445	-	444	-	444	100 %	-	-	-	-	1	-	1
2510 Costs related to Governance bodies	10	-	4	-	4	42 %	-	-	-	-	6	-	6
Total Chapter 25	10	-	4	-	4	42 %	-	-	-	-	6	-	6
2610 Administrative supplies and postage	32	-	20	-	20	63 %	-	-	-	-	12	-	12
2620 Photocopier and printer consumables	1	-	-	-	-	0 %	-	-	-	-	1	-	1
2630 Subscription to publications, newspapers, memberships	18	-	9	-	9	51 %	-	-	-	-	9	-	9
2640 Insurances	19	-	11	-	11	57 %	-	-	-	-	7	1	8
2650 Office hospitality	16	-	10	-	10	62 %	-	-	-	-	6	-	6
2660 Packaging and transport	0	-	0	-	0	100 %	-	-	-	-	-	-	-
2670 Bank charges	5	-	5	-	5	100 %	-	-	-	-	-	-	-
Total Chapter 26	91	-	55	-	55	60 %	-	-	-	-	35	1	36

Item	Total approp. available	Commitments made				Appropriations carried over to 2022			Appropriations lapsing				
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
2710 IT system maintenance and unified communication	1 247	1 056	95	-	1 151	92 %	-	-	-	91	5	-	96
2720 Software	48	-	48	-	48	100 %	-	-	-	-	-	-	-
2730 Hardware	65	27	6	-	34	52 %	-	-	-	23	9	-	31
2740 Website	124	-	41	-	41	33 %	-	-	-	-	84	-	84
2750 ICT support	203	3	200	-	203	100 %	-	-	-	-	-	-	-
Total Chapter 27	1 687	1 086	390	-	1 476	87 %	-	-	-	114	97	-	211
2810 Translation of official documents	15	-	5	-	5	33 %	-	-	-	-	10	-	10
2820 Legal support	50	-	4	-	4	8 %	-	-	-	-	46	-	46
2830 Tax audit and accounting support	485	-	146	-	146	30 %	-	-	-	-	339	-	339
Total Chapter 28	550	-	155	-	155	28 %	-	-	-	-	395	-	395
Total Title 2	3 694	1 086	1 830	-	2 916	79 %	-	-	-	114	663	1	778

5.3.3. Implementation of commitment appropriations - Title 3 and 4

EUR '000

Item	Total approp. available	Commitments made			Appropriations carried over to 2022			Appropriations lapsing					
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
3400 Providing strategic steering to the SESAR programme	1 100	-	935	-	935	85 %	-	-	-	-	165	-	165
Total Chapter 34	1 100	-	935	-	935	85 %	-	-	-	-	165	-	165
3500 Deliver exploratory research	154	-	-	2	2	1 %	-	-	-	-	110	42	152
Total Chapter 35	154	-	-	2	2	1 %	-	-	-	-	110	42	152
3600 Deliver industrial research and validation	1 451	-	-	25	25	2 %	-	-	-	-	-	1 426	1 426
Total Chapter 36	1 451	-	-	25	25	2 %	-	-	-	-	-	1 426	1 426
3700 Deliver very large-scale demonstration activities	179	-	-	-	-	0 %	-	-	-	-	-	179	179
Total Chapter 37	179	-	-	-	-	0 %	-	-	-	-	-	179	179
3800 Deliver SESAR outreach	1 312	-	673	-	673	51 %	-	-	-	-	638	-	638
Total Chapter 38	1 312	-	673	-	673	51 %	-	-	-	-	638	-	638
Total Title 3	4 196	-	1 608	26	1 635	39 %	-	-	-	-	913	1 648	2 561

EUR '000

Item	Total approp. available	Commitments made			Appropriations carried over to 2022			Appropriations lapsing					
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
4100 Unused Appropriations not required in current year	21 307	-	-	-	-	0 %	-	-	-	-	21 307	-	21 307
Total Chapter 41	21 307	-	-	-	-	0 %	-	-	-	-	21 307	-	21 307
Total Title 4	21 307	-	-	-	-	0 %	-	-	-	-	21 307	-	21 307

GRAND TOTAL **34 828** **3 973** **5 393** **26** **9 393** **27 %** **-** **-** **-** **314** **23 468** **1 654** **25 436**

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 2022				Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1110 Temporary agents	4 802	4 291	-	2	4 293	89 %	-	-	-	-	508	-	1	509
Total Chapter 11	4 802	4 291	-	2	4 293	89 %	-	-	-	-	508	-	1	509
1210 Contract agents	82	76	-	-	76	92 %	-	-	-	-	6	-	-	6
1220 Interim staff	270	-	234	-	234	87 %	-	-	-	-	-	36	-	36
Total Chapter 12	352	76	234	-	310	88 %	-	-	-	-	6	36	-	42
1410 Seconded national experts (SNE)	136	108	-	-	108	79 %	-	-	-	-	28	-	-	28
Total Chapter 14	136	108	-	-	108	79 %	-	-	-	-	28	-	-	28
1510 Mission costs	157	-	12	2	14	9 %	-	-	-	-	-	143	0	143
Total Chapter 15	157	-	12	2	14	9 %	-	-	-	-	-	143	0	143
1610 Internal and external training and seminars	50	-	17	-	17	34 %	-	-	-	-	-	33	-	33
1620 Social and recreational activities	36	-	15	-	15	42 %	-	-	-	-	-	21	-	21
1630 Recruitment expenditure	5	-	1	-	1	18 %	-	-	-	-	-	4	-	4
1640 HR support fees	94	-	68	-	68	72 %	-	-	-	-	-	26	-	26
Total Chapter 16	185	-	101	-	101	55 %	-	-	-	-	-	84	-	84
Total Title 1	5 631	4 475	347	4	4 826	86 %	-	-	-	-	542	262	1	805

5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made						Appropriations carried over to 2022				Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total	
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
2110	Office and parking rental	418	417	-	-	417	100 %	-	-	-	-	1	-	-	1
2120	Office and parking charges	127	-	96	-	96	76 %	-	-	-	-	16	15	-	31
2130	Real estate tax	57	-	56	-	56	98 %	-	-	-	-	-	1	-	1
2140	Regional tax	37	-	16	-	16	43 %	-	-	-	-	-	21	-	21
2160	Cleaning and reception	174	-	125	-	125	72 %	-	-	-	-	-	49	-	49
2170	Security maintenance contract	92	-	21	-	21	23 %	-	-	-	-	-	71	-	71
2180	Works and repairs	2	-	1	-	1	58 %	-	-	-	-	-	1	-	1
Total Chapter 21		908	417	315	-	732	81 %	-	-	-	-	18	158	-	176
2210	Furniture	3	-	1	-	1	54 %	-	-	-	-	-	1	-	1
Total Chapter 22		3	-	1	-	1	54 %	-	-	-	-	-	1	-	1
2310	Realisation of public relations activities and material	445	-	180	-	180	40 %	-	-	-	-	-	266	-	266
Total Chapter 23		445	-	180	-	180	40 %	-	-	-	-	-	266	-	266
2510	Costs related to Governance bodies	10	-	4	-	4	42 %	-	-	-	-	-	6	-	6
Total Chapter 25		10	-	4	-	4	42 %	-	-	-	-	-	6	-	6
2610	Administrative supplies and postage	32	-	4	-	4	13 %	-	-	-	-	-	27	-	27
2620	Photocopier and printer consumables	1	-	-	-	-	0 %	-	-	-	-	-	1	-	1
2630	Subscription to publications, newspapers, memberships	18	-	-	-	-	0 %	-	-	-	-	-	18	-	18
2640	Insurances	19	-	12	1	13	70 %	-	-	-	-	-	6	0	6

Item	Total approp. availab.	Payments made						Appropriations carried over to 2022				Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
2650 Office hospitality	16	-	3	-	3	18 %	-	-	-	-	-	13	-	13	
2660 Packaging and transport	0	-	0	-	0	100 %	-	-	-	-	-	-	-	-	
2670 Bank charges	5	-	-	-	-	0 %	-	-	-	-	-	5	-	5	
Total Chapter 26	91	-	20	1	20	22 %	-	-	-	-	-	70	0	71	
2710 IT system maintenance and unified communication	1 249	749	47	-	797	64 %	-	-	-	-	399	53	-	452	
2720 Software	48	-	37	-	37	78 %	-	-	-	-	-	10	-	10	
2730 Hardware	65	7	6	-	14	21 %	-	-	-	-	43	9	-	51	
2740 Website	124	-	38	-	38	31 %	-	-	-	-	-	86	-	86	
2750 ICT support	201	1	200	-	201	100 %	-	-	-	-	-	0	-	0	
Total Chapter 27	1 687	758	329	-	1 087	64 %	-	-	-	-	442	158	-	600	
2810 Translation of official documents	15	-	2	-	2	13 %	-	-	-	-	-	13	-	13	
2820 Legal support	50	-	4	-	4	8 %	-	-	-	-	-	46	-	46	
2830 Tax audit and accounting support	485	-	128	-	128	26 %	-	-	-	-	-	357	-	357	
Total Chapter 28	550	-	134	-	134	24 %	-	-	-	-	-	416	-	416	
Total Title 2	3 694	1 175	983	1	2 159	58 %	-	-	-	-	460	1 075	0	1 535	

5.4.3. Implementation of payment appropriations - Title 3 and 4

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2022					Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
3400 Providing strategic steering to the SESAR programme	1 449	949	434	-	1 383	95 %	-	-	-	-	-	66	-	66	
Total Chapter 34	1 449	949	434	-	1 383	95 %	-	-	-	-	-	66	-	66	
3500 Deliver exploratory research	14 624	1 280	10 323	44	11 647	80 %	-	-	-	-	-	2 977	-	2 977	
Total Chapter 35	14 624	1 280	10 323	44	11 647	80 %	-	-	-	-	-	2 977	-	2 977	
3600 Deliver industrial research and validation	37 600	29 599	5 395	1 450	36 444	97 %	-	-	-	-	-	1 155	1	1 156	
Total Chapter 36	37 600	29 599	5 395	1 450	36 444	97 %	-	-	-	-	-	1 155	1	1 156	
3700 Deliver very large-scale demonstration activities	5 542	5 362	-	-	5 362	97 %	-	-	-	-	-	-	179	179	
Total Chapter 37	5 542	5 362	-	-	5 362	97 %	-	-	-	-	-	-	179	179	
3800 Deliver SESAR outreach	1 323	772	540	-	1 311	99 %	-	-	-	-	-	12	-	12	
Total Chapter 38	1 323	772	540	-	1 311	99 %	-	-	-	-	-	12	-	12	
Total Title 3	60 537	37 961	16 692	1 494	56 147	93 %	-	-	-	-	-	4 209	180	4 389	
GRAND TOTAL	69 862	43 610	18 022	1 499	63 132	90 %	-	-	-	-	1 002	5 547	181	6 730	

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 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	
1110 Temporary agents	-	-	-	-	4 293	4 293	-	-	-
Total Chapter 11	-	-	-	-	4 293	4 293	-	-	-
1210 Contract agents	-	-	-	-	76	76	-	-	-
1220 Interim staff	123	-	123	-	222	112	-	110	110
Total Chapter 12	123	-	123	-	298	188	-	110	110
1410 Seconded national experts (SNE)	-	-	-	-	108	108	-	-	-
Total Chapter 14	-	-	-	-	108	108	-	-	-
1510 Mission costs	11	(2)	9	-	13	5	-	8	8
Total Chapter 15	11	(2)	9	-	13	5	-	8	8
1610 Internal and external training and seminars	14	(13)	1	-	16	16	-	-	-
1620 Social and recreational activities	0	(0)	0	-	35	15	-	20	20
1630 Recruitment expenditure	-	-	-	-	1	1	-	-	-
1640 HR support fees	-	-	-	-	78	68	-	10	10
Total Chapter 16	14	(14)	1	-	130	100	-	30	30
Total Title 1	148	(16)	132	-	4 842	4 694	-	148	148

6.2. Outstanding commitments – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitment 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	-	-	-	-	417	417	-	-	-
2120	Office and parking charges	41	(18)	22	-	98	74	-	24	24
2130	Real estate tax	55	-	55	-	57	1	-	56	56
2140	Regional tax	-	-	-	-	37	16	-	21	21
2160	Cleaning and reception	13	(3)	10	-	142	115	-	27	27
2170	Security maintenance contract	2	(2)	0	-	29	21	-	7	7
2180	Works and repairs	-	-	-	-	1	1	-	-	-
Total Chapter 21		111	(23)	88	-	781	645	-	136	136
2210	Furniture	-	-	-	-	1	1	-	-	-
Total Chapter 22		-	-	-	-	1	1	-	-	-
2310	Realisation of public relations activities and material	107	(11)	96	-	444	84	-	361	361
Total Chapter 23		107	(11)	96	-	444	84	-	361	361
2510	Costs related to Governance bodies	-	-	-	-	4	4	-	-	-
Total Chapter 25		-	-	-	-	4	4	-	-	-
2610	Administrative supplies and postage	-	-	-	-	20	4	-	16	16
2620	Photocopier and printer consumables	1	(1)	-	-	-	-	-	-	-
2630	Subscription to publications, newspapers, memberships	-	-	-	-	9	-	-	9	9
2640	Insurances	4	(0)	3	-	11	10	-	1	1
2650	Office hospitality	-	-	-	-	10	3	-	7	7
2660	Packaging and transport	-	-	-	-	0	0	-	-	-
2670	Bank charges	0	(0)	-	-	5	-	-	5	5

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	4	(1)	3	–	55	17	–	38	38
2710 IT system maintenance and unified communication	36	(25)	11	–	1 151	786	–	365	365
2720 Software	0	(0)	–	–	48	37	–	10	10
2730 Hardware	11	(11)	–	–	34	14	–	20	20
2740 Website	31	–	31	–	41	8	–	33	33
2750 ICT support	15	–	15	–	203	187	–	16	16
Total Chapter 27	92	(36)	56	–	1 476	1 031	–	445	445
2810 Translation of official documents	–	–	–	–	5	2	–	3	3
2820 Legal support	4	(4)	–	–	4	4	–	–	–
2830 Tax audit and accounting support	40	–	24	16	146	104	–	42	58
Total Chapter 28	44	(4)	24	16	155	110	–	45	61
Total Title 2	358	(75)	267	16	2 916	1 892	–	1 024	1 040

6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end	
	Commitm. carried forward from previous year	Decommit. Revaluation 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
3400	Providing strategic steering to the SESAR programme	3 202	(9)	1 194	2 000	935	189	–	746	2 746
Total Chapter 34		3 202	(9)	1 194	2 000	935	189	–	746	2 746
3500	Deliver exploratory research	44 764	–	11 645	33 118	2	2	–	–	33 118
Total Chapter 35		44 764	–	11 645	33 118	2	2	–	–	33 118
3600	Deliver industrial research and validation	72 301	–	36 419	35 881	25	25	–	–	35 881
Total Chapter 36		72 301	–	36 419	35 881	25	25	–	–	35 881
3700	Deliver very large-scale demonstration activities	25 111	–	5 362	19 749	–	–	–	–	19 749
Total Chapter 37		25 111	–	5 362	19 749	–	–	–	–	19 749
3800	Deliver SESAR outreach	1 900	(287)	638	975	673	673	–	–	975
Total Chapter 38		1 900	(287)	638	975	673	673	–	–	975
Total Title 3		147 278	(296)	55 259	91 724	1 635	889	–	746	92 470
GRAND TOTAL		147 784	(387)	55 658	91 740	9 393	7 474	–	1 919	93 658

7. GLOSSARY

Administrative appropriations

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

Adopted budget

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

Amending budget

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

Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses.

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

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

For agencies, the resulting amount will have to be reimbursed to the funding authority.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

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

Budgetary commitment

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

Cancellation of appropriations

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

Carryover of appropriations

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

Commitment appropriations

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

De-commitment

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

Differentiated appropriations

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

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Grants

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

Lapsing appropriations

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

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

Legal basis / basic act

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

Legal commitment

The act whereby the Authorising Officer enters into an obligation towards third parties which results in a charge for the Union budget.

Common forms of legal commitments are contracts in the case of procurement, grant agreements and grant decisions.

Non-differentiated appropriations

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

Operational appropriations

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

Outstanding commitments

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

Payment appropriations

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

RAL (Reste à liquider)

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

Surplus

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

Transfer between budget lines

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