Final annual accounts of the Smart Networks and Services Joint Undertaking

Financial year 2024

Contents

CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the ***Smart Networks and Services*** Joint Undertaking, in accordance with Article 52 of the Model Financial Regulation ('MFR') [1] and I hereby certify that the annual accounts of the ***Smart Networks and Services*** Joint Undertaking for the year 2024 have been prepared in accordance with Chapter 8 and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the ***Smart Networks and Services*** 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 ***Smart Networks and Services*** Joint Undertaking.

My assurance statement related to the Final Accounts 2024 will be transmitted to the Accounting Officer of the Commission. The Management Representation Letter, signed by the Authorising Officer and myself, will be sent to the European Court of Auditors for the audit of the Final Accounts.

Qualified electronic signature by: ANDREA

TOTH

Date 2025-06-11 15:07:37 UTC

Andrea Tóth
Accounting Officer of the
Smart Networks and Services 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 European Smart Networks and Services JU (SNS JU) is a joint undertaking established in 2021 by European Union Council Regulation No 2021/2085. This EU Partnership is jointly led by the EU Commission and the 6G Smart Networks and Services Industry Association (6G-IA).

The SNS JU is a Union body. It is an independent legal entity as per the article 187 of the Treaty on the Functioning of the European Union with a dedicated budget and staff. It receives financing from the European Union (article 71 of the Financial Regulation), the EFTA and the industry association 6G-IA and counts with a maximum authorized staff of 17 staff members. The SNS JU started its activity in 2022 under the umbrella of DG CNECT and achieved financial autonomy as of 24 October 2023.

The seat of the SNS JU is in Brussels, Belgium.

Mission

The SNS JU is a Public-Private Partnership that aims to facilitate and develop industrial leadership in Europe in 5G and 6G networks and services. The SNS JU funds projects that shape a solid Research and Innovation (R&I) roadmap and deployment agenda by engaging a critical mass of European stakeholders and facilitating international cooperation on various 6G initiatives.

The two main missions of the Joint Undertaking are:

1. Fostering Europe's technology sovereignty in 6G by implementing the related R&I programme leading to the conception and standardisation around 2025. It encourages preparation for early market adoption of 6G technologies by the end of the decade. Mobilizing a broad set of stakeholders is key to address strategic areas of the networks and services value chain. This ranges from edge and cloud-based service provisioning to market opportunities in new components and devices beyond smartphones.

2. Boosting 5G deployment in Europe in view of developing digital lead markets and enabling the digital and green transition of the economy and society. For this objective, the SNS JU coordinates strategic guidance for the relevant programmes under the Connecting Europe Facility, in particular 5G Corridors. It also contributes to the coordination of national programmes, including under the Recovery and Resilience Facility and other European programmes and facilities such as Digital Europe Programme (DEP) and InvestEU.

Main operational activities

The SNS JU developed a set of actions in the frame of the Research and Innovation Work Programme 2024 aimed at technological and business realisation underpinning the 6G vision, targeting the massive digitalisation of societal and business processes through intelligent connectivity across the human, physical, and digital worlds.

The main operational activity of the SNS JU in 2024 was the implementation of the Research and Innovation (R&I) Work Programme (WP), including the third call for proposals under the programme.

The focus of 6G R&I in WP2024 was complemented by R&I on enabling technologies/technical enablers and Proof of Concepts (PoCs) with more system-oriented R&I and dedicated prototyping and experimentation. It also provided room for long-term R&I on disruptive concepts (e.g., those driven by academia).

This Annual Work Programme 2024 of the SNS JU continued the second-phase implementation of the SNS roadmap. Compared to the two previous calls, it included:

- A reinforced focus on technological topics targeting a higher Technology Readiness Levels (TRL) range;
- Activities designed to further support the 6G standardisation phase (targeting 2025 with the first batch of 6G Study Items);

- A reinforced emphasis on sustainability, societal challenges, and economic aspects, notably this included work on defining Key Performance Indicators (KPIs)/Key Value Indicators (KVIs) related to 6G and associated standards;
- A set of activities on end-to-end system integration of SNS artificial intelligence (AI)/machine learning (ML) solutions;
- A set of activities that experimented with and validated microelectronics and photonics solutions for 6G, following the elaboration of the Corenect Roadmap, and extended/reinforced the cooperation with the Chips JU and the European Partnerships for Photonics;
- Collaboration with key industry verticals was strengthened, encompassing diverse sectors such as transportation, healthcare, and manufacturing. Cross-sector partnerships were pursued to harness the transformative potential of 6G technologies and drive sustainable change;
- The Work Programme 2024 implemented joint R&I cooperation with Japan and the Republic of South Korea;
- Best practices were exchanged with other JUs, workshops on shared scientific interests were organized, and opportunities for coordinated calls or synergy actions were assessed. Notably, the SNS JU collaborated with the EU-Rail JU, contributing EUR 1 million to a complementary topic on the Future Rail Mobile Communications System (FRMCS) under the EU-Rail Work Programme.

Additional activities concerned reporting and monitoring: input was provided for Horizon Europe evaluation and monitoring along with the preparation of progress monitoring reports.

The SNS JU also supported coordination of stakeholders' activities and delivery of strategic documents in relation to the Connecting Europe Facility (CEF) Digital Programme. This involved reviewing the Strategic Deployment Agenda (SDA) for 5G for Connected and Automated Mobility and facilitating the establishment of project pipelines for pan-European 5G corridors.

Governance

The Governing Board of the SNS JU is composed of representatives of the public and private members, the European Union represented by the European Commission and the Private Member represented by the Industry Association 6G-IA. The Governing Board is responsible for the Joint Undertaking's decision-making, including the content of the work programme and the funding decisions related to the research and innovation activities under Horizon Europe. The Governing Board supervises the implementation of the activities and provides strategic guidance to other EU programmes with activities in the area of smart networks and services.

The Executive Director is the legal representative of the SNS JU. She is responsible for the day-to-day management of the Joint Undertaking in accordance with the decisions of the Governing Board. The current Executive Director was appointed by the Governing Board on 24 May 2023 and took the position on 1 October 2023.

The States Representatives Group is an advisory body that provides guidance on all strategic issues as well as all relevant activities of the Joint Undertaking. It is composed of representatives of each Member State and Associated Country.

The Stakeholders Group is an advisory body that brings together public and private stakeholders in the smart networks and services field. The Group is regularly informed on the activities of the Joint Undertaking and can be consulted on specific questions.

Sources of financing

The SNS JU is funded by the European Union, the EFTA, and the Private Member 6G-IA. The Union is represented by the European Commission who provides with financial contributions to cover administrative and operational expenditure. The Private Member funds part of the administrative costs and contributes to the operational costs with in-kind contributions. The in-kind contributions consist of the costs incurred by the Private Members in implementing indirect actions that are not reimbursed by the Joint Undertaking.

2. Annual accounts

Basis for preparation

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

Accounting Officer

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

The Single Basic Act[3] establishing the new generations of JUs required, within one year following the date of entry into force of the Regulation, the establishment of back-office arrangements to provide horizontal support functions to the Joint Undertakings by concluding service level agreements. The Back-Office arrangement on Accounting (Acco BOA) was established and took over the accounting services from the Accounting Officer of the European Commission from 1 December 2022.

Following the decision of the **Smart Networks and Services** Joint Undertaking Governing Board of 14 December 2022, on behalf of the BOA Acc, Ms. Katty Hancq, as of 1 December 2022, acts as the Accounting Officer and Ms. Andrea Tóth and Mr. Andrei Hretu were nominated as deputy-accounting officers of **Smart Networks and Services** Joint Undertaking. Following the enactment of the contingency back-up plan for long term leaves, the deputization of Ms. Andrea Tóth was activated from the date 20 November 2024, in accordance with the GB decision. The deputy accounting officer was appointed with the same responsibility and the same conditions as the accounting officer. The deputization remains active until revoked.

Composition of the annual accounts

The annual accounts cover the current period from 1 January to 31 December 2024 and the prior period of financial autonomy 24 October to 31 December 2023 and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

Process from provisional accounts to discharge

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

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

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

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[2] Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public -private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 14 2, 29.5.2019, p. 16).

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

3. OPERATIONAL HIGHLIGHTS

Achievements of the year

2024 was the first year for the SNS JU with full operations and financial autonomy. The level of execution of the Annual Work Programme 2024 was very high, achieving the main operational objectives and obtaining a high budget implementation rate. The team was reinforced with new recruitments reaching the maximum authorised of 17 staff members. The organisation integrated in the dynamics of the EU joint undertakings by joining common actions and fostering the creation of synergies, notably in the field of Information and Technology. In 2024, the SNS JU proved to have absolute capacity to manage the operations and the budget on its own with outstanding results and a high productivity rate. The relationship between the European Commission was consolidated within the framework partnership agreement creating a good collaboration in horizontal matters of legal, financial and administrative nature.

The core operational achievement of 2024 is the consolidation of the SNS JU in the Research and Innovation (R&I) 5G/6G scene in Europe. This is due to the joint undertaking funding for 5G and 6G to the R&I community which reinforces the cutting-edge research and innovation in Europe. This is also supported by extensive communication activities, participation to events and workshops and engagement with stakeholders, at national, European and international levels.

The primary focus in 2024 was on launching the third wave of projects, with special attention given to new lighthouse projects in microelectronics and sustainability. These projects can redefine the landscape of innovation, not only in Europe but worldwide. With the 16 projects selected of the third call, the SNS JU will manage a portfolio of 79 projects as of 2025 with a total EU funding of EUR 500 million.

The preparation of the Research and Innovation Work Programme 2024 was open and inclusive, involving numerous meetings throughout the calendar year between the 6G-Industry Association (6G-IA) task force, The European Commission (DG CNECT) and the SNS JU Office. Consultations with 6G-IA and Networld Europe members took place multiple times over the past months. Collaboration with associations beyond the 6G-IA community was ensured, and the States Representative Group (SRG) including governments from all European Member States and associated countries to Horizon Europe was involved throughout the year and provided a positive opinion.

The Annual Work Programme 2024, notably through the Research and Innovation Work Programme 2024, addressed new priorities. Business and societal aspects, regulatory and ethical issues, cybersecurity, and trustworthiness took centre stage. These issues were integral to the responsible development and deployment of 6G technologies, and the SNS JU addressed them comprehensively.

The SNS JU launched a single call in January 2024 which involved creation of all needed documents, procedures and IT system configurations. The total EU expenditure for the 2024 call was EUR 127 million. The implementation of the call included all programmatic aspects such as the evaluation of proposals including the selection and contracting of the experts, the running of the evaluations, the selection of the best proposals approved by the SNS JU Governing Board, the preparation and the signature of the grant agreements, and the prefinancing of the projects. In parallel to this activity, the SNS JU ensured all due previous call project reviews and experts contracting, amendments, interim payments and portfolio management.

The SNS JU initiated and coordinated various working groups, ensuring their effective contribution to 6G R&I and 5G deployment. In 2024, three "SNS Project-related Working Groups," two "SNS Strategic Working Groups," and nine "6G-IA Industry-driven Working Groups" were operational. Adjustments to the structure of the working groups were made based on recommendations from the JU Governing Board.

Through the strategic working groups of the SNS JU launched in 2024, notably the working group "5G for connected and automated mobility deployment", the SNS JU Governing Board approved the "5G Strategic Deployment Agenda for the railways sector" (December 2024) with strong collaboration with relevant railways industry associations. This provided strategic guidance to the CEF Digital Programme which supports 5G deployment along transport pathways (road, rail and waterways).

With the goal of raising the profile and visibility of the joint undertaking, the SNS JU team developed a comprehensive communication policy and strategy, approved by the Governing Board in November 2024 upon the proposal of the Executive Director. The SNS JU enhanced its communication efforts with activities such as organizing a dedicated session at the Mobile World Congress (MWC) 2024, several workshops, and increasing its digital presence. Special attention was given to the microelectronics and sustainability dimensions of the 2024 Research and Innovation program. Additionally, the SNS JU supported the 2024 edition of the EUCNC & 6G Summit conference and coordinated information sessions on the 2024 R&I Work Programme and its participation rules.

The SNS JU fostered strong cooperation and information sharing with Member States, supporting SRG meetings and pursuing synergies with national 6G initiatives through workshops and coordinated actions at the EU level.

Budget and budget implementation

The 2024 Budget of the SNS Joint Undertaking was approved by the Governing Board on 23/11/2023 (GB Decision 21/2023). The commitment appropriations approved amounted to EUR 132.609.699, and the payment appropriations to EUR 132.833.731. This is the total budget for 2024 (no re-activations were made).

The budget of 2024 was effectively executed. On the revenues the implementation rate is 100%, and on the expenditure the implementation rate of commitment appropriations is 99%, and that of payment appropriations is 96%. The 2024 budget execution represents the first full year of autonomous activity of the joint undertaking after being granted financial autonomy on 24 October 2023.

<u>Revenue</u>

The sources of revenue are the European Union, the European Free Trade Association (EFTA) and the Private Member, the 6G-Industry Association (6G-IA). The contributions to the SNS Joint Undertaking indicated in the Annual Work Programme were made in accordance with the provisions of the respective agreements. The revenue implementation rate is 100%.

Budget implementation January - December 2024	Voted Budget 2024	Implemented	%
EU contribution	127.551.391	127.551.391	100%
EFTA contribution	4.515.319	4.515.319	100%
Industry Association contribution	767.021	767.021	100%
TOTAL	132.833.731	132.833.731	100%

In October 2023 the European Union, represented by the European Commission (DG CNECT) and the SNS Joint Undertaking signed the Financial Framework Partnership Agreement (FFPA) which defines the budget implementation tasks that are entrusted to the Joint Undertaking under Council Regulation 2021/2085 and funded from Horizon Europe. The Agreement establishes the rules for the implementation and for the payment of the Union's contribution and defines the relations between the Joint Undertaking and the European Commission. In July 2024 a new version of the FFPA (amendment) was signed by the European Commission (DG CNECT) and the SNS Joint Undertaking, mainly to introduce the provisions related to the synergy call. This was aligned with the Annual Work Programme (AWP) 2024 of the SNS Joint Undertaking that includes the participation of the SNS Joint Undertaking in a synergy call managed by EURail Joint Undertaking.

In February 2024 the Commission and the SNS Joint Undertaking signed the Contribution Agreement for 2024. Within the frame of the FFPA and the Contribution Agreement, the SNS JU requested a provisional pre-financing for a total EUR 131.755.085 in accordance with article 19 of the FFPA. The amount is composed of an administrative component of EUR 2.250.515 and an operational component of EUR 129.504.570. The total amount was cashed in July 2024. It is to be considered that the amount requested from DG CNECT differs from the voted payment appropriations 2024 by EUR 311.625. This is the budget allocated to the expert evaluators 2024 of SNS JU that was managed by REA in accordance with its mandate.

In April 2024 the 6G-IA and the SNS JU signed the annual contribution agreement for EUR 767.021 to cover part of the administrative expenditure of the joint undertaking for 2024. The amount was cashed by September 2024.

Expenditure

The statement of expenditure is composed of three titles: Title 1 Staff expenditure, Title 2 Infrastructure and operating expenditure and Title 3 Operational expenditure. Title 1 and Title 2 are of administrative nature, and the Title 3 is of operational nature.

The total budget implementation rate of 2024 is 99% on commitment appropriations and 96% on payment appropriations. The budget implementation rates of Title 1 are 92% and 90% on commitment and payment appropriations, respectively. The budget implementation rates of Title 2 are 59% and 66% for commitment and payment appropriations, respectively. The budget implementation rates of Title 3 are 99% and 97% for commitment and payment appropriations, respectively.

	Commitment appropriations			Payment appropriations		
Budget implementation January - December 2024	**Voted Budget 2024**	**Implemented**	**%**	**Voted Budget 2024**	**Implemented**	**%**
Title 1 Staff expenditure	2.187.272	2.014.856	92%	2.187.272	1.977.789	90%
Title 2 Infrastructure and operating expenditure	830.264	493.494	59%	830.264	547.806	66%
Title 3 Operational expenditure	129.592.162	128.385.413	99%	129.816.195	125.612.518	97%
TOTAL	**132.609.699**	**130.893.763**	**99%**	**132.833.731**	**128.138.113**	**96%**

By nature of expenditure, the budget implementation rates of administrative expenditure are 83% and 84% and those of operational expenditure are 99% and 97% on commitment and payment appropriations, respectively.

	Commitment appropriations			Payment appropriations		
Budget implementation January - December 2024	**Voted Budget 2024**	**Implemented**	**%**	**Voted Budget 2024**	**Implemented**	**%**
Administrative expenditure	3.017.536	2.508.350	83%	3.017.536	2.525.595	84%
Operational expenditure	129.592.162	128.385.413	99%	129.816.195	125.612.518	97%
TOTAL	**132.609.699**	**130.893.763**	**99%**	**132.833.731**	**128.138.113**	**96%**

Title 1 Staff expenditure

The implementation rate of Title 1 is 92% in commitment appropriations and 90% in payment appropriations. The implementation of the budget allocated to the staff is explained mainly by the completion of the recruitment and the payments of salaries and allowances throughout 12 months. By 31/12/2024, the maximum authorized number of staff members, a total of 17 composed of 7 Temporary Agents and 10 Contractual Agents was recruited. The amount spent in 2024 on salaries and allowances was EUR 1.829.132, an implementation rate of 94% and 93% for commitment and payment appropriations, respectively. The discrepancy in the rates is explained by a budget transfer made within Title 1, that reduced the initial budget allocated to salaries and allowances by different amounts in commitment than in payment appropriations. The salaries and allowances explain the 91% and 92% of the total commitments and payments under Title 1.

Title 2 Infrastructure and operating expenditure

The implementation rate of Title 2 is 59% in commitment appropriations and 66% in payment appropriations. Over 95% of the total budget implemented under Title 2 is represented by the chapter 20 Rental of buildings and associated costs, the chapter 21 Information, communication technology and data and the chapter 23 Current administrative expenditure, with total commitments for EUR 475.781 and payments for EUR 536.622.

Chapter 20 Rental of building and associated expenditure relate to the offices where the joint undertaking is located in Brussels (White Atrium). The legal frame is the usufruct contract, amendments 5 and 6, signed in 2023 and 2024, respectively, by the SNS JU. The total payments executed amounted to EUR 205.778. These relate to the rental of the office and the archive spaces, the rental of the parking slots and the provisional charges.

Chapter 21 Information, communication technology and data processing present an expenditure of EUR 253.022 on commitments and EUR 242.116 on payments. The commitments are mainly explained by the Service Level Agreement (SLA) on the Back Office Arrangement (BOA) on ICT under which the SNS JU joined the inter-joint undertakings ICT infrastructure; the global SLA with DIGIT on IT procurement and services provided by DIGIT; the SLA with DG BUDG on the use of the accounting system ABAC; the SLA with DG HR on the use of the human resources system Sysper, the personal data module and the HR Transformation programme (HRT); the SLA with the Secretariat-General on Hermes-Ares-Noncom (HAN); the procurement of IT services under the scope of framework contracts, software licenses and printing services. The payments made under chapter 21 are associated to the Service Level Agreements with DIGIT, DG HR and DG BUDG; the procurement of IT infrastructure management services; the purchase of IT equipment made in 2023; the procurement of a tool on data protection, and the procurement of software licenses and printing services.

Chapter 23 Current administrative expenditure presents an expenditure of EUR 147.759 on commitment and EUR 88.728 on payment appropriations, respectively. The commitments are mainly explained by the procurement of audit, accounting and legal services; the agreements with Directorate Generals and other joint undertakings on provision of services, namely the SLA on the BOA Accounting, the SLA with DG BUDG on treasury services, the SLA to join the EU Agencies Network (EUAN), the agreement with the Office for Infrastructure and logistics in Brussels (OIB) and the agreement with the Center of Translations (CdT). The payments made under chapter 23 are associated to the different service level agreements with the European Commission, the procurements on audit, accounting and legal services made in 2023, and other miscellaneous.

The lower implementation rate of Title 2 is mainly due to chapters 220 and 290, related to the refurbishment of the office area where the JU is located. This is preceded by some preparatory work that took longer than planned. If these appropriations would have been used, the implementation rate of Title 2 would have reached 80%.

Title 3: Operational expenditure

The implementation rate of Title 3 is 99% in commitment appropriations and 97% in payment appropriations. The total commitments made under Title 3 amounted to EUR 128.385.413, composed of EUR 127.897.478 on grants/projects and EUR 487.935 on evaluators and reviewer experts. The total payments are EUR 125.612.518, composed of EUR 125.128.858 grants/projects and EUR 483.660 evaluators and reviewer experts.

In January 2024 the SNS JU launched its 3rd call for proposals. The call resulted in 16 selected proposals for a total of EUR 126.897.478 approved by the Governing Board in July 2024 (GB decision 12/2024). A commitment level 1 for EUR 126.897.478 was made. Out of the 16 projects, 15 grant agreements were signed in 2024 for a total of EUR 123.880.385. The related 15 pre-financing payments for EUR 96.444.046 were made in 2024. The balance left in the commitment level 1, EUR 3.017.093, was carried forward to 2025 as the signature of the grant agreement number 16 and the related pre-financing are to be made early 2025.

Within the scope of the 2nd call for proposals (2023) that resulted in 28 projects, the grant agreement related to project number 28 was signed early 2024. A commitment level 2 for EUR 3.999.990 was made and the pre-financing of EUR 3.199.992 was paid to the coordinator in line with the provisions of the agreement. In relation to the 1st call for proposals (2022) that resulted in 35 projects ongoing as of January 2023, the coordinators submitted the first periodic report to the joint undertaking in the course of 2024 leading to the execution of 35 interim payments for a total of EUR 24.984.820.

The SNS JU participates in a synergy call managed by EURail Joint Undertaking by contributing with EUR 1.000.000 to the project. The two joint undertakings formalized the contribution by signing an agreement in September 2024. The agreed amount of EUR 1.000.000 was subject to a commitment. The 50% was paid in December 2024 as pre-financing.

The budget allocated to the expert evaluators amounted to EUR 311.625. It was managed by REA in accordance with its mandate. The full amount committed was paid to the evaluators. The commitments related to the expert reviewers amounted to EUR 176.310 and the payments, to EUR 172.035. The reviewer experts were contracted and paid directly by the joint undertaking.

Outstanding commitments

The outstanding commitments are the commitments that were carried forward to 2024 and the commitments made with the appropriations of 2024, that remained unpaid by 31 December 2024. The commitments from previous years amounted to EUR 89.238.174 out of which EUR 5.704.070 were decommitted for re-activation in 2025 and EUR 28.442.171 were paid in 2024. The commitments made with appropriations of 2024 amounted to EUR 130.893.763 out of which EUR 99.695.942 were paid. The resulting outstanding commitments at the end of 2024 is EUR 86.289.753. The 99,7% of the outstanding commitments are due to the grant agreements. This is explained as the grant agreements cover projects with an average duration of 3 years. While the commitment is made at the year of the signature, the payments are made throughout the duration of the project.

Lapsing appropriations

The lapsing appropriations are those appropriations made available in 2024 (voted budget) that were not used. These amount to EUR 1.715.936 commitment appropriations and to EUR 4.695.618 payment appropriations. The lapsing appropriations in Title 1 are EUR 172.416 and EUR 209.483; Title 2 EUR 336.771 and EUR 282.458 and Title 3 EUR 1.206.750 and EUR 4.203.677 commitment and payment appropriations, respectively. The 70% and 89% of the total lapsing commitment and payment appropriations are due to Title 3. The lapsing appropriations will be reactivated within the next 3 years in accordance with the Financial Rules.

Amendments/Transfers

Budget 2024 of the SNS JU was not subject to any amendment. Title 1 and Title 2 were subject to budget transfers among chapters to meet unplanned business needs. These were made in respect of the article 12 of the Financial Rules of the SNS JU. In Title 1, the transfers were needed mainly to contract external services (interimaire staff) and in Title 2, to commit additional IT services and to pay part of the building costs.

Impact of the activities in the financial statements

2024 is the first year with full activity and financial autonomy of the joint undertaking. The office operated during the 12-month period by a team that reached the maximum authorised of 17 staff members. The first projects (35) started implementation as of January 2023, and the first periodical reports were submitted in 2024. This meaning that in 2024 the first cost claims, interim payments and clearing of open pre-financing were made. As of January 2024, 28 additional projects started implementation.

By contrast, 2023 was the year when the joint undertaking became financially autonomous (as of 24 October 2023). Before that date, the activities related to the SNS JU's programmes were carried out by the Commission who transferred the files to the joint undertaking by financial autonomy date. The joint undertaking managed its own activities and budget for a period of 2 month in 2023. These events had an impact on the financial statements and are crucial to read the comparative figures in the annual accounts. The main balances are:

- Administrative expense for EUR 2.578.545,95 in 2024 (2023: EUR 507.612,92),
- Open pre-financing for EUR 331.051.324,50 in 2024 (2023: EUR 288.869.155,81),
- Interim (operational) payments made for EUR 24.984.819,65 in 2024 (2023: nil),
- Validated operational expense for EUR 83.430.349,20 in 2024 (2023: nil),
- Open pre-financing cleared for EUR 57.961.869,55 in 2024 (2023: nil),
- Accumulated IKOP for EUR 24.684.227,09 in 2024 (2023: EUR 10.459.435,36).

Relevant explanations are presented in the notes to the financial statements and other disclosures.

SMART NETWORKS AND SERVICES JOINT UNDERTAKING

FINANCIAL YEAR 2024

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

BALANCE SHEET

	Note	31.12.2024	31.12.2023
NON-CURRENT ASSETS			
Property, plant and equipment	2.2	*21.040,59*	*24.127,59*
Long term pre-financing	2.3	*99.775.031,59*	*121.347.448,85*
		99.796.072,18	**121.371.576,44**
CURRENT ASSETS			
Short-term Pre-financing	2.3	*135.770.000,87*	*117.449.493,45*
Exchange receivables and non-exchange recoverables	2.4	*19.785.564,10*	*21.471.871,61*
		155.555.564,97	**138.921.365,06**
TOTAL ASSETS		**255.351.637,15**	**260.292.941,50**
CURRENT LIABILITIES			
Payables and other liabilities	2.7	*43.768.203,17*	*31.545.395,11*
Accrued charges and deferred income	2.8	*15.881.070,35*	*25.055.914,62*
		59.649.273,52	**56.601.309,73**
TOTAL LIABILITIES		**59.649.273,52**	**56.601.309,73**
NET ASSETS			
Contribution from Members	2.9	*418.091.259,86*	*289.691.244,79*
Accumulated deficit		*(85.999.613,02)*	-
Economic result of the year		*(136.389.283,21)*	*(85.999.613,02)*
TOTAL NET ASSETS		**195.702.363,63**	**203.691.631,77**
LIABILITIES AND NET ASSETS		**255.351.637,15**	**260.292.941,50**

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2024	2023
REVENUE			
Revenue from non-exchange transactions			
Recovery of operating expenses	3.1	-	-
Other non-exchange revenue	3.2	-	-
Revenue from exchange transactions			
Other exchange revenue	3.3	-	-
Total revenue		**-**	**-**
EXPENSES			
Operating costs	3.4	*(133.810.737,26)*	*(85.492.000,10)*
Staff costs	3.5	*(1.887.093,53)*	*(305.687,27)*
Other expenses	3.7	*(691.452,42)*	*(201.925,65)*
Total expenses		**(136.389.283,21)**	**(85.999.613,02)**
ECONOMIC RESULT OF THE YEAR		**(136.389.283,21)**	**(85.999.613,02)**

In the statement of financial performance, the 2024 figures represent the economic result during the period from 1 January 2024 to 31 December 2024, while the prior period figures represent the economic result of 2023 being the year of transition to financial autonomy from the period of 24 October 2023 to 31 December 2023. Consequently, the presented values of the two reporting periods are not comparable. The details on the respective movements are disclosed in the corresponding note for each line item presented.

CASHFLOW STATEMENT[4]

	2024	2023
Economic result of the year	*(136.389.283,21)*	*(85.999.613,02)*
Operating activities	**136.393.357,16**	**86.024.550,91**
Depreciation and amortization	*7.160,95*	*810,30*
(Increase)/decrease in pre-financing	*3.251.909,84*	*(238.796.942,30)*
(Increase)/decrease in exchange receivables and non-exchange recoverables	*1.686.307,51*	*(21.471.871,61)*
Increase/(decrease) in payables	*12.222.808,06*	*31.545.395,11*
Increase/(decrease) in accrued charges & deferred income	*(9.174.844,27)*	*25.055.914,62*
Increase/(decrease) in cash contributions	*128.400.015,07*	*289.691.244,79*
Investing activities	**(4.073,95)**	**(24.937,89)**
(Increase)/decrease in intangible assets and property, plant and equipment	*(4.073,95)*	*(24.937,89)*
NET CASHFLOW	**-**	**-**
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at year-end	-	-

[4]The treasury of the Smart Networks and Services JU is integrated into the Commission's treasury system. Because of this, the Smart Networks and Services JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading non-exchange recoverables.

STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2022	**289.691.244,79**	**-**	**(85.999.613,02)**	**203.691.631,77**
Allocation 2022 economic result	-	-	-	-
Cash contribution	*289.691.244,79*	-	-	*289.691.244,79*
Economic result of the year	-	-	*(85.999.613,02)*	*(85.999.613,02)*
BALANCE AS AT 31.12.2023	**289.691.244,79**	**-**	**(85.999.613,02)**	**203.691.631,77**
Allocation 2023 economic result		*(85.999.613,02)*	*85.999.613,02*	-
Cash contribution	*128.400.015,07*	-	-	*128.400.015,07*
Economic result of the year	-	-	*(136.389.283,21)*	*(136.389.283,21)*
BALANCE AS AT 31.12.2024	**418.091.259,86**	**(85.999.613,02)**	**(136.389.283,21)**	**195.702.363,63**

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of stakeholders.

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

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December. Nevertheless, it should be noted that the Annual Accounts for 2023 cover the period from 24 October until 31 December 2023.

1.2.2. Currency and basis for conversion

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

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

Euro exchange rates

Currency	31.12.2024	31.12.2023	Currency	31.12.2024	31.12.2023
BGN	**1,9558**	1,956	**PLN**	**4,275**	4,34
CZK	**25,185**	24,724	**RON**	**4,9743**	4,976
DKK	**7,4578**	7,453	**SEK**	**11,459**	11,096
GBP	**0,8218**	0,887	**CHF**	**0,9412**	0,926
NOK	**11,795**	11,241	**JPY**	**163,06**	156,33
HUF	**411,35**	382,80	**USD**	**1,0389**	1,105

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. Actual results could differ from those estimates. Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

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

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

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

- **IPSAS 46 Measurement:** IPSAS 46 brings measurement guidance together in a single standard, and introduces a public sector specific current value measurement basis for assets held for their operational capacity and provides additional generic guidance on fair value. IPSAS 46 will be effective for periods beginning on or after January 1, 2025.

- **IPSAS 45 Property, Plant, Equipment:** IPSAS 45 introduces the current operational value as a measurement basis in the updated current value model for assets and also identifies the characteristics of heritage and infrastructure assets and provides new guidance on how these types of assets should be recognized and measured. IPSAS 45 will be effective for periods beginning on or after January 1, 2025.

- **IPSAS 43 Leases**: IPSAS 43 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right -of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. IPSAS 43 will be effective for periods beginning on or after January 1, 2025.

- **IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations:** IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value. IPSAS 44 will be effective for periods beginning on or after January 1, 2025.

- **Amendment to IPSAS 43 Leases:** This amendment offers a practical expedient to account for lease modifications in IPSAS 43, Leases. This amendment will be effective for periods beginning on or after January 1, 2025.

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

- **IPSAS 49 Retirement Benefits:** IPSAS 49 prescribes the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.

- **IPSAS 47 Revenue:** IPSAS 47 is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards and presents accounting models which will improve financial reporting and support effective public sector financial management.
  IPSAS 47 will be effective for periods beginning on or after January 1, 2026.

- **IPSAS 48 Transfer Expenses:** IPSAS 48 provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap which had previously led to ambiguity and inconsistency of accounting policies in the public sector. IPSAS 48 will be effective for periods beginning on or after January 1, 2026.

- **Amendment to IPSAS 1, Presentation of Financial Statements:** The amendments clarify the principles related to the right to defer settlement for at least twelve months (with or without covenants); and the meaning of 'settlement' when a liability is rolled over under and existing loan facility. These amendments will be effective for periods beginning on or after January 1, 2026.

- **Amendment to IPSAS 43 Leases:** Amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any gain or loss that relates to the right-of-use it retains. This amendment will be effective for periods beginning on or after January 1, 2026.

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

- **Concessionary Leases and Other Arrangements Conveying Rights over Assets (Amendments to IPSAS 43, IPSAS 47, and IPSAS 48):** The new guidance enhances IPSAS 43, IPSAS 47, and IPSAS 48 by addressing the accounting for arrangements that are prevalent in the public sector consistent with the principles in those Standards. These amendments will be effective for periods beginning on or after January 1, 2027.

- **IPSAS 50, Exploration for and Evaluation of Mineral Resources:** IPSAS 50 provides guidance related to the costs incurred for exploration for, and evaluation of, mineral resources (for example, minerals, oil, natural gas and similar non-regenerative resources), as well as the costs of determining the technical feasibility and commercial viability of extracting the mineral resources. IPSAS 50 will be effective for periods beginning on or after January 1, 2027.

- **Stripping Costs in the Production Phase of a Mine (Amendments to IPSAS 12):** Appendix A in IPSAS 12, Inventories, provides interpretive guidance on accounting for waste removal costs that are incurred in surface mining activities during the production phase of the mine. These amendments will be effective for periods beginning on or after January 1, 2027.

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

The new IPSAS 43 standard will have a limited impact on the Joint Undertaking. The corresponding EAR 8 (Leases) was issued in 2025, the entities shall apply the revised EAR for annual financial statements covering periods beginning on or after 1 January 2027. The scope of lease contracts falling under IPSAS 43 will be limited to the rental commitment of the office building of the Joint Undertaking. The total commitment under note **3.7** can give an indication of the impact of the new standard on the financial statements.

1.3. BALANCE SHEET

1.3.1. Intangible assets

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

1.3.2. Property, plant and equipment

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

Type of asset	Straight line depreciation rate
Buildings	*4 % to 10 %*
Plant and equipment	*10 % to 25 %*
Furniture and vehicles	*10 % to 25 %*
Computer hardware	*25 % to 33 %*
Other	*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 ona 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 are financial assets at amortised cost and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

1.3.8. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g., to cost claims from beneficiaries, grants or other EU funding, or pre-financing received (see note **1.3.5**), or non-validated in-kind contributions to operational activities (see note **1.6.2**).

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

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

1.3.9. Accrued and deferred revenue and charges

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

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

1.3.10. Provisions

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

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

1.3.11. Net assets

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

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

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

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

(i) Revenue from non-exchange transactions

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

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

(ii) Revenue from exchange transactions

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

1.4.2. Expenses

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

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

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

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

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

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

1.5.2. Contingent liabilities

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

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

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

1.6. CONTRIBUTIONS FROM MEMBERS

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

1.6.1. Financial contributions

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

<u>Horizon Europe Programme</u>:

- EU Contributions: In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA), the JU received from the European Union a pre-financing payment for the implementation of the Horizon Europe Framework Programme.

- According to the Specific Guidance for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contributions payments done by the EU for the Horizon Europe Programme are accounted as 'Contributions in cash to be validated'. During the provisional accounting closure, the JU should, on the basis of the payment's implementation report, determine the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe Programme. In the accounting of the JU the underlying amount should be, for the purpose of the preparation of the provisional financial statements, transferred from the provisional payments to the net assets of the JU (cut-off procedure). It will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – AAR (Art. 19.2 FFPA).

- Private contributions from the industry association 6G-IA: financial contributions are contributions made in cash in order to provide funding of the administrative needs of the JU. These financial contributions are recognised in net assets in the period in which the enforceable right to receive the payment was established.

1.6.2. In-kind contributions

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

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

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

As IKOP calculated from periodic cost claims of projects is not automatically recorded in the statement of financial performance, at year-end, this incurred IKOP as well as IKOP not yet reported (via received costs claims) is estimated and recorded as payables and other liabilities ('Contributions of Members to be validated').

The EU makes available the cash contributions in advance (until the payments reach the 90% of the grant agreement value), providing the beneficiaries with sufficient level of funds to implement the program activities; while the in-kind contributions provided by the Private Members can be verified and recognised only after the activities are concluded, reported and certified.

The EU cash contributions are validated and recognised in the accounts of the JU based on the payments processed by the JU (see point **2.9**) at the beginning of the project implementation, while members' in-kind contributions are only recognised after validation of the costs incurred and declared. Consequently, due to this time gap, during the program implementation the amounts of contributions recognised per member category (EU and Private Members) differ significantly from each other. This gap between the recognised amount of EU cash contributions on one hand and in-kind contributions on the other hand will be closed as the program is approaching the finalisation stage.

Due to major simplifications applied for Horizon Europe Programme, the certification for IKOP is based on the CFS20 certificate for the total eligible project costs. The certificates for IKOP are only due to be submitted to the JU after the end of the last project reporting period. This time difference is a cause of a major delay between the time when the IKOP balances are committed (upon signature of the grant) until they could be validated and recognised in net assets of the JU.

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

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

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

On 31 December 2024 the Joint Undertaking has no intangible assets (2023: none).

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.

	Computer hardware	TOTAL
Gross carrying amount at 31.12.2023	*24.937,89*	*24.937,89*
Adjustment	*(2.854,85)*	*(2.854,85)*
Additions	*6.928,80*	*6.928,80*
Gross carrying amount at 31.12.2024	**29.011,84**	**29.011,84**
Accumulated depreciation at 31.12.2023	*(810,30)*	*(810,30)*
Adjustment	*92,12*	*92,12*
Depreciation charge for the year	*(7.253,07)*	*(7.253,07)*
Accumulated depreciation at 31.12.2024	**(7.971,25)**	**(7.971,25)**
NET CARRYING AMOUNT AT 31.12.2024	**21.040,59**	**21.040,59**
NET CARRYING AMOUNT AT 31.12.2023	*24.127,59*	*24.127,59*

The computer hardware consists of IT equipment mainly composed of laptops, valued at EUR 29.011,84, including EUR 6.928 relating to iPhones acquired in 2024. This IT equipment is depreciated over its useful life of four years. In the prior year, depreciation for fixed assets amounted to EUR 810, primarily due to equipment acquired at the end of 2023, which were depreciated over the remaining 2 months of the fiscal year 2023. In 2024, the depreciation expense for fixed assets amounts to EUR 7.253 covering a full 12-month depreciation period.
In 2024, an adjustment was made to derecognize the value of warranties purchased with the computer hardware which had been capitalised upon acquisition in 2023.
As referenced in the sublease contract for the office space, certain office equipment was left on the premises, and effectively transferred to SNS JU free of charge. Although these items are expected to provide future economic benefits, SNS JU could not measure their fair value reliably due to lack of information from the counterparty. Therefore, these items were not recognized on SNS JU's balance sheet. The revenue from non-exchange transaction could neither be measured.

2.3. PRE-FINANCING

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

	31.12.2024	31.12.2023
Non-current pre-financing	*99.775.031,59*	*121.347.448,85*
Current pre-financing	*135.770.000,87*	*117.449.493,45*
Total	**235.545.032,46**	**238.796.942,30**

The pre-financing included under this heading comprises pre-financing for operational activities only.

By default, the pre-financing payments are registered as short-term (current) in the accounting system. At year-end, the pre-financing is correctly classified as current or non-current. For all pre-financing amounts open at 31 December 2024 (EUR 331.051.324,50) a case-by-case assessment has been performed. The current pre-financing is presented as the estimated clearing of pre-financing 2025, while the non-current pre-financing is calculated as the residual value between the open pre-financing and the current pre-financing, after deduction of the estimated clearing of pre-financing 2024.

The overall high amount of the open pre-financing can be explained by the fact that for Horizon Europe rules, the incurred costs are cleared against pre-financing when the total amounts paid to the beneficiaries reach 90% of the grant agreement amount. In addition, only the amount exceeding this threshold is cleared. Consequently, in the first years of the project's life there is significant open pre-financing that will only be cleared in later years.

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.

	31.12.2024	31.12.2023
Recoverables from non-exchange transactions		
Public bodies	-	*61,38*
Central treasury liaison accounts	*19.735.270,17*	*21.471.810,23*
Total Recoverables from non-exchange transactions	**19.735.270,17**	**21.471.871,61**
Receivables from exchange transactions		
Accrued income and deferred charges	*50.293,93*	-
Total Receivables from exchange transactions	**50.293,93**	**-**
Total	**19.785.564,10**	**21.471.871,61**

The largest amount under this heading relates to Central treasury liaison (intercompany) accounts with the Commission which represent the virtual bank accounts of Smart Networks and Services JU. The treasury of the joint undertaking is integrated into the Commission's treasury system. Because of this the joint undertaking does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts. The ending balance of this heading is thus the result of the incoming and outgoing payments and represents the funds available for the joint undertaking.

The deferred charges were primarily made up of expenses covering the academic year 2024-2025 for which the portion related to 2025 was deferred, as well as cloud services for the first quarter of 2025.

2.5. CASH AND CASH EQUIVALENTS

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

The Joint Undertaking does not hold any form of cash or cash equivalents at hand or in accounts with financial institutions under its name.

LIABILITIES

2.6. PROVISIONS

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

At 31 December 2024 the Joint Undertaking has not established any provisions (2023: nil).

2.7. PAYABLES AND OTHER LIABILITIES

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

	31.12.2024	31.12.2023
Contribution in kind from Members to be validated	*24.684.227,09*	*10.459.435,36*
Total contributions to be validated	**24.684.227,09**	**10.459.435,36**
Payables to the Mutual Insurance Mechanism	-	*6.432.219,33*
Cash contribution from EC to be validated	*19.077.158,53*	*14.643.442,60*
Suppliers	*6.817,55*	*10.297,82*
Total payables to entities	**19.083.976,08**	**21.085.959,75**
Total	**43.768.203,17**	**31.545.395,11**

The contributions in-kind from the private members to be validated includes the contributions in-kind for operational activities (IKOP) related to on-going projects without a validated contribution certificate on 31 December 2024. The IKOP 2024 (EUR 24.684.227,09) was estimated on a case-by-case basis using the best available information on the projects at year-end. The increase is mainly due to the fact that the IKOP estimated for 2024 is based on the accumulated IKOP of 35 projects of call 1 that are ongoing since January 2023. It also includes the estimated IKOP of 28 ongoing projects of call 2 and 1 project of the synergy call. The IKOP of 2023 (EUR 10.459.435,36) was estimated based on the 35 projects of call 1 only. The projects of call 3 will start implementation as of January 2025, therefore did not accrue any IKOP up to 2024. After validation of the IKOP at the end of the projects, the IKOP will be booked to Net Assets and presented as “Contributions received from Members” (note **2.9**).

The decrease in the payables to the Mutual Insurance Mechanism (MIM) is due to the fact that in 2023, the payments to the MIM related to the call 2023 remained outstanding as at year end. By contrast, in 2024 the payment to the MIM related to the call 2024 was made prior to year-end, thus bringing the outstanding balance at the end of 2024 to nil.

The cash contributions from the EC to be validated are the financial contributions for the Horizon Europe Programme received but not spent (notes **1.6.1** and **4.6**).

2.8. ACCRUED CHARGES

Accruals are liabilities to pay for goods or services that have been received or supplied but - unlike payables - have not yet been invoiced or formally agreed with the supplier. They include amounts due to employees (e.g. accruals for untaken holidays). The calculation of accruals is based on the open amount of budgetary commitments at year-end. The portion of the estimated accrued charges relating to pre-financing paid has been recorded as a reduction of the pre-financing amounts.

	31.12.2024	31.12.2023
Accrued charges	*15.881.070,35*	*25.055.914,62*

The accrued charges are largely composed of operational accruals making up EUR 15.681.869,03 in 2024 (2023: EUR 24.960.351,23) and representing the total estimated operational costs for 2024 less the accrued clearing of pre-financing. The accrued operational costs relate to ongoing projects in 2024 and was estimated on a case-by-case basis using the best available information about each project on 31 December 2024.

Other administrative accruals of EUR 140.490,79 (EUR 66.907,02 in 2023) are made up primarily of IT services provided in the frame of the inter-joint undertaking Back Office Arrangement and other IT services, as well as external legal services. The increase is mainly due to an increase in the intensity and volume of activity spread over for a full calendar year in 2024 as compared only 2 months in 2023 where SNS JU was autonomous.

Staff-related accruals amount to EUR 58.710,53 (EUR 28.656,37 in 2023) relates to the cost for the untaken leave days calculated by staff member.

NET ASSETS

2.9. CONTRIBUTIONS FROM MEMBERS

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

Programming period	2024			2023		
	Cash	in-Kind	Total	Cash	in-Kind	Total
Horizon Europe	*418.091.259,86*	-	*418.091.259,86*	*289.691.244,79*	-	*289.691.244,79*
Total	**418.091.259,86**	**-**	**418.091.259,86**	**289.691.244,79**	**-**	**289.691.244,79**

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

Member	EU Commission	6G-IA Association		Total	
	Cash	Cash	In kind	Cash	In kind
Running costs contributions at 31.12.2023	*340.703,44*	*481.385,54*	-	*822.088,98*	-
Current year contributions	*2.020.476,18*	*767.021,00*	-	*2.787.497,18*	-
Running costs contributions at 31.12.2024	**2.361.179,62**	**1.248.406,54**	**-**	**3.609.586,16**	**-**
Operating costs contributions at 31.12.2023	*288.869.155,81*	-	-	*288.869.155,81*	-
Current year contributions	*125.612.517,89*	-	-	*125.612.517,89*	-
Operating costs contributions at 31.12.2024	**414.481.673,70**	**-**	**-**	**414.481.673,70**	**-**
TOTAL contributions at 31.12.2023	*289.209.859,25*	*481.385,54*	-	*289.691.244,79*	-
TOTAL contributions at 31.12.2024	**416.842.853,32**	**1.248.406,54**	**-**	**418.091.259,86**	**-**

According to the specific guidance issued by the EC Accounting Officer for the accounting of the EU cash contributions received under Horizon Europe program, the accounting treatment of the EU contribution should align with Art. 19.1 of the Financial Framework Partnership Agreement (FFPA), defining that the Union contributions take form of provisional payments ("pre-financings"). Based on this requirement, the JU determines, on the basis of the payment implementation report the amount of operating and administrative expenditure that have been covered from the EU financial contributions and enters only this amount into the Net Assets.

As per the budget implementation report, the total payments implemented in 2024 amounted to EUR 128.138.113,11, composed of EUR 2.525.595,22 administrative and EUR 125.612.517,89 operational. The 80% of the administrative payments (EUR 2.020.476,18) and the 100% of the operational payments (EUR 125.612.517,89) make a total of EUR 127.632.994,07 and are entered into the Net Assets as cash contribution from the EU implemented in 2024. This is in accordance with the cited specific guidance.

The EU contributions reported in 2023 are comparatively higher because these cover the pre-financings made before the financial autonomy for EUR 188.618.124,83, that were transferred to the joint undertaking, in addition to the payments implemented during the financial autonomy period for EUR 100.591.734,42. The total became part of the Net Assets in 2023.

The cash contributions received from the Industry Association have a different accounting treatment as these are directly recognised into Net Assets. The total cash contributions made since 2022 amount to EUR 1.685.982,00. The table reports only the contribution since the financial autonomy of SNS JU, in 2024 (EUR 767.021,00) and in 2023 (EUR 481.385,54).

There were no in-kind contributions for operational activities (IKOP) validated by end of 2024.

See note **4.6** for further details.

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.

The Joint Undertaking did not have any recovery of expenses from the start of their financial autonomy until 31 December 2024 (2023: no recovery of expenses).

3.2. OTHER NON-EXCHANGE REVENUE

The Joint Undertaking did not have any other non-exchange revenue in 2024 and none since their financial autonomy in 2023.

EXCHANGE REVENUE

3.3. REVENUE FROM EXCHANGE TRANSACTIONS

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

The Joint Undertaking did not have any other exchange revenue in 2024 and none since their financial autonomy in 2023.

EXPENSES

3.4. 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 on 31 December was estimated using the best information available at the time of preparation of the annual accounts. The estimation is based on the case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates are based on costs incurred to date as a proportion of the estimated total costs of the projects ("pro-rata temporis").

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

	2024	2023
Operational costs: estimated in-kind contributions	*14.224.791,73*	*10.459.435,36*
Total operational costs from in-kind contributions	**14.224.791,73**	**10.459.435,36**
Operational costs: validated EU contributions	*83.430.349,20*	-
Operational costs: estimated EU contributions	*36.155.596,33*	*75.032.564,74*
Total operational costs from EU contributions	**119.585.945,53**	**75.032.564,74**
Total	**133.810.737,26**	**85.492.000,10**

The total operational cost from EU contributions 2024 is EUR 119.585.945,53 (2023: EUR 75.032.564,74). It is mainly composed of validated EU contributions for EUR 83.430.349,20 (2023: nil) calculated as the cost claim value reported in 2024. The costs claim value is the actual operational cost related to 35 ongoing projects of call 1, whose implementation started as of 1/1/2023 and the first reporting period ended between 12 to 18 months after. The interim report with the actual operational cost (cost claim) was submitted to SNS JU in 2024. In 2023, no interim reports were submitted therefore no validated EU contributions were reported.

The estimated EU contributions 2024 for EUR 36.155.596,33 (EUR 75.032.564,74 in 2023) are calculated with the pro-rata method for the period not covered by cost claims. The accrued cost relates to ongoing projects of call 1 and call 2 and the project of the synergy call. The cost reported in 2023 of EUR 75.032.564,74 was estimated for a 12-month period and related to 35 projects.

The in-kind contributions for operational activities (IKOP) were calculated based on the data in the interim reports (call 1) and the estimated IKOP for the non-reported period of 2024 (call 1, call 2 and synergy project). The IKOP will be validated only at the end of the projects when the eligible cost is certified, expected as of 2025.

3.5. STAFF COSTS

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

As per Article 83a (2) of the Staff Regulations, the part paid by the JU shall correspond to the percentage share between a) the JU's revenues without the subsidy from the general budget, and b) its total revenues. To avoid disruptive variations over time, the JUs employer's pension contribution is calculated with a single percentage share for the whole duration of the JU. This single percentage was established on the basis of the EU and non-EU members' respective contributions, as foreseen in the JU's legal basis, with a correction and regularisation at the last year of existence of the JU. The contribution of the Smart Networks and Services Joint Undertaking was set as 1,00% of the total pension scheme contributions. This contribution is accounted within staff costs.

	2024	2023
Staff costs	*1.887.093,53*	*305.687,27*

The staff costs for 2024 cover the entire calendar year, whereas in 2023, the staff costs were limited to the period of financial autonomy from 24/10/2023 to 31/12/2023. The increase in staff costs in 2024 is also explained by the recruitment of 3 authorised positions reaching the maximum of 17.

3.6. FINANCE EXPENSES

The Joint Undertaking did not incur any financial expenses in 2024 and none since their financial autonomy in 2023.

3.7. OTHER EXPENSES

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

	2024	2023
External IT services	*289.823,77*	*144.409,33*
Rent expenses	*131.816,45*	*22.304,22*
Communications & publications	*-*	*16,15*
Missions	*25.146,77*	*2.718,85*
External non-IT services	*144.506,95*	*20.845,53*
Legal Expenses	*24.559,00*	*-*
Depreciation of tangible fixed assets	*7.160,95*	*810,30*
Maintenance and security of the building	*57.843,87*	*7.332,47*
Office Supplies & maintenance	*904,41*	*-*
Experts expenses	*471,37*	*-*
Training costs	*9.175,21*	*3.488,80*
Insurance costs	*43,67*	*-*
Total	**691.452,42**	**201.925,65**

The overall increase in expenses reported for 2024 relates to the accounting period of 12 months and full operational activity for the entire period. By contrast, the expenses reported for 2023 cover only the financial autonomy period of approximately 2 months (between 24/10/2023-31/12/2023) and a lower activity due to a period of transition to autonomy.

The main expenses are composed of operating lease expense, external IT services and other non-IT services.

The external IT services costs EUR 289.823,77 in 2024 (EUR 144.409,33 in 2023), are explained mainly by the IT services contracted to the European Commission via Service Level Agreements (DIGIT, DG BUDG) on the provision of digital services and the use of ABAC, and to the external contractors through procurement and by joining the inter-joint undertaking Back Office Arrangement on ICT.

The operating lease expenses (EUR 131.816,45) and Maintenance and security of the building (EUR 57.843,87), composed of costs related to the rental of the office space and the parking slots, and the associated charges for a 12-month period. The total amount of 2023 amounted to EUR 29.636,69 for a 2-month period.

The non-IT external services relate to a diverse range of services contracted to companies via procurement and to the European Commission. These services amounted to EUR 144.506,95 in 2024 and to EUR 20.845,53 in 2023. The main expenses refer to the services provided by the Back Office Arrangement (BOA) on accounting, the provision of treasury services by DG BUDG, the cost of interim services, the cost of the audit and other minor expenses.

An overview of the amount to be committed and paid during the remaining term of these lease contract is as follows:

	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
Buildings	*125.197,08*	*526.333,53*	*279.219,93*	*930.750,54*

A new lease contract for rental of the main office building enters into force as from 1/1/2025 running until 31/12/2031.

4. OTHER SIGNIFICANT DISCLOSURES

4.1. CONTINGENT ASSETS

No contingent assets were identified for the Joint Undertaking at 31 December 2024. (2023: none).

4.2. CONTINGENT LIABILITIES

No contingent liabilities were identified for the Joint Undertaking at 31 December 2024. (2023: no contingent liabilities).

4.3. OUTSTANDING COMMITMENTS NOT YET EXPENSED

The outstanding commitments not yet expensed comprise the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the current year 's statement of financial performance. The RAL represents the open budgetary commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes. The outstanding amount refers to commitments level 1 and level 2 of administrative and operational nature, meaning 0,34% and 99,7%, respectively.

	31.12.2024	31.12.2023
Outstanding commitments not yet expensed	*70.460.575,68*	*64.171.961,33*

4.4. IN-KIND CONTRIBUTIONS (IKOP)

According to the Single Basic Act, members other than the European Union can contribute with non-financial resources. In case of the SNS JU, the private members of the industry association 6G-IA will contribute with in-kind contributions to the activities of the Joint Undertaking. There are two types of in-kind contributions: in-kind contributions to operational activities (IKOP) and in-kind contributions to additional activities (IKAA).

The IKOP comprises contributions from private members consisting of the eligible costs incurred by them in implementing specific indirect actions (funded projects) less the contribution of the Joint Undertaking to those costs. The IKOP reported will be validated and accepted by the Joint Undertaking according to the legal requirements established. The target for 2024 at programme level is a minimum of 6% (EUR 8 million).

The IKOP is reported by the private members after the end of the project. The projects resulting from the first call of SNS JU started in the beginning of 2023. The projects have an average duration of three years, meaning that the first IKOP will be reported by 2026. By that year, the IKOP accepted will be recognised as contributions from members under the net assets heading of the balance sheet. By the end of 2024, the IKOP incurred during the year was reasonably estimated and recorded as operational expense in the statement of financial performance of the Joint Undertaking. The amount estimated is EUR 14.224.791,73 (note **3.4**).

4.5. IN-KIND IN ADDITIONAL ACTIVITIES (IKAA)

The IKAA are associated to the implementation of additional activities by the private members that contribute to the objectives of the Joint Undertaking but are not directly linked to the legal entity of the Joint Undertaking nor under its control. Additional activities may include:

(a) spin-off research and development activities;
(b) contributions to standardisation;
(c) contributions to consultations in the context of Union regulatory processes;
(d) activities financed by loans of the European Investment Bank and not funded under a grant by the Union;
(e) contributions to activities of the members other than the Union and any other group or association of stakeholders in the area of the Smart Networks and Services Joint Undertaking, not funded under a grant by the Union;
(f) activities to develop the ecosystem including building cooperation with verticals;
(g) dissemination activities of results globally to achieve consensus on supported technologies as preparation of future standards;
(h) trials, demos, pilots, go to market and early deployment of technologies;
(i) international cooperation not funded under a grant by the Union;
(j) activities related to the preparation of, and participation in, research and innovation projects funded by private or public bodies other than the Union.

Because the outflow of resources related to the additional activities is outside of the control of the Joint Undertaking, these contributions are not recognised in its financial statements but are instead disclosed in the annual accounts.

The IKAA reported that meet all the legal requirements will be validated and accepted. The deadline for the private members to report the IKAA is 31/05/N+1.

To provide a complete picture of the operational activities related to the JU they are disclosed as additional information in the notes and in table **4.6**.

4.6. CONTRIBUTIONS PER PROGRAMME

	Members' contributions (as per Funding regulation)					
	EU cash (a)	Third country contribution (UK) (b)	Private members' cash (c)	Private members' IKOP (d)	Private members' IKAA (e)	**Total (f)=(a)+(b)+(c)+(d)+(e)**
Horizon Europe	*879.000.000,00*	*21.000.000,00*	*4.629.750,00*		*895.370.250,00*	**1.800.000.000,00**

According to article 162 of the Single Basic Act, the Union financial contribution to the Smart Networks and Services Joint Undertaking, including EFTA appropriations, to cover administrative costs and operational costs shall be up to EUR 900.000.000, including up to EUR 18.519.000 for administrative costs. As per the recent budgetary decision, the contribution from the European Union and the EFTA to the joint undertaking is reduced by a total of EUR 21.000.000 as of 2025 and the United Kingdom will contribute by the same amount.

According to article 163 of the Single Basic Act, the (private) members of the Smart Networks and Services Joint Undertaking other than the Union shall make or arrange for their constituent or affiliated entities to make a total contribution of at least EUR 900.000.000 over the period set out in Article 3. As per article 3, the SNS JU is set up as a Union body for a period ending on 31 December 2031 and financed under the MFF 2021-2027.

According to article 163 of the Single Basic Act, the (private) members of the Smart Networks and Services Joint Undertaking other than the Union shall make or arrange for their constituent or affiliated entities to make an annual financial contribution to the administrative costs of the Smart Networks and Services Joint Undertaking of at least 20 % of the total administrative costs. They shall endeavour to increase their number of constituent or affiliated entities in order to increase their contribution to 50 % of the administrative costs of the Smart Networks and Services Joint Undertaking over its lifetime, taking due account of constituent and affiliated entities that are SMEs.

	Members contributions as of 31.12.2024								
	EU cash validated	EU cash not validated (PF)	Other members cash	Other members IKOP validated	Other members IKOP reported but not validated	IKAA certified	IKAA reported but not certified	**Total**	**Achievement rate**
Horizon Europe	*416.842.853,32*	*19.077.158,53*	*1.685.982,00*	-	*24.684.227,09*	*337.302.670,50*	-	**799.592.891,44**	**44%**

The SNS JU received contributions from the European Union, the EFTA and the Private Members in 2024. This table reports the member's cash contributions related to Horizon Europe that were implemented up to 31 December 2024.

The total contributions received by the SNS Joint Undertaking up to 31 December 2024 amounts to EUR 437.605.993,85 which is the equivalent to the sum of the EU (and EFTA) cash validated, the EU cash not validated and the other (private) members cash as reported in the table. Out of this amount, the contributions of the EU and the EFTA amount to EUR 435.920.011,85 which are 48,44% of the total contribution of EUR 900.000.000,00 in the Single Basic Act.

The cash contributions from the Private Members for administrative expenses that were implemented up to 31 December 2024 amount to EUR 1.685.982,00 which represents the 36,42% of the planned amount EUR 4.629.750,00. Out of the EUR 1.685.982,00 industry cash contributions, EUR 1.248.406,54 is booked in the net asset of the JU, while EUR 437.575,46 was provided before the financial autonomy of the JU, hence reported only in the 4.6 table.

The in-kind contributions for operational activities (IKOP) reported but not validated is an estimation based on a linear prorate by project. The IKOP will be validated at the end of the project. The in-kind contributions for additional activities (IKAA) that are certified on 31 December 2024 amounts to EUR 337.302.670,50. These refer to the activities of 2022, 2023 and 2024. The total in-kind reported amounts to EUR 361.986.897,59 which represents 40,43% of the total in-kind contribution of EUR 895.370.250,00 in the Single Basic Act. The achievement rate will expectedly increase to 70% by 2027 and reach the target by 2031, as a result of the onboarding of new projects and new actors in the SNS programme, and of an increase in additional activities which emerges with the progress of the SNS funding phases (e.g. additional activities in the standardization area will increase highly starting from 2025).

4.7. RELATED PARTIES

The related parties of the JU are the key management personnel of these entities. As transactions between the JU and these parties take place as part of the normal operations of the JU and on terms and conditions that are normal for such transactions, no specific disclosures are required. However, key management entitlements are disclosed in note **4.8**.

4.8. KEY MANAGEMENT ENTITLEMENTS

The Executive Director 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.

The Executive Director of the SNS JU was appointed by Governing Board Decision 11/2023 of 24 May 2023.

	31.12.2024	31.12.2023
Executive Director	*AD 14*	*AD 14*

4.9. OTHER EVENTS

RUSSIA-UKRAINE WAR

At the time of preparation of these financial statements, the management is not aware of any events linked to the war in Ukraine that should be disclosed as non-adjusting events or taken into account in these financial statements as adjusting events. For subsequent reporting periods, the war may affect the recognition and measurement of some assets on the balance sheet and also of some 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 cannot be reliably estimated.

BREXIT

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

4.10. OTHER INFORMATION

The European Smart Networks and Services JU (SNS JU) is a Joint Undertaking established in 2021 by the European Union Council Regulation No 2021/2085 of 19 November 2021.

The SNS JU started its activity in 2022 under the umbrella of DG CNECT and achieved its financial autonomy as from 24 October 2023. As per article 173.1 of the Council Regulation No 2021/2085 (Single Basic Act), the Commission (DG CONNECT, its parent DG) shall be responsible for the establishment and initial operation of the SNS JU until it has the operational capacity to implement its own budget. By 24 October 2023, the financial and accounting system of the Commission (ABAC) was set up in the Joint Undertaking and the transfer of files was performed.

The SNS JU adopted in December 2021 and December 2022 respectively its Annual Work Programmes (AWPs) 2021-2022 and 2023. In line with the work programmes, the SNS JU launched one call for proposals in 2022 and one call for proposals in 2023. The first call for proposals derived in 35 grant agreements for a total of EUR 239 million that were signed in 2022 and were prefinanced in 2022, before the financial autonomy of the Joint Undertaking (24/10/2023). The second call for proposals resulted in the selection of 28 projects for funding for a total of EUR 133 million. 27 grant agreements were signed and pre-financed in 2023 after the financial autonomy and 1 grant agreement was signed and pre-financed in 2024.

By 24 October 2023, the Commission transferred the liabilities related to the grant agreements signed before the financial autonomy to the SNS JU. In line with this fact, the SNS JU recognised in its accounts 2023 the total operational costs related to the two calls for proposals. The same reasoning applied to the in-kind contributions for operational activities (IKOP). Details are in note **3.4**. Operational cost.

As to the pre-financing, the payments executed before the financial autonomy were transferred to the SNS JU by the financial autonomy date in accordance with the rules of the Commission and the specific instructions for the Joint Undertakings.

In November 2023 the SNS JU adopted its Annual Work Programme 2024. The joint undertaking launched one call for proposals in 2024 that resulted in 16 projects selected for funding for a total EUR 127 million. 15 grant agreements were signed in 2024 and 1 grant agreement will be signed in 2025. The 15 pre-financings were made in 2024. Moreover, in 2024 the SNS JU participated in a synergy call managed by EU Rail Joint Undertaking with a contribution of EUR 1 million and made the prefinancing as agreed. The estimated operating cost, IKOP and prefinancing are recognized in the accounts 2024.

The accounts of 2023 were characterised by the transition to financial autonomy. The accounts of 2024 reflect the first full year of financial autonomy of the joint undertaking. The main events are explained in the relevant notes.

4.11. EVENTS AFTER REPORTING DATE

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

4.12. OBSERVATIONS ON MANAGEMENT AND CONTROL SYSTEMS

Not applicable.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

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

(1) Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This risk arises from the change in the price of a foreign currency against the functional currency of an entity.

(2) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As an example, higher interest rates will lead to lower prices of fixed rate bonds (other things equal), and vice versa. The entity does not have any securities thus it is not exposed to the interest rate risk.

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

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

5.2. CURRENCY RISKS

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

5.3. CREDIT RISK

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

5.4. LIQUIDITY RISK

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

SMART NETWORKS AND SERVICES JOINT UNDERTAKING

FINANCIAL YEAR 2024

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

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

1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of the Smart Networks and Services Joint Undertaking is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of the joint undertaking:

Principles of unity and budget accuracy

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

Principle of annuality

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December.

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

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

Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

Principle of specification

Appropriations shall be earmarked for specific purposes at least by title and chapter.

Principle of sound financial management

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

Principle of economy

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

Principle of efficiency

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

Principle of effectiveness

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

Principle of internal control

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

Principle of transparency

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

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

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

Following the provisions of the Financial Rules of the Joint Undertaking, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed in the following titles:

Title 1

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

Title 2

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

Title 3

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

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

EUR '000

	Title	2024	2023
Revenue		**132.834**	**115.717**
of which:			
EU Contribution	*1*	*127.551*	*115.717*
EFTA contributions	*2*	*4.515*	*-*
6G SNS Industry Association contribution	*3*	*767*	*-*
Expenditure		**(128.138)**	**(100.709)**
of which:			
Staff expenditure	*1*	*(1.978)*	*(301)*
Administrative expenditure	*2*	*(548)*	*(157)*
Operational expenditure	*3*	*(125.613)*	*(100.251)*
Exchange rate differences		**-**	**-**
Budget result		**4.696**	**15.007**

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2024	2023
ECONOMIC RESULT OF THE YEAR	**(136.389)**	**(86.000)**
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	**108.424**	**85.542**
Adjustments for accrual cut-off (net)	*50.455*	*85.573*
Depreciation of intangible and tangible assets	*7*	*1*
Pre-financing given in previous year and cleared in the year	*57.962*	*-*
Other individually immaterial	*-*	*(32)*
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	**32.661**	**15.466**
Members' cash contributions collected in the year	*132.834*	*115.717*
Asset acquisitions (less unpaid amounts)	*(7)*	*-*
Assets received in 2023, paid in 2024	*(22)*	*-*
New pre-financing paid in the year and remaining open at 31 Dec	*(100.144)*	*(100.251)*
BUDGET RESULT OF THE YEAR	**4.696**	**15.007**

4. IMPLEMENTATION OF BUDGET REVENUE

IMPLEMENTATION OF BUDGET REVENUE

EUR '000

		Income appropriations		Entitlements established			Revenue				Out-standing
	Item	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
10	*EU contribution - Administrative*	*2.174*	*2.174*	*2.174*	-	*2.174*	*2.174*	-	*2.174*	*100 %*	-
Total Chapter 10		**2.174**	**2.174**	**2.174**	**-**	**2.174**	**2.174**	**-**	**2.174**	**100 %**	**-**
11	*EU contribution - Operational*	*125.378*	*125.378*	*125.378*	-	*125.378*	*125.378*	-	*125.378*	*100 %*	-
Total Chapter 11		**125.378**	**125.378**	**125.378**	**-**	**125.378**	**125.378**	**-**	**125.378**	**100 %**	**-**
Total Title 1		**127.551**	**127.551**	**127.551**	**-**	**127.551**	**127.551**	**-**	**127.551**	**100%**	**-**
20	*EFTA contributions - Administrative*	*77*	*77*	*77*	-	*77*	*77*	-	*77*	*100 %*	-
Total Chapter 20		**77**	**77**	**77**	**-**	**77**	**77**	**-**	**77**	**100 %**	**-**
21	*EFTA contributions - Operational*	*4.438*	*4.438*	*4.438*	-	*4.438*	*4.438*	-	*4.438*	*100 %*	-
Total Chapter 21		**4.438**	**4.438**	**4.438**	**-**	**4.438**	**4.438**	**-**	**4.438**	**100 %**	**-**
Total Title 2		**4.515**	**4.515**	**4.515**	**-**	**4.515**	**4.515**	**-**	**4.515**	**100%**	**-**
30	*6G SNS Industry Association contribution - Administrative*	*767*	*767*	*767*	-	*767*	*767*	-	*767*	*100 %*	-
Total Chapter 30		**767**	**767**	**767**	**-**	**767**	**767**	**-**	**767**	**100 %**	**-**
Total Title 3		**767**	**767**	**767**	**-**	**767**	**767**	**-**	**767**	**100 %**	**-**
GRAND TOTAL		**132.834**	**132.834**	**132.834**	**-**	**132.834**	**132.834**	**-**	**132.834**	**100 %**	**-**

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

		Budget appropriations				Additional appropriations			Total appropr. available
	Item	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
110	*Establishment plan posts*	*1.152*	-	-	*1.152*	-	-	-	*1.152*
111	*External personnel*	*817*	-	*(14)*	*803*	-	-	-	*803*
Total Chapter 11		**1.968**	**-**	**(14)**	**1.955**	**-**	**-**	**-**	**1.955**
120	*Expenditure relating to staff recruitment*	*30*	-	*(25)*	*5*	-	-	-	*5*
Total Chapter 12		**30**	**-**	**(25)**	**5**	**-**	**-**	**-**	**5**
130	*Mission expenses*	*30*	-	-	*30*	-	-	-	*30*
Total Chapter 13		**30**	**-**	**-**	**30**	**-**	**-**	**-**	**30**
140	*Socio-medical infrastructure*	*25*	-	-	*25*	-	-	-	*25*
Total Chapter 14		**25**	**-**	**-**	**25**	**-**	**-**	**-**	**25**
150	*Training*	*10*	-	-	*10*	-	-	-	*10*
Total Chapter 15		**10**	**-**	**-**	**10**	**-**	**-**	**-**	**10**
160	*External services*	*25*	-	*31*	*56*	-	-	-	*56*
Total Chapter 16		**25**	**-**	**31**	**56**	**-**	**-**	**-**	**56**
170	*Receptions, events and representation*	*5*	-	*8*	*13*	-	-	-	*13*
Total Chapter 17		**5**	**-**	**8**	**13**	**-**	**-**	**-**	**13**
180	*Social welfare*	*74*	-	-	*74*	-	-	-	*74*
Total Chapter 18		**74**	**-**	**-**	**74**	**-**	**-**	**-**	**74**
190	*Other staff related expenditure*	*20*	-	-	*20*	-	-	-	*20*
Total Chapter 19		**20**	**-**	**-**	**20**	**-**	**-**	**-**	**20**
Total Title 1		**2.187**	**-**	**-**	**2.187**	**-**	**-**	**-**	**2.187**

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

		Budget appropriations				Additional appropriations			
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	Total appropr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
200	*Rental of buildings and associated costs*	*150*	-	-	*150*	-	-	-	*150*
Total Chapter 20		**150**	**-**	**-**	**150**	**-**	**-**	**-**	**150**
210	*Information, communication technology and data pro*	*250*	-	*25*	*275*	-	-	-	*275*
Total Chapter 21		**250**	**-**	**25**	**275**	**-**	**-**	**-**	**275**
220	*Movable property and associated costs*	*50*	-	-	*50*	-	-	-	*50*
Total Chapter 22		**50**	**-**	**-**	**50**	**-**	**-**	**-**	**50**
230	*Current administrative expenditure*	*169*	-	*(20)*	*149*	-	-	-	*149*
Total Chapter 23		**169**	**-**	**(20)**	**149**	**-**	**-**	**-**	**149**
240	*Postage / Telecommunications*	*15*	-	-	*15*	-	-	-	*15*
Total Chapter 24		**15**	**-**	**-**	**15**	**-**	**-**	**-**	**15**
250	*Meeting expenses*	*16*	-	*(5)*	*11*	-	-	-	*11*
Total Chapter 25		**16**	**-**	**(5)**	**11**	**-**	**-**	**-**	**11**
260	*Running costs in connection with operational activity*	*60*	-	-	*60*	-	-	-	*60*
Total Chapter 26		**60**	**-**	**-**	**60**	**-**	**-**	**-**	**60**
290	*Other infrastructure and operating expenditure*	*120*	-	-	*120*	-	-	-	*120*
Total Chapter 29		**120**	**-**	**-**	**120**	**-**	**-**	**-**	**120**
Total Title 2		**830**	**-**	**-**	**830**	**-**	**-**	**-**	**830**

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

		Budget appropriations				Additional appropriations			Total appropr. available
	Item	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
300	*Grants*	*128.880*	-	-	*128.880*	-	-	-	*128.880*
Total Chapter 30		**128.880**	**-**	**-**	**128.880**	**-**	**-**	**-**	**128.880**
310	*Experts costs*	*713*	-	-	*713*	-	-	-	*713*
Total Chapter 31		**713**	**-**	**-**	**713**	**-**	**-**	**-**	**713**
Total Title 3		**129.592**	**-**	**-**	**129.592**	**-**	**-**	**-**	**129.592**

GRAND TOTAL	**132.610**	**-**	**-**	**132.610**	**-**	**-**	**-**	**132.610**

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

		Budget appropriations				Additional appropriations			Total appropr. available
	Item	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
110	*Establishment plan posts*	*1.152*	-	-	*1.152*	-	-	-	*1.152*
111	*External personnel*	*817*	-	*(8)*	*809*	-	-	-	*809*
Total Chapter 11		**1.968**	**-**	**(8)**	**1.961**	**-**	**-**	**-**	**1.961**
120	*Expenditure relating to staff recruitment*	*30*	-	*(25)*	*5*	-	-	-	*5*
Total Chapter 12		**30**	**-**	**(25)**	**5**	**-**	**-**	**-**	**5**
130	*Mission expenses*	*30*	-	-	*30*	-	-	-	*30*
Total Chapter 13		**30**	**-**	**-**	**30**	**-**	**-**	**-**	**30**
140	*Socio-medical infrastructure*	*25*	-	-	*25*	-	-	-	*25*
Total Chapter 14		**25**	**-**	**-**	**25**	**-**	**-**	**-**	**25**
150	*Training*	*10*	-	-	*10*	-	-	-	*10*
Total Chapter 15		**10**	**-**	**-**	**10**	**-**	**-**	**-**	**10**
160	*External services*	*25*	-	*25*	*50*	-	-	-	*50*
Total Chapter 16		**25**	**-**	**25**	**50**	**-**	**-**	**-**	**50**
170	*Receptions, events and representation*	*5*	-	*8*	*13*	-	-	-	*13*
Total Chapter 17		**5**	**-**	**8**	**13**	**-**	**-**	**-**	**13**
180	*Social welfare*	*74*	-	-	*74*	-	-	-	*74*
Total Chapter 18		**74**	**-**	**-**	**74**	**-**	**-**	**-**	**74**
190	*Other staff related expenditure*	*20*	-	-	*20*	-	-	-	*20*
Total Chapter 19		**20**	**-**	**-**	**20**	**-**	**-**	**-**	**20**
Total Title 1		**2.187**	**-**	**-**	**2.187**	**-**	**-**	**-**	**2.187**

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

		Budget appropriations				Additional appropriations			Total appropr. available
	Item	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
200	*Rental of buildings and associated costs*	*150*	-	*56*	*206*	-	-	-	*206*
Total Chapter 20		**150**	**-**	**56**	**206**	**-**	**-**	**-**	**206**
210	*Information, communication technology and data pro*	*250*	-	-	*250*	-	-	-	*250*
Total Chapter 21		**250**	**-**	**-**	**250**	**-**	**-**	**-**	**250**
220	*Movable property and associated costs*	*50*	-	-	*50*	-	-	-	*50*
Total Chapter 22		**50**	**-**	**-**	**50**	**-**	**-**	**-**	**50**
230	*Current administrative expenditure*	*169*	-	*(56)*	*113*	-	-	-	*113*
Total Chapter 23		**169**	**-**	**(56)**	**113**	**-**	**-**	**-**	**113**
240	*Postage / Telecommunications*	*15*	-	-	*15*	-	-	-	*15*
Total Chapter 24		**15**	**-**	**-**	**15**	**-**	**-**	**-**	**15**
250	*Meeting expenses*	*16*	-	-	*16*	-	-	-	*16*
Total Chapter 25		**16**	**-**	**-**	**16**	**-**	**-**	**-**	**16**
260	*Running costs in connection with operational activity*	*60*	-	-	*60*	-	-	-	*60*
Total Chapter 26		**60**	**-**	**-**	**60**	**-**	**-**	**-**	**60**
290	*Other infrastructure and operating expenditure*	*120*	-	-	*120*	-	-	-	*120*
Total Chapter 29		**120**	**-**	**-**	**120**	**-**	**-**	**-**	**120**
Total Title 2		**830**	**-**	**-**	**830**	**-**	**-**	**-**	**830**

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

		Budget appropriations				Additional appropriations			Total appropr. available
	Item	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
300	*Grants*	*129.104*	-	-	*129.104*	-	-	-	*129.104*
Total Chapter 30		**129.104**	**-**	**-**	**129.104**	**-**	**-**	**-**	**129.104**
310	*Experts costs*	*713*	-	-	*713*	-	-	-	*713*
Total Chapter 31		**713**	**-**	**-**	**713**	**-**	**-**	**-**	**713**
Total Title 3		**129.816**	**-**	**-**	**129.816**	**-**	**-**	**-**	**129.816**
GRAND TOTAL		**132.834**	**-**	**-**	**132.834**	**-**	**-**	**-**	**132.834**

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations – Title 1

EUR '000

			Commitments made					Appropriations lapsing			
	Item	Total approp. available	from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
110	*Establishment plan posts*	*1.152*	*1.126*	-	-	*1.126*	*98 %*	*25*	-	-	*25*
111	*External personnel*	*803*	*703*	-	-	*703*	*88 %*	*100*	-	-	*100*
Total Chapter 11		**1.955**	**1.829**	**-**	**-**	**1.829**	**94%**	**126**	**-**	**-**	**126**
120	*Expenditure relating to staff recruitment*	*5*	-	-	-	-	*0 %*	*5*	-	-	*5*
Total Chapter 12		**5**	**-**	**-**	**-**	**-**	**0 %**	**5**	**-**	**-**	**5**
130	*Mission expenses*	*30*	*25*	-	-	*25*	*84 %*	*5*	-	-	*5*
Total Chapter 13		**30**	**25**	**-**	**-**	**25**	**84 %**	**5**	**-**	**-**	**5**
140	*Socio-medical infrastructure*	*25*	*3*	-	-	*3*	*12 %*	*22*	-	-	*22*
Total Chapter 14		**25**	**3**	**-**	**-**	**3**	**12 %**	**22**	**-**	**-**	**22**
150	*Training*	*10*	*10*	-	-	*10*	*99 %*	-	-	-	-
Total Chapter 15		**10**	**10**	**-**	**-**	**10**	**99 %**	**-**	**-**	**-**	**-**
160	*External services*	*56*	*56*	-	-	*56*	*100 %*	-	-	-	-
Total Chapter 16		**56**	**56**	**-**	**-**	**56**	**100 %**	**-**	**-**	**-**	**-**
170	*Receptions, events and representation*	*13*	*6*	-	-	*6*	*49 %*	*6*	-	-	*6*
Total Chapter 17		**13**	**6**	**-**	**-**	**6**	**49 %**	**6**	**-**	**-**	**6**
180	*Social welfare*	*74*	*70*	-	-	*70*	*94 %*	*4*	-	-	*4*
Total Chapter 18		**74**	**70**	**-**	**-**	**70**	**94 %**	**4**	**-**	**-**	**4**
190	*Other staff related expenditure*	*20*	*16*	-	-	*16*	*78 %*	*4*	-	-	*4*
Total Chapter 19		**20**	**16**	**-**	**-**	**16**	**78 %**	**4**	**-**	**-**	**4**
Total Title 1		**2.187**	**2.015**	**-**	**-**	**2.015**	**92%**	**172**	**-**	**-**	**172**

5.3.2. Implementation of commitment appropriations – Title 2

EUR '000

			Commitments made					Appropriations lapsing			
	Item	Total approp. available	from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
200	*Rental of buildings and associated costs*	*150*	*75*	-	-	*75*	*50 %*	*75*	-	-	*75*
Total Chapter 20		**150**	**75**	**-**	**-**	**75**	**50 %**	**75**	**-**	**-**	**75**
210	*Information, communication technology and data pro*	*275*	*253*	-	-	*253*	*92 %*	*22*	-	-	*22*
Total Chapter 21		**275**	**253**	**-**	**-**	**253**	**92 %**	**22**	**-**	**-**	**22**
220	*Movable property and associated costs*	*50*	-	-	-	-	*0 %*	*50*	-	-	*50*
Total Chapter 22		**50**	**-**	**-**	**-**	**-**	**0 %**	**50**	**-**	**-**	**50**
230	*Current administrative expenditure*	*149*	*148*	-	-	*148*	*99 %*	*2*	-	-	*2*
Total Chapter 23		**149**	**148**	**-**	**-**	**148**	**99 %**	**2**	**-**	**-**	**2**
240	*Postage / Telecommunications*	*15*	*1*	-	-	*1*	*9 %*	*14*	-	-	*14*
Total Chapter 24		**15**	**1**	**-**	**-**	**1**	**9 %**	**14**	**-**	**-**	**14**
250	*Meeting expenses*	*11*	-	-	-	-	*3 %*	*11*	-	-	*11*
Total Chapter 25		**11**	**-**	**-**	**-**	**-**	**3 %**	**11**	**-**	**-**	**11**
260	*Running costs in connection with operational activity*	*60*	*16*	-	-	*16*	*27 %*	*44*	-	-	*44*
Total Chapter 26		**60**	**16**	**-**	**-**	**16**	**27 %**	**44**	**-**	**-**	**44**
290	*Other infrastructure and operating expenditure*	*120*	-	-	-	-	*0 %*	*120*	-	-	*120*
Total Chapter 29		**120**	**-**	**-**	**-**	**-**	**0 %**	**120**	**-**	**-**	**120**
Total Title 2		**830**	**493**	**-**	**-**	**493**	**59%**	**337**	**-**	**-**	**337**

5.3.3. Implementation of commitment appropriations – Title 3

EUR '000

			Commitments made					Appropriations lapsing			
	Item	Total approp. available	from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
300	*Grants*	*128.880*	*127.897*	-	-	*127.897*	*99 %*	*982*	-	-	*982*
Total Chapter 30		**128.880**	**127.897**	**-**	**-**	**127.897**	**99 %**	**982**	**-**	**-**	**982**
310	*Experts costs*	*713*	*488*	-	-	*488*	*68 %*	*225*	-	-	*225*
Total Chapter 31		**713**	**488**	**-**	**-**	**488**	**68 %**	**225**	**-**	**-**	**225**
Total Title 3		**129.592**	**128.385**	**-**	**-**	**128.385**	**99%**	**1.207**	**-**	**-**	**1.207**

GRAND TOTAL	**132.610**	**130.894**	**-**	**-**	**130.894**	**99 %**	**1.716**	**-**	**-**	**1.716**

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations – Title 1

EUR '000

			Payments made					Appropriations lapsing			
	Item	Total approp. availab.	from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
110	*Establishment plan posts*	*1.152*	*1.126*	-	-	*1.126*	*98 %*	*25*	-	-	*25*
111	*External personnel*	*809*	*703*	-	-	*703*	*87 %*	*106*	-	-	*106*
Total Chapter 11		**1.961**	**1.829**	**-**	**-**	**1.829**	**93%**	**132**	**-**	**-**	**132**
120	*Expenditure relating to staff recruitment*	*5*	-	-	-	-	*0 %*	*5*	-	-	*5*
Total Chapter 12		**5**	**-**	**-**	**-**	**-**	**0 %**	**5**	**-**	**-**	**5**
130	*Mission expenses*	*30*	*25*	-	-	*25*	*84 %*	*5*	-	-	*5*
Total Chapter 13		**30**	**25**	**-**	**-**	**25**	**84 %**	**5**	**-**	**-**	**5**
140	*Socio-medical infrastructure*	*25*	*1*	-	-	*1*	*4 %*	*24*	-	-	*24*
Total Chapter 14		**25**	**1**	**-**	**-**	**1**	**4 %**	**24**	**-**	**-**	**24**
150	*Training*	*10*	*9*	-	-	*9*	*92 %*	*1*	-	-	*1*
Total Chapter 15		**10**	**9**	**-**	**-**	**9**	**92 %**	**1**	**-**	**-**	**1**
160	*External services*	*50*	*27*	-	-	*27*	*55 %*	*23*	-	-	*23*
Total Chapter 16		**50**	**27**	**-**	**-**	**27**	**55 %**	**23**	**-**	**-**	**23**
170	*Receptions, events and representation*	*13*	*5*	-	-	*5*	*43 %*	*7*	-	-	*7*
Total Chapter 17		**13**	**5**	**-**	**-**	**5**	**43 %**	**7**	**-**	**-**	**7**
180	*Social welfare*	*74*	*70*	-	-	*70*	*94 %*	*4*	-	-	*4*
Total Chapter 18		**74**	**70**	**-**	**-**	**70**	**94 %**	**4**	**-**	**-**	**4**
190	*Other staff related expenditure*	*20*	*11*	-	-	*11*	*53 %*	*9*	-	-	*9*
Total Chapter 19		**20**	**11**	**-**	**-**	**11**	**53 %**	**9**	**-**	**-**	**9**
Total Title 1		**2.187**	**1.978**	**-**	**-**	**1.978**	**90 %**	**209**	**-**	**-**	**209**

5.4.2. Implementation of payment appropriations – Title 2

EUR '000

			Payments made					Appropriations lapsing			
	Item	Total approp. availab.	from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
200	*Rental of buildings and associated costs*	*206*	*206*	-	-	*206*	*100 %*	-	-	-	-
Total Chapter 20		**206**	**206**	**-**	**-**	**206**	**100 %**	**-**	**-**	**-**	**-**
210	*Information, communication technology and data pro*	*250*	*242*	-	-	*242*	*97 %*	*8*	-	-	*8*
Total Chapter 21		**250**	**242**	**-**	**-**	**242**	**97 %**	**8**	**-**	**-**	**8**
220	*Movable property and associated costs*	*50*	-	-	-	-	*0 %*	*50*	-	-	*50*
Total Chapter 22		**50**	**-**	**-**	**-**	**-**	**0 %**	**50**	**-**	**-**	**50**
230	*Current administrative expenditure*	*113*	*89*	-	-	*89*	*78 %*	*24*	-	-	*24*
Total Chapter 23		**113**	**89**	**-**	**-**	**89**	**78 %**	**24**	**-**	**-**	**24**
240	*Postage / Telecommunications*	*15*	-	-	-	-	*3 %*	*15*	-	-	*15*
Total Chapter 24		**15**	**-**	**-**	**-**	**-**	**3 %**	**15**	**-**	**-**	**15**
250	*Meeting expenses*	*16*	-	-	-	-	*2 %*	*16*	-	-	*16*
Total Chapter 25		**16**	**-**	**-**	**-**	**-**	**2 %**	**16**	**-**	**-**	**16**
260	*Running costs in connection with operational activity*	*60*	*10*	-	-	*10*	*17 %*	*50*	-	-	*50*
Total Chapter 26		**60**	**10**	**-**	**-**	**10**	**17 %**	**50**	**-**	**-**	**50**
290	*Other infrastructure and operating expenditure*	*120*	-	-	-	-	*0 %*	*120*	-	-	*120*
Total Chapter 29		**120**	**-**	**-**	**-**	**-**	**0 %**	**120**	**-**	**-**	**120**
Total Title 2		**830**	**548**	**-**	**-**	**548**	**66%**	**282**	**-**	**-**	**282**

5.4.3. Implementation of payment appropriations – Title 3

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
300	*Grants*	*129.104*	*125.129*	-	-	*125.129*	*97 %*	*3.975*	-	-	*3.975*
Total Chapter 30		**129.104**	**125.129**	**-**	**-**	**125.129**	**97 %**	**3.975**	**-**	**-**	**3.975**
310	*Experts costs*	*713*	*484*	-	-	*484*	*68 %*	*229*	-	-	*229*
Total Chapter 31		**713**	**484**	**-**	**-**	**484**	**68 %**	**229**	**-**	**-**	**229**
Total Title 3		**129.816**	**125.613**	**-**	**-**	**125.613**	**97%**	**4.204**	**-**	**-**	**4.204**

GRAND TOTAL	**132.834**	**128.138**	**-**	**-**	**128.138**	**96 %**	**4.696**	**-**	**-**	**4.696**

6. OUTSTANDING COMMITMENTS

6.1. Outstanding commitments – Title 1

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				
	Item	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	Total commitm. outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
110	*Establishment plan posts*	-	-	-	-	*1.126*	*1.126*	-	-	-
111	*External personnel*	-	-	-	-	*703*	*703*	-	-	-
Total Chapter 11		**-**	**-**	**-**	**-**	**1.829**	**1.829**	**-**	**-**	**-**
130	*Mission expenses*	-	-	-	-	*25*	*25*	-	-	-
Total Chapter 13		**-**	**-**	**-**	**-**	**25**	**25**	**-**	**-**	**-**
140	*Socio-medical infrastructure*	-	-	-	-	*3*	*1*	-	*2*	*2*
Total Chapter 14		**-**	**-**	**-**	**-**	**3**	**1**	**-**	**2**	**2**
150	*Training*	-	-	-	-	*10*	*9*	-	*1*	*1*
Total Chapter 15		**-**	**-**	**-**	**-**	**10**	**9**	**-**	**1**	**1**
160	*External services*	-	-	-	-	*56*	*27*	-	*29*	*29*
Total Chapter 16		**-**	**-**	**-**	**-**	**56**	**27**	**-**	**29**	**29**
170	*Receptions, events and representation*	-	-	-	-	*6*	*5*	-	*1*	*1*
Total Chapter 17		**-**	**-**	**-**	**-**	**6**	**5**	**-**	**1**	**1**
180	*Social welfare*	-	-	-	-	*70*	*70*	-	-	-
Total Chapter 18		**-**	**-**	**-**	**-**	**70**	**70**	**-**	**-**	**-**
190	**Other staff related expenditure**	**-**	**-**	**-**	**-**	**16**	**11**	**-**	**5**	**5**
Total Chapter 19		**-**	**-**	**-**	**-**	**16**	**11**	**-**	**5**	**5**
Total Title 1		**-**	**-**	**-**	**-**	**2.015**	**1.978**	**-**	**37**	**37**

6.2. Outstanding commitments – Title 2

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				
	Item	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	Total commitm. outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
200	*Rental of buildings and associated costs*	*150*	-	*150*	-	*75*	*56*	-	*19*	*19*
Total Chapter 20		**150**	**-**	**150**	**-**	**75**	**56**	**-**	**19**	**19**
210	*Information, communication technology and data pro*	*119*	*(20)*	*80*	*19*	*253*	*162*	-	*91*	*110*
Total Chapter 21		**119**	**(20)**	**80**	**19**	**253**	**162**	**-**	**91**	**110**
230	*Current administrative expenditure*	*85*	*(41)*	*27*	*17*	*148*	*62*	-	*86*	*103*
Total Chapter 23		**85**	**(41)**	**27**	**17**	**148**	**62**	**-**	**86**	**103**
240	*Postage / Telecommunications*	-	-	-	-	*1*	-	-	*1*	*1*
Total Chapter 24		**-**	**-**	**-**	**-**	**1**	**-**	**-**	**1**	**1**
250	*Meeting expenses*	-	-	-	-	-	-	-	-	-
Total Chapter 25		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
260	*Running costs in connection with operational activity*	-	-	-	-	*16*	*10*	-	*6*	*6*
Total Chapter 26		**-**	**-**	**-**	**-**	**16**	**10**	**-**	**6**	**6**
Total Title 2		**354**	**(60)**	**257**	**36**	**493**	**290**	**-**	**203**	**239**

6.3. Outstanding commitments – Title 3

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				
	Item	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	Total commitm. outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
300	*Grants*	*88.884*	*(5.644)*	*28.185*	*55.056*	*127.897*	*96.944*	*-*	*30.953*	*86.009*
Total Chapter 30		**88.884**	**(5.644)**	**28.185**	**55.056**	**127.897**	**96.944**	**-**	**30.953**	**86.009**
310	*Experts costs*	*-*	*-*	*-*	*-*	*488*	*484*	*-*	*4*	*4*
Total Chapter 31		**-**	**-**	**-**	**-**	**488**	**484**	**-**	**4**	**4**
Total Title 3		**88.884**	**(5.644)**	**28.185**	**55.056**	**128.385**	**97.428**	**-**	**30.958**	**86.013**

GRAND TOTAL	**89.238**	**(5.704)**	**28.442**	**55.092**	**130.894**	**99.696**	**-**	**31.198**	**86.290**

7. GLOSSARY

Administrative appropriations

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

Adopted budget

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

Amending budget

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

Appropriations

Budget funding.

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

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

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

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

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

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

Budgetary commitment

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

Cancellation of appropriations

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

Carryover of appropriations

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

Commitment appropriations

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

De-commitment

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

Differentiated appropriations

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

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Grants

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

Lapsing appropriations

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

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

Legal basis / basic act

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

Legal commitment

The act whereby the Authorising Officer enters into an obligation towards third parties which results in acharge 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.