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Final Annual Accounts

European Research Executive Agency (REA)

Financial Statements

Reports on the implementation of the budget

Financial year 2025

The opinion of the REA Steering Committee was given on 17.06.2026
The accounts are sent to the Commission's Accounting Officer, the European Court of Auditors, the European Parliament and the Council.
They will also be published on the REA website: https://ec.europa.eu/info/publications/research-executive-agency-annual-budgets_en

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1. INTRODUCTION

1.1. Legal Basis

The financial statements of the European Research Executive Agency (hereinafter referred to as “REA” or “the Agency”) and its report on budget implementation for 2025 were prepared in accordance with:

- Commission Regulation (EC) No 1653/2004 of the Council of 21 September 2004, on a Standard Financial Regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the Statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, as last amended by Commission Regulation (EC) No 651/2008 of 09 July 2008;
- Regulation (EU, Euratom) 2024/2509 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 2018/1046 (2018 Financial Regulation);
- The Accounting Rules on accrual accounting adopted by the Accounting Officer of the Commission in December 2004 and last updated in December 2020.

1.2. Background Information

REA operates in accordance with Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, including budget implementation.

REA was established in December 2007 by Commission Decision 2008/46/EC[1]. This Decision was repealed and replaced by Commission Decision 2013/778/EU[2] of 13 December 2013 establishing REA for the period 01.01.2014 to 31.12.2024. The later was also repealed and replaced by Commission Decision 2021/173/EU[3] establishing REA for the period 01.04.2021 to 31.12.2028.

The REA Delegation Act and its Annexes, adopted on 12 February 2021 by Commission Decision C(2021) 952, lays down in detail the tasks delegated to REA and provides the framework for their implementation and for the relations between the Commission and the Agency.

Under the **current mandate**, REA manages:

- the following Horizon Europe activities:
  - Pillar I – Excellent Science: Marie Skłodowska-Curie Actions (MSCA) and Research Infrastructures
  - Pillar II – Global Challenges and European Industrial Competitiveness:
    - Cluster 2: Culture, Creativity and Inclusive Society
    - Cluster 3: Civil Security for Society
    - Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment
  - Part ‘Widening participation and strengthening the European Research Area’
    - Widening participation and spreading excellence
    - Reforming and enhancing the European R&I System

- the programme for the promotion of Agricultural Products

- the Research Programme of the Research Fund for Coal and Steel

- the legacy activities of the following parts of the Horizon 2020 Specific Programme (The Framework Programme for Research and Innovation 2014-2020):
  - under “Excellent Science”:
    - Marie Skłodowska-Curie Actions
    - Research Infrastructure

[1] OJ L 11 of 15.1.2008, p.9.

[2] OJ L 346 of 20.12.2013, p.54.

[3] OJ L 50 of 15.02.201, p.9

- under “Societal Challenges”:
    - o Societal Challenge 2 – Food security, sustainable agriculture and forestry, marine & maritime and inland water research and the bioeconomy
    - o Societal Challenge 5 – Climate action, Environment, resource efficiency and raw materials
    - o Societal Challenge 6 – Europe in a changing world: Inclusive, innovative and reflective societies
    - o Societal Challenge 7 – Secure Societies – Protecting freedom and security of Europe and its citizens
- under “Horizon 2020 Specific Objectives”:
    - o Spreading Excellence and Widening Participation
    - o Science with and for Society

– the legacy of part of the Seventh Framework Programme for Research and Innovation (FP7):

- Research Activities for the benefit of SMEs, SME associations of the Capacities Specific Programme
- Security theme of the Cooperation Specific Programme
- The People Specific Programme

– the legacy of the Research Programme of the Research Fund for Coal and Steel and the programme for the promotion of agricultural products under the multiannual financial framework 2014-2020

– general administrative and logistical support services, in particular:

- Central Participant Validation Service (service linked to SEDIA – the Single Electronic Data Interchange Area)
- Call planning for all programmes and services participating in eGrants
- Contracting and payment of expert evaluators supporting the calls of Horizon Europe (other than those of the European Research Council - ERC)

External Audit

The European Court of Auditors is required to scrutinise REA's accounts in line with the requirements of Article 248 of the Treaty on the Functioning of the EU.

Discharge

The European Parliament is the discharge Authority within the EU. This means that, following the audit and finalisation of the annual accounts, it falls to the Council to recommend and then to the European Parliament to give a discharge to the Director of REA for his management of the administrative budget for a given financial year.

2. FINANCIAL STATEMENTS 2025

2.1. REA balance sheet (in euros - rounded)

	Notes (section 2.5.2)	31.12.2025	31.12.2024	Variation Amount	Variation %
ASSETS		**7,787,354**	**10,076,902**	**-2,289,549**	-23%
NON CURRENT ASSETS		**1,090,976**	**1,466,294**	**-375,318**	-26%
INTANGIBLE FIXED ASSETS	2.5.2.1	**578,595**	**650,152**	**-71,558**	-11%
Intangible assets		205,833	452,059	-246,226	-54%
Intangible assets under construction		372,762	198,093	174,668	88%
TANGIBLE FIXED ASSETS	2.5.2.2	**397,722**	**701,482**	**-303,760**	-43%
Furniture and vehicles		545	7,123	-6,578	-92%
Others fixtures and fittings		397,176	694,359	-297,183	-43%
NON-CURRENT PRE-FINANCING	2.5.2.3	**114,660**	**114,660**	**0**	0%
Long Term administrative pre-financing		114,660	114,660	0	0%
CURRENT ASSETS		**6,696,378**	**8,610,608**	**-1,914,231**	-22%
CURRENT PRE-FINANCING	2.5.2.4	**10,000**	**10,000**	0	0%
Current pre-financing		10,000	10,000	0	0%
EXCHANGE RECEIVABLES	2.5.2.5	**6,686,378**	**8,591,232**	**-1,904,854**	-22%
Current receivable customers		619,116	1,190,242	-571,126	-48%
Current receivable customers written down		-34,613	-34,613	0	0%
Deferred charges		205,186	117,479	87,708	75%
Deferred charges with consolidated entities		20,955	31,433	-10,478	-33%
Sundry receivables - staff		95,268	97,050	-1,782	-2%
Sundry receivables - Liaison account with Commission		5,741,865	6,483,009	-741,144	-11%
Accrued income		38,600	706,633	-668,033	-95%
NON EXCHANGE RECOVERABLES		**0**	**9,377**	**-9,377**	-100%
Other current recoverable with consolidated entities		0	9,377	-9,377	-100%
TOTAL LIABILITIES AND NET ASSET		**7,787,354**	**10,076,902**	**-2,289,549**	-23%
CURRENT LIABILITIES		**7,835,009**	**5,853,218**	**1,981,792**	34%
CURRENT PROVISIONS	2.5.2.6	**411,819**	**370,049**	**41,770**	11%
Short Term Provisions		411,819	370,049	41,770	11%
CURRENT PAYABLE	2.5.2.7	**353,291**	**366,661**	**-13,371**	-4%
Current payable vendor		346,799	366,480	-19,681	-5%
Other current payable		2,813	181	2,632	1454%
Other current payable consolidated entities		3,678	0	3,678	-
CURRENT SUNDRY PAYABLES		**85**	**24**	**61**	254%
ACCOUNT PAYABLE CONSOLIDATED ENTITIES	2.5.2.8	**3,479,071**	**1,710,411**	**1,768,659**	103%
Prefinancing from consolidated entities		3,479,071	1,710,411	1,768,659	103%
ACCRUED CHARGES AND DEFFERED INCOME	2.5.2.9	**3,590,743**	**3,406,072**	**184,671**	5%
Accrued charges		3,195,486	2,981,415	214,071	7%
Accrued charges with consolidated entities		395,258	424,657	-29,399	-7%
NET ASSET		**-47,656**	**4,223,685**	**-4,271,341**	-101%
ACCUMULATED SURPLUS / (DEFICIT)		**4,223,685**	**6,583,195**	**-2,359,510**	-36%
ECONOMIC RESULT OF THE YEAR (profit+/loss-)		**-4,271,341**	**-2,359,510**	**-1,911,831**	81%

2.2. REA Statement of financial performance (in euros – rounded)

	Notes (section 2.5.3)	31.12.2025	31.12.2024	Variation Amount	Variation %
ECONOMIC RESULT OF THE YEAR		**-4,271,341**	**-2,359,510**	**-1,911,831**	81%
OPERATING REVENUE		**122,294,631**	**110,261,518**	**12,033,112**	11%
NON-EXCHANGE REVENUES		**121,894,115**	**109,721,160**	**12,172,955**	11%
Other non exchange revenue		0	10,000	-10,000	-100%
Subsidy of he Commission	2.5.3.1	121,894,115	109,711,160	12,182,955	11%
EXCHANGE REVENUES		**400,516**	**540,358**	**-139,842**	-26%
Interest revenue	2.5.3.2	10,142	36,126	-25,984	-72%
Fixed assets related revenue		0	742	-742	-100%
Exchange rate differences gains	2.5.3.3	28	36	-9	-24%
Other operating revenue	2.5.3.4	390,346	503,454	-113,108	-22%
OPERATING EXPENSES		**126,565,971**	**112,621,028**	**13,944,943**	12%
EXCHANGE EXPENSES		**126,565,971**	**112,621,028**	**13,944,943**	12%
Staff expenses	2.5.3.5	102,813,489	89,265,774	13,547,715	15%
Other financial expenses		0	34,613	-34,613	-100%
Administrative and IT expenses	2.5.3.6	11,506,151	11,200,552	305,599	3%
Assets related expenses	2.5.3.7	549,986	636,609	-86,622	-14%
Land and building expenses	2.5.3.8	11,696,344	11,483,474	212,870	2%
Exchange rate differences losses	2.5.3.9	2	7	-5	-78%

2.3. REA Cashflow statement (in euros – rounded)

CASHFLOW STATEMENT			
	NOTES (section 2.5.4)	31.12.2025	31.12.2024
Economic result of the year		**-4,271,341**	**-2,359,510**
Operating activities			
Amortization (intangible fixed assets) (+)		246,226	385,978
Depreciation (tangible fixed assets) (+)		303,760	250,486
Written off (tangible assets) (+)		-	145
other non cashed movements (reactivation of assets)		-	-742
(Increase)/decrease in non exchange recoverable - current		9,377	-8,910
(Increase)/decrease in prefinancing - current		-	-10,000
(Increase)/decrease in exchange receivable - current		572,907	-795,415
(Increase)/decrease in Receivables - Liaison Account with Commision		741,144	3,335,254
(Increase)/decrease in deferred charges and accrued income		590,803	2,956,719
Increase/(decrease) in provisions - current		41,770	337,049
Increase/(decrease) in payables - current		1,755,350	-1,765,575
Increase/(decrease) in accrued charges		184,671	-1,708,944
Total Operating activities		**174,668**	**616,535**
Investing activities			
(Increase)/decrease in intangible assets		-174,668	-198,093
(Increase)/decrease in tangible assets		-	-418,442
Total Investing activities		**-174,668**	**-616,535**
NET CASHFLOW		**-**	**-**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			**-**
Cash and cash equivalents at the beginning of the period		**-**	**-**
Cash and cash equivalents at year end		**-**	**-**

2.4. REA statement of changes in assets (in euros – rounded)

	Accumulated Surplus (+) / Deficit (-)	Economic result of the year	Net assets (total)
Balance as of 31 December 2024	**6,583,195**	**-2,359,510**	**4,223,685**
Changes in accounting policies	0	0	**0**
Balance as of 01 January 2025	**6,583,195**	**-2,359,510**	**4,223,685**
Allocation **2024** economic result	-2,359,510	2,359,510	**0**
Economic result of the year	0	-4,271,341	**-4,271,341**
Balance as of 31 December 2025	**4,223,685**	**-4,271,341**	**-47,656**

2.5. Notes to the financial statements

These financial statements cover the period from 1 January 2025 until 31 December 2025.

2.5.1. Significant accounting policies

Legal basis and accounting rules

The accounts are kept in accordance with Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies.

REA being fully consolidated in the Commission accounts, the 2025 REA financial statements and the reports on implementation of the budget have been established in accordance with the legal basis described in the introduction.

These financial statements are prepared on the basis of the EU Accounting Rules as adopted by the Commission's Accounting Officer, which adapt the International Public Sector Accounting Standards (IPSAS) (and in some cases the International Financial Reporting Standards) to the specific environment of the EU. The reports on implementation of the budget continue to be primarily based on movements of cash.

The accounting system of REA comprises general accounts and budget accounts. These accounts are kept in euros and by calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle[4]. The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

REA's financial statements have been drawn up using the methods of preparation as set out in the accounting rules laid down by the Commission's Accounting Officer.

Accounting principles

The objective of the 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 users. For a public sector entity such as REA, the objectives are more specifically to provide information useful for decision making and to demonstrate the accountability of the entity for the resources entrusted to it.

Article 53 of the standard financial regulation for executive agencies[5] sets out the accounting principles to be applied in drawing up the financial statements:

Going concern basis

When preparing financial statements, an assessment of an entity's ability to continue as a going concern shall be made. Financial statements shall be prepared on a going-concern basis unless there is an intention to liquidate the entity or to cease operating, or if there is no realistic alternative but to do so. These financial statements have been prepared in accordance with the going-concern principle, which means that the Agency is deemed to have been established for an indefinite duration.

Prudence

The principle of prudence means that assets and income shall not be overstated and liabilities and charges shall not be understated. However, the principle of prudence does not allow the creation of hidden reserves or undue provisions.

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[4] This differs from cash-based accounting because of elements such as carryovers of appropriations.

[5] Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes and amended by Commission Regulation (EC) No 651/2008 of 09 July 2008.

Consistent accounting methods

The principle of consistent accounting methods means that the structure of the components of the financial statements and the accounting methods and valuation rules may not be changed from one year to the next.

The Agency's Accounting Officer may not depart from the principle of consistent accounting methods other than in exceptional circumstances, in particular:

a) in the event of a significant change in the nature of the entity's operations;
b) where the change made is for the sake of a more appropriate presentation of the accounting operations.

Where such exceptions apply, the impact of the change in accounting method shall be duly disclosed in the notes to the financial statements.

Comparability of information

The principle of comparability of information means that for each item the financial statements shall also show the amount of the corresponding item in the previous year.

Where the presentation or the classification of one of the components of the financial statements is changed, the corresponding amounts for the previous year shall be made comparable and reclassified. Where it is impossible to reclassify items, this shall be explained in the notes to the financial statements.

Materiality

The materiality principle means that all operations which are of significance for the information sought shall be taken into account in the financial statements. Materiality shall be assessed in particular by reference to the nature of the transaction or the amount.

Transactions may be aggregated where:

a) the transactions are identical in nature, even if the amounts are large;
b) the amounts are negligible; or
c) aggregation offers more clarity in the financial statements.

No netting

The no-netting principle means that receivables and debts may not be offset against each other, nor may charges and income, except where charges and incomes derive from the same transaction, from similar transactions or from hedging operations and provided that, individually, they are not material.

Reality over appearance

The principle of reality over appearance means that accounting events recorded in the financial statements shall be presented by reference to their economic nature.

Accrual-based accounting

The accrual-based accounting principle means that transactions and events shall be entered in the accounts when they occur and not when amounts are actually paid or recovered. They shall be booked to the financial year to which they relate.

Exception to the accounting principles

Where, in a specific case, the Accounting Officer considers that an exception to the application of one of the accounting principles defined above should be made, this exception must be duly substantiated and reported in the notes to the financial statements.

In parallel, the overall considerations (or accounting principles) to be followed when preparing the financial statements are also laid down in EU Accounting Rule 1 and are the same as those described in IPSAS 1, that is: fair presentation, accrual basis, going concern basis, consistency of presentation, aggregation, no offsetting and comparative information.

Basis of preparation

Functional and reporting currency

The financial statements are presented in euros, which is the functional and reporting currency of the EU.

Transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing at the date of the transactions.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary items in foreign currency into euros at year-end are recognised in the statement of financial performance.

Chart of Accounts

The chart of accounts used by REA follows the structure of the chart of accounts of the European Commission.

Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances under 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 an accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

Balance sheet

The balance sheet of REA is consisting of assets and liabilities.

Assets

Assets are non-physical/physical economically valued items owned and controlled by REA with the expectation that they will provide future benefit to the Agency.

Intangible assets

An intangible asset is an asset that is not physical in nature.

In the balance sheet of REA, intangible assets are mostly consisting of software licences. They are stated at historical acquisition cost less accumulated amortization and adjusted for eventual impairment. Intangible assets are amortised on a straight-line basis over the estimated useful life of the concerned asset.

According to EU Accounting Rule 6, internally developed intangible assets can be capitalised when the relevant capitalisation criteria are met. All costs directly attributable to the creation, production and preparation of the asset, to make it operational as intended by the management of the Agency, should be capitalised.

Costs associated with research activities, non-capitalisable development and maintenance are recognised (in the Statement of financial performance) as expenses when incurred.

REA considers a useful life of 4 years (25% amortisation rate) for its intangible assets.

Intangible assets under construction are not depreciated as long as not ready for use.

Tangible assets (Property, plant and equipment)

A tangible asset is an asset that has a physical form.

Tangible fixed assets are stated at historical acquisition cost less accumulated depreciation and adjusted for possible impairment.

The historical acquisition cost includes expenditures that are directly attributable to the acquisition or construction of the asset. Subsequent costs can be included in the asset's gross book value (or recognised as a separate asset), when these subsequent costs can be reliably measured and provide future economic benefit to the Agency.

Fixed asset repairs and maintenance costs are recognised as expenses (in the statement of financial performance) when incurred.

According to EU Accounting Rule 7, fixed assets are depreciated over their useful life and according to the straight-line depreciation method.

The following rates are applicable for the depreciation of fixed assets:

Asset type	Depreciation rate
Buildings	4% - 10%
Plant and equipment	25%
Furniture and vehicles	10% - 25%
Computer hardware	25%
Other fixtures and fittings	10% - 25% - 33%

Pro-rata temporis depreciation is considered for assets acquired in the accounting year.

Assets under construction are not depreciated as long as not ready for use.

The gain/loss on the disposal of fixed assets is calculated by the difference between the proceeds of the sale of the asset and the net book value of the disposed asset. The gain/loss from the disposal of the asset is recognised 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.

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

Operating lease payments are charged as expenses in the period in which they are incurred.

Impairment of non-financial assets

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.

Financial assets

The only financial assets of the Agency are the exchange receivables.

Exchange Receivables and non-exchange recoverables

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. The term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions the term 'recoverables' is used.

Non-exchange transactions are transactions in which an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange. At initial recognition, they are classified in the category "at amortised cost" as the management model is to hold these non-derivative financial assets in order to collect the contractual cash flows.

The Agency recognises and measures an impairment loss for expected credit losses on financial assets that are measured at amortised cost.

The expected credit loss (ECL) is the present value of the difference between the cash flows that the Agency expects to receive and the contractual cash flows. The ECL incorporates reasonable and supportable information that is available without undue cost or effort at the reporting date.

For assets at amortised cost, the asset's carrying amount is reduced by the amount of the impairment loss which is recognised in the statement of financial performance. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed through the statement of financial performance.

Recoverables from non-exchange transactions are carried at their fair value as at the date of acquisition less a possible write-down for impairment. A write-down for impairment is accounted for when there is objective evidence that the recoverable amount will be only partially or will not (at all) be collected at the date it becomes due or later. The amount of the write-down is calculated as the difference between the asset's book value and the expected recoverable amount. The write-down is recognised in the Statement of financial performance.

Receivables and recoverables are included in current assets, except for those with maturity of more than 12 months from the reporting date.

Liabilities

Liabilities in the balance sheet of the Agency represent financial debts or obligations that arise during the course of the Agency's operations.

Financial liabilities

The Agency's financial liabilities relate to payables. They are classified as current liabilities, except for maturities more than 12 months after the balance sheet date.

Provisions

Provisions are recognised when REA has a present legal or constructive obligation towards third parties as a result of past events, and when 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. The amount of the provision is the best estimate of the expenses to settle the present obligation at the reporting date.

Payables

Payables are amounts related to exchange transactions, such as the purchase of goods and services, and non-exchange transactions, such as pre-financing received.

Payables related to the purchase of goods and services are recognised at the invoice reception for the originally invoiced amount; the corresponding expenses are recognised in the accounts when the goods and/or services are received and accepted by REA.

Accruals and deferrals

In accordance with the EU Accounting Rules, which aim at ensuring that the financial statements reflect a true and fair view of the Agency's operations, transactions and events are recognised in the financial statements in the period they relate to.

Therefore, at year-end, an accrued revenue will be recognised in the financial statements if an invoice is not yet issued but the service has been rendered, or the supplies have been delivered by the Agency. 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.

At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the incurred costs. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer. 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.

Statement of financial performance

Revenue

Non-exchange revenue represents the vast majority of REA's revenues and mainly consists of a subsidy from the EU.

Exchange revenue is the revenue from the sale of goods and services. It is recognised when the goods/services are delivered to the purchaser. If services are rendered over successive accounting periods, associated revenue is recognised based on the stage of completion at the reporting date.

Expenses

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the related goods/services are delivered and accepted by the entity and valued at the original invoiced amount.

Non-exchange expenses relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations.

Transfers to beneficiaries are recognised as expenses in the accounting period during which the events giving rise to the transfer occurred under the condition that:

– the nature of the transfer is allowed by a regulation (Financial, Staff, other Regulation) and/or the transfer has been made according to a contract signed with the beneficiary;

– all eligibility criteria have been met by the beneficiary for the transfer to be made;

– a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the above-mentioned recognition criteria, it is expensed for the eligible amount. At the end of the accounting period, incurred eligible expenses (due to the beneficiaries but) not yet requested/claimed are estimated and recorded as accrued expenses.

Non-exchange expenses incurred by the Agency relate to spending programmes delegated to the Agency. These are covered by the EU general budget and recorded directly in the Commission's accounts. Therefore, these accounts, covering the administrative costs of operation of the Agency, do not, as a rule, contain non-exchange expenses.

Contingent assets and liabilities

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 fully within the control of REA. It is not recognised because the amount of the asset cannot be measured with sufficient reliability. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the control of REA; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be estimated with sufficient reliability.

Consolidation

According to Article 57 of the Standard Financial Regulation for the executive agencies, REA's accounts are consolidated with the Commission's annual accounts.

2.5.2. Notes to the Balance sheet

Non current assets

(1) Intangible fixed assets

The intangible fixed assets at REA consist of computer software, internally generated IT tools and intangible assets under constructions.

To be capitalised, computer software should have a purchase price above EUR 700.

In compliance with Accounting Rule 6, internally developed intangible assets are capitalised since January 2010.

The threshold amount for capitalising internally developed intangible assets was set at EUR 100,000 until 31 December 2024.

In 2025, considering the size of its administrative budget, REA decided to increase the capitalisation threshold from EUR 100,000 to EUR 300,000. The revised threshold is applied as from 1 January 2025. (see 2.5.8).

The variation of the intangible fixed assets in 2025 is detailed as follows (in euros):

Intangible Fixed Assets	Computer Software	Internally developed intangible fixed assets	Intangible assets under construction	Total
Gross carrying amounts 31.12.2024	**4,343**	**1,543,915**	**198,093**	**1,746,352**
Additions			174,668	**174,668**
Disposals	-3,103			**-3,103**
Gross carrying amounts 31.12.2025	**1,240**	**1,543,915**	**372,762**	**1,917,917**
Accumulated amortization and impairment 31.12.2024	**-4,343**	**-1,091,856**	**0**	**-1,096,199**
Amortization		-246,226		**-246,226**
Disposals	3,103			**3,103**
Accumulated amortization and impairment 31.12.2025	**-1,240**	**-1,338,082**	**0**	**-1,339,322**
Net carrying amounts 31.12.2025 (EUR)	**0**	**205,833**	**372,762**	**578,595**

It is explained by the following main movements:

- ***Computer software:***

An obsolete computer software no longer in use has been decommissioned. The acquisition price of the software was EUR 3,103 and it was fully depreciated.

- ***Internally developed intangible fixed assets:***

From 2018 to 2022, the Agency has developed a tool to facilitate the planning of the operational management of e-grants activities (OMEGA). In 2024, after consulting with the operational units, it was decided to phase out the OMEGA Activity module, which was fully amortized (EUR 275,324). The decision was made because the module was no longer in use, and the cost to refactor it would be too high. The other OMEGA modules namely Forecasts, Dante and Agrip are still in use as well as the Dynamic Attendance Registration (DAR) tool that facilitates registration of experts, optimise payment processes, and enable better monitoring and reporting.

- ***Intangible assets under construction***

In 2024, the Agency has started developing a Tool for Expert Management, Planning and Organisation (TEMPO). The tool was still under construction in December 2025 (EUR 372,762).

(2) Tangible fixed assets

Tangible fixed assets at REA consist of technical equipment, furniture and vehicles, computer hardware, leasehold improvements, telecommunication and audio-visual equipment. Leasehold improvements, telecommunication and audio-visual equipment are grouped under other fixtures and fittings.

To be capitalised, tangible fixed assets should have a purchase price above EUR 700. Items with lower value are treated as expenses of the year; however, they are registered in the physical inventory when the purchase price is greater than EUR 100.

The variation of the tangible fixed assets in 2025 is detailed as follows (in euros):

Tangible Fixed Assets	Furniture and vehicles	Computer hardware	Other Fixtures and Fittings	Total
Gross carrying amounts 31.12.2024	**27,819**	**33,219**	**3,315,402**	**3,376,440**
Additions				
Disposals		-9,293	-81,296	-90,589
Gross carrying amounts 31.12.2025	**27,819**	**23,926**	**3,234,106**	**3,285,851**
Accumulated amortization and impairment 31.12.2024 (EUR)	**-20,696**	**-33,219**	**-2,621,043**	**-2,674,958**
Depreciation	-6,578		-297,183	-303,760
Disposals		9,293	81,296	90,589
Accumulated amortization and impairment 31.12.2025 (EUR)	**-27,273**	**-23,926**	**-2,836,930**	**-2,888,129**
Net carrying amounts 31.12.2025 (EUR)	**545**	**0**	**397,176**	**397,722**

The main movements in tangible fixed assets in 2025 concern the following categories:

- ***Computer hardware**:*

The equipment no longer in use or not traced during two consecutive physical inventory exercises have been decommissioned. The acquisition price of the equipment concerned was EUR 9,293 and was fully depreciated.

- ***Other fixtures and fittings:***

Audio-visual equipment not used anymore or not traced during two consecutive physical inventory exercises have been decommissioned. The acquisition price of the equipment concerned was EUR 81,296 and was fully depreciated.

(3) Non-Current Pre-financing

REA paid in 2024 a long-term advance to enable OIB to pre-finance a working capital for its catering services provided under the new service level agreement related to the new building (North light building – SB34) occupied by REA.

Current Assets

(4) Current Pre-financing

REA paid in 2024 an advance to a trustee. This amount has been carried forward in the 2025 accounts, as the trustee’s work is still ongoing.

(5) Exchange receivables

Current receivable customers (EUR 619,116)

At the end of 2025, the following recovery orders were open:

- EUR 236,204 related to the recovery of the municipality taxes for the financial year 2021 and interest for financial years 2019-2021 from OIB,
- EUR 36,113 related to the recovery of legal costs incurred by the Agency in the context of legal proceeding against beneficiaries of grants financed on the operational budget.

In addition, a credit note to be received for an amount of EUR 346,799 has been booked in 2024. This credit note referring to the cancellation of the 2022 tax invoiced by the property owner of the COVE building is still not received.

The 2022 taxes invoice is recorded under "Current payable vendor" (see 2.5.2.7)

Current receivable customers written down (EUR 34,613)

The debit note outstanding as of 31.12.2024 (ref. 2.5.7) remains unpaid in 2025. As collection is still considered unlikely, it continues to be recognized as a doubtful debt, consistent with the provision made at the previous year-end.

Deferred charges (EUR 205,186)

The deferred charges relate mainly to yearly fees for IT licences, legal costs and school transport for the parents’ association of the European School IV.

Deferred charges consolidated entities (EUR 20,955)

The deferred charges correspond to maintenance cost for audio-visual equipment paid to the SCIC.

Sundry Receivables (EUR 95,268)

The sundry receivables relate to regularisations linked to the payroll.

Sundry Receivables with consolidated entities (EUR 5,741,865)

Since March 2020, REA treasury was integrated into the Commission’s treasury system. As a result, REA does not have its own bank account. The subsidy received from DG Research and Innovation is booked on inter-company accounts (liaison accounts). All payments authorised and validated by the Agency, as well as receipts, are processed via the Commission’s treasury and registered on these inter-company accounts. The amount of EUR 5,741,865 corresponds to the balance available on the liaison accounts and is considered as an amount receivable from the Commission.

Accrued income (EUR 38,600)

The amount relates to legal costs incurred by the Agency in two legal cases, for which a judgement in favour of REA was pronounced at the end of 2025. The debit notes to recover these legal costs were not yet issued at the end of 2025.

Current liabilities

(6) Current provisions (EUR 411,819)

A short-term provision of EUR 32,000 for legal costs was booked in 2024 to cover legal fees that a grant beneficiary (financed on REA’s operational budget) may charge to REA as the outcome of the proceedings was in its favour. In 2025, the provision was increased by EUR 22,000 to align with the amount claimed by the beneficiary. However, REA will negotiate the final amount with the beneficiary.

And additional provision of EUR 36,000 was recognised in 2025 to cover potential legal expenses that REA may be required to pay for two other legal proceedings still ongoing at year-end.

A provision for risks and charges of EUR 311,819 was also established in 2024 to cover the possible reimbursement of the 2022 municipal taxes for the buildings COV2 and COVE still due to the property bare owner. The latter is requesting REA and OIB to reimburse the tax paid to the municipality for the fiscal year 2022. This tax was not contested by the owner with the municipality within the time limits, unlike a previous commitment from the owner towards REA to contest previous taxes for 2019-2021. OIB (offering REA access to the COVE building through a Service Level Agreement) and REA (leasing the COV2 building) consider it was the owner's responsibility to contest this tax and OIB and REA are contesting the claimed reimbursement of the 2022 tax to the owner. As no further developments occurred during 2025, the provision has been maintained.
Also, as part of the agreement reached in October 2025 in relation to the 2019-2021 municipality taxes, the 2024 provision of EUR 16,230 was partially used in 2025 to cover the payment of the legal costs invoiced by the bare owner (and the unused amount has been reversed).

REA paid an advance to a trustee in the context of a liquidation case. This advance is expected to be reimbursed to REA upon closure of the liquidation, provided that the assets of the company in liquidation are sufficient to cover the trustee's fees. If this is not the case, REA would have to compensate the trustee. Based on the information currently available, it is possible that the assets may not be sufficient. Therefore, a provision of EUR 10,000 was recognised in 2024. As no significant developments occurred in 2025, the provision has been maintained at EUR 10,000.

(7) Current payables (EUR 353,291)

Current payable vendor (EUR 346,799)

The amount relates to the invoice received in 2023 for to the 2022 tax recharged by the owner of the COV2 building.

A credit note requested to cancel the 2022 taxes is recorded under "Current receivables customers" (see 2.5.2.5)

Other Current payable (EUR 2,813)

The amount relates to pension and sickness insurance deductions.

Current payable with consolidated entities (EUR 3,678)

The balance represents payroll-related amounts to be invoiced to consolidated entities at the end of 2025.

(8) Accounts payable to consolidated entities

Prefinancing from consolidated entities (EUR 3,479,071)

The amount corresponds to the 2025 positive budgetary outturn to be reimbursed in 2026 to DG Research and Innovation, after adoption of the final 2025 accounts.

(9) Accrued charges and deferred income

Accrued charges (EUR 3,195,486)

Accrued charges are expenses corresponding to goods and services provided to the Agency in 2025 but not invoiced at year-end. The pending payment obligations of the Agency (called RAL – "Reste à Liquider") have been analysed to estimate the amount of accruals.

An amount of EUR 784,328 relates to goods and services delivered by third parties, such as IT consultancy, use of interim staff, communication support, legal support, insurance, mission expenses and trainings.

Moreover, an accrual of EUR 2,411,157 was recognised for staff members' untaken annual leave.

Overall, accrued charges increased by EUR 0.2 million compared to the previous year, mainly due to the higher accrual for untaken annual leave. Other accrued expenses remained stable compared to 2024.

Accrued charges with consolidated entities (EUR 395,258)

Accruals with consolidated entities relate to goods and services provided by other EU institutions in 2025 in the framework of a Service Level Agreement, which had not yet been invoiced as at 31.12.2025. The amount is mainly distributed between the following Commission services:

- DG HR: EUR 118,209
- OIB: EUR 81,650
- DG BUDG : EUR 79,000
- DG EAC: EUR 63,617
- EUSA: EUR 23,200
- PMO : EUR 21,286
- Other: EUR 8,296

Accrued charges with consolidated entities decreased by EUR 29,399 compared to 2024.

2.5.3. Notes to the Statement of financial performance

Non-exchange revenues

(1) Subsidy of the Commission (EUR 121,894,115)

The revenue booked as "Commission's subsidy" is equal to the Commission's contribution to the operating budget (EUR 125,373,186), cashed by REA in 2025 less the budget result of the year (EUR 3,479,071 - see budget outturn table under section 3.2).

This method for determining revenue follows the modified cashed-based accounting principle.

Exchange revenues

(2) Interest revenue (EUR 10,142)

This amount relates to additional compensatory interest invoiced for the COVE building in respect of the 2019–2021 municipal taxes, following the agreement reached in October 2025 with the bare owner of the COVE building.

(3) Exchange rate differences (EUR 28)

The amount results from exchange gains on payments in foreign currency.

(4) Other operating revenue (EUR 390,346)

Other operating revenue consists of the following components:

- EUR 201,250 recovery of overpaid provision for various Service Level Agreements (SLAs) compared to the actual cost of the services provided. It concerns mainly OIB for the building and maintenance services,

- EUR 135,101 for services provided by the REA Central Validation Service to the European Network and Information Security Agency, the European Parliament, the European Food Safety Authority and the European Union Agency for Asylum,

- EUR 26,063 related to the invoicing of legal costs incurred by the Agency in the context of legal proceeding against beneficiaries of grants (charged to the operational budget),

- EUR 14,600 relating to accrued income for the recovery of legal costs linked to a legal case for which the recovery order has not yet been issued,

- EUR 13,332 recovery of overpaid transport costs in 2024 to the Parents' association of the European School I.

Expenses

Following the migration from ABAC to SUMMA, it was decided that expenses related to consolidated entities would be presented by nature of expense, in the same manner as other operating expenses, rather than being grouped under a single account entitled "Expenses with consolidated entities".

In order to ensure comparability of expenses between the two financial years, the expenses presented in 2024 under the category / account "Expenses with consolidated entities" (previously included under heading "Administrative and IT expenses") were reclassified across the other expense categories / accounts based on their nature.

In addition, the costs related to the trainees that were presented in 2024 under the category / account "Staff expenses with consolidated entities" were reclassified to the expense categories / accounts "Consultancy non-IT".

The changes are reflected in the below table:

Statement of financial performance	31.12.2025	31.12.2024 before	Reclassification	31.12.2024 after
OPERATING EXPENSES				
EXCHANGE EXPENSES	**126,565,971**	**112,621,028**		**112,621,028**
Staff expenses	102,813,489	87,977,437	1,288,337	89,265,774
Other financial expenses	0	34,613	0	34,613
Administrative and IT expenses	11,506,151	13,200,212	-1,999,660	11,200,552
Assets related expenses	549,986	636,609	0	636,609
Land and building expenses	11,696,344	10,772,151	711,323	11,483,474
Exchange rate differences losses	2	7	0	7

(5) Staff expenses (€ 102,813,489)

Compared to last year, staff costs have increased by approximately EUR 13.5 million (15%), primarily due to a higher average occupancy rate (989 posts occupied as per 31/12/2025 compared to 917 as per 31/12/2024), the salary indexation, the impact of the staff reclassification, the career progression linked to seniority and the upgrade of contract staff from lower to higher function groups. The amount of the employer contribution to the pension of contractual staff financed by third countries appropriations was also higher than last year.

Staff expenses include:

- the gross salaries, allowances, social and pension contributions, an accrual for untaken holidays and other staff costs (EUR 100,796,163),
- The employer's contribution for the school transport, contribution to staff public transport season tickets and other staff prerequisites (EUR 2,017,326).

(6) Administrative and IT expenses (EUR 11,506,151)

The 2025 administrative and IT expenses costs comprise:

- IT related expenses (EUR 6,014,055)
- Consultancy and non-IT expenses (EUR 2,726,257)
- Running costs (EUR 1,549,454)
- Admin costs related to staff (EUR 937,067)
- Other admin expenses (EUR 279,318)

These expenses increased by EUR 0.3 million (+3%) compared to the previous year, mainly due to higher costs in communication and events, interpretation and legal expenses, partially offset by lower IT, maintenance, and office supplies expenses.

(7) Assets related expenses (EUR 549,986)

These expenses relate to the depreciation/amortization charges of the Agency's tangible and intangible fixed assets.

(8) Land and Building (EUR 11,696,344)

The 2025 land and building amount includes services provided by OIB and DG HR (Direction Security) as detailed below:

- the rent for REA's evaluation platform in the COVE building,
- the rent for REA's offices in the SB34 building,

- other building charges like building support services, maintenance, electricity and heating, security and insurance.

These expenses increased by EUR 0.2 million (+2%) compared to the previous year, mainly driven by higher building-related security and maintenance costs.

(9) *Exchange rate losses (EUR 2)*

Exchange rate losses result from payments in foreign currency.

2.5.4. Notes to the Cash-flow statement

Cashflow information is used to provide a basis for assessing the ability of an entity to generate cash and cash equivalents, and its use of cash.

The cashflow statement is prepared using the indirect method. This means that the economic result for the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cashflows.

The cash flow statement presented reports cash flows during the period classified by operating and investing activities (the Agency does not have financing activities).

(1) Operating activities

Operating activities reflect the cash generated / (used) from REA's regular activities, which represent the majority of its activities.

Since March 2020, REA is using DG BUDG's treasury services. All payments and receipts are processed via the Commission's treasury system and booked on an inter-company account (liaison account). The latter shows the net treasury position of the Agency.

The variation on this inter-company account is reflected under (Increase)/decrease in Receivables – Liaison Account with Commission.

(2) Investing activities

Investing activities reflect the cash generated / (used) from the acquisition and disposal of intangible and tangible fixed assets. The objective is to show the real investments made by REA.

2.5.5. Contingent assets and liabilities

Contingent assets

In 2024, a contingent asset was recognized in relation to the compensatory interest to be recovered from the bare owner in connection with the 2019–2021 municipal tax case.

In 2025, the contingent asset disclosed in the prior year is no longer applicable, as an agreement was reached in October 2025 on the final amounts of taxes and compensatory interest to be recovered. As a result of this agreement, the Recovery Orders issued by REA and OIB were settled by the bare owner during 2025.

Contingent liabilities

In 2024, REA disclosed a potential reimbursement of legal fees in connection with an ongoing legal case; however, the related costs could not be reliably estimated at the time the financial statements were prepared. In 2025, given that the outcome of the proceedings was in favour of the beneficiary, a provision of EUR 14,000 was recognised replacing the previous year contingent liability. As of the reporting date, no formal claim has been submitted by the plaintiff.

For one of the legal cases ongoing at the end of December, the Agency estimates the probability of losing the case between 20% to 49%. For this case, should REA lose, the legal fees to be reimbursed to the plaintiff are estimated by the Agency at EUR 29,000.

2.5.6. Other disclosures

Commitment for future expenditure

Commitments for future expenditure	
Commitments made in 2025 and not yet paid as of 31.12.2025	EUR 1,290,422

Commitments made in 2025 and not yet paid as of 31.12.2025 correspond to the part of the budgetary RAL that will be used to pay for invoices related to services or goods that will be rendered in 2026. The amount decreased with EUR 2,508,955 compared to last year.

2.5.7. Financial risk management

Financial instruments comprise financial assets and financial liabilities which give rise to liquidity, credit, interest rate and foreign currency risks.

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk.

(1) **Currency risk** is the risk that the agency's operations will be affected by changes in exchange rates. This risk arises from the change in the price of one currency against another.

(2) **Interest rate risk** is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa.

Credit risk is the risk of loss due to a debtor's non-payment or other failure to meet a contractual obligation. Such risks relate to delays in repayments and bankruptcy.

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

The financial instruments held by REA are presented in the below table (in euros - rounded):

	2025	**2024**
FINANCIAL ASSETS		
Current receivable	584,503	1,155,629
Other receivable	95,268	97,050
Other receivable - Liaison account with Commission	5,741,865	6,483,009
Current receivable consolidated entities	-	-
Accrued income	38,600	706,633
TOTAL FINANCIAL ASSETS	**6,460,236**	**8,442,320**
FINANCIAL LIABILITIES		
Current payables	353,291	366,661
Other payables	85	24
Payables consolidated entities	3,479,071	1,710,411
TOTAL FINANCIAL LIABILITIES	**3,832,447**	**2,077,097**

Currency risk

As only very few transactions are in other currency and amounts are not significant, REA has no material foreign currency risk.

Interest rate risk

REA does not have any bonds and is therefore not exposed to the interest rate risk.

Credit risk

The analysis of the ageing of the exchange receivables is presented hereunder (in Euros - rounded):

Receivables ageing 31.12.2025	**Not past due**	**Past due < 1 month**	**Past due 1-3 months**	**Past due 3-12 months**	**Past due > 1year**	**Total**
Receivables gross carrying amount	6,113,437				381,412	**6,494,849**
Impairment (-)					-34,613	**-34,613**
Net receivables	**6,113,437**	**0**	**0**	**0**	**346,799**	**6,460,236**

Out of the "not yet overdue" amount:

1. With consolidated entities:
   - EUR 5,741,865 concerns the liaison account with the Commission,
   - EUR 236,204 relates to receivables from consolidated entities,

   No credit risk can occur and therefore REA has no reason to recognise a loss.

2. With Staff:
   - EUR 95,268 concerns receivables from staff, the amount is mainly recovered by deduction from the monthly salary; based on past experience and expected future events REA has no reason to recognise a loss.

3. With Third parties:
   - EUR 1,500 represents a receivable for the recovery of legal costs associated with a legal proceeding,
   - EUR 38,600 relates to accrued income for ongoing legal cases.

   Based on past experience and expected future events REA has no reason to recognise a loss.

overdue amount:

- EUR 34,613 represents a receivable for the recovery of legal costs associated with a legal proceeding. An impairment has been calculated as we do not expect to receive the payment based on the financial situation of the debtor.

- EUR 346,799 represents the credit note to be received to cancel the 2022 tax for the COV2 building.

Liquidity risk

The Agency manages liquidity risk by monitoring forecast and actual cash flows.

Details of remaining contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk.

The table hereafter (in Euros) provides details on the remaining contractual maturity:

	on demand	< 3 months	3-12 months	1-2 years	2-5 years	TOTAL
FINANCIAL ASSETS						
Receivable	-	237,704	0	346,799	-	584,503
Other receivable	-	-	95,268	-	-	95,268
Other receivable - Liaison acco	5,741,865	-	-	-	-	5,741,865
Receivable consolidated entities	-	-	-	-	0	0
Accrued income	-	-	38,600	-	-	38,600
TOTAL FINANCIAL ASSETS	**5,741,865**	**237,704**	**133,868**	**346,799**	**0**	**6,460,236**

FINANCIAL LIABILITIES						
Current payables	6,577	-	-	346,799	-	353,376
Other payables	-	-	-	-	-	0
Payables consolidated entities	3,479,071	-	-	-	-	3,479,071
TOTAL FINANCIAL LIABILITIES	**3,485,648**	**0**	**0**	**346,799**	**0**	**3,832,447**
LIQUIDITY SURPLUS	**2,256,217**	**237,704**	**133,868**	**0**	**0**	**2,627,789**

Moreover, the EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

2.5.8. Change in Accounting policies

The following changes in accounting policies have been introduced in 2025.

New capitalisation threshold for the internally generated intangible assets

As mentioned in point 2.5.2.1, in 2025, considering the size of its administrative budget, REA decided to increase the capitalisation threshold of internally generated intangible assets from EUR 100,000 to EUR 300,000. The revised threshold is applied as from 1 January 2025, with no retrospective adjustment to prior periods, in accordance with the accrual accounting principles and the applicable European Commission accounting rules.

New European Accounting Rules

On 12 December 2025 the Accounting Officer of the European Commission adopted a targeted amendment of EAR 1 'Financial Statements'. The amendment, which is effective for reporting periods beginning on or after 1 January 2025, introduced changes to the guidance on the Segment Report. As REA is not obliged to, and does not prepare, a Segment Report, the amendment has no impact on these annual accounts.

EAR 8 (revised 2025)

On 15 April 2025 the Accounting Officer of the European Commission adopted the revised EAR 8 'Leases', which is effective for accounting periods beginning on or after 1 January 2027. The revised EAR 8 has been updated in line with IPSAS 43 'Leases' (including the amendment 'Concessionary Leases and Other Arrangements Conveying Rights over Assets'). The main change as compared to the current EAR 8 is the introduction of a right-of-use recognition and measurement model, which requires lessees to recognise all leases, including concessionary leases, on the balance sheet. REA does not expect to be affected by the initial application of the revised EAR 8, as it is not engaged in lease contracts or other relevant arrangements.

EAR 1 (revised 2025)

Also on 15 April 2025 the Accounting Officer of the European Commission adopted the amended EAR 1 'Financial Statements', which is effective for accounting periods beginning on or after 1 January 2027. The amendment aims at ensuring a consistent classification of all borrowings within financing activities, including those related to leases, the acquisition of property, plant and equipment, and back-to-back operations, all of which are currently classified within operating activities. REA does not expect to be affected by the initial application of the revised EAR 1, as it is not engaged in the relevant financing activities.

2.5.9. Related party disclosures

Related parties

The related parties of the entity are the EU consolidated entities and the senior management of these entities. Transactions between these entities take place as part of the normal operations of the Agency and no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

Key management entitlements

Further information on related party transactions concerning the senior management of the Agency is presented below:

Highest grade description	Grade	Number of persons in this grade
Director, Heads of Department	AD15	1
Director, Heads of Department	AD14	3

They are remunerated in accordance with the Staff Regulations of the EU that are published on the Europa website, which is the official document describing the rights and the obligations of all officials of the EU.

The remuneration equivalent to the grades of the key management personnel in the table can be found in Official Journal C/2025/6564 of 11 December 2025.

2.5.10. Post balance sheet events

At the date of signature of these accounts no material issues had come to the attention of - or were reported to - the Accounting Officer of the Agency that would require separate disclosure under this section. The accounts and related notes were prepared using the most recently available information and this is reflected in the information presented.

3. REPORTS ON THE IMPLEMENTATION OF THE BUDGET

3.1. Introduction

3.1.1. Budgetary structure

The budgetary accounts are kept in accordance with the Standard Financial Regulation for executive agencies.

The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the implementation of the Agency's activities.

The budget structure for REA consists only of non-differentiated administrative appropriations, meaning that the commitment and the payment appropriations are of the same amount. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality).

The expenditure appropriations are split into commitment and payment appropriations:

- Commitment appropriations (CA): cover the total cost of the legal obligations entered into for the current financial year;
- Payment appropriations (PA): cover expenditure arising from commitments entered into in the current financial year and/or the previous financial year.

The main sources of expenditure appropriations are:

- VOBU 2025: appropriations voted for the current budget year (initial adopted budget and its subsequent amending budgets and transfers);
- IAR 2/2: appropriations from internal assigned revenue for the current year,
- VOBU 2024: the non-differentiated payment appropriations carried over from the previous year

REA’s budget is distributed among the following budget titles:

Budget Title	2025 Commitment appropriations voted (VOBU 2025)	2025 Commitment appropriations from assigned revenue (IAR 2/2)	2025 Payment Appropriations carried over from 2024 (VOBU 2024)	2025 Total appropriations available
Total Title 1 - STAFF EXPENDITURE	105,762,953	106,552	311,223	106,180,728
Total Title 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE	13,458,991	28,549	746,111	14,233,651
Total Title 3 - PROGRAMME SUPPORT EXPENDITURE	7,625,985	0	3,842,880	11,468,865
TOTAL	126,847,929	135,101	4,900,215	131,883,245

Title 1 relates to staff expenditure:

- Chapter 11: remuneration, allowances and charges for the statutory staff of the Agency paid directly to the staff members and included in the salary pay slips as well as expenses for interim supportive staff and trainees;
- Chapter 12: specific staff related charges, costs for missions, training courses, medical service, staff perquisites (e.g. public transport reimbursements) and internal meeting expenses are included under this chapter. The cost of recruitments and change of personnel incurred by the Agency are also included.

Title 2 relates to infrastructure and operating expenditure:

- Chapter 21: Building expenditure. The rent is fixed through a usufruct contract signed by the Agency and/or the Commission following a tendering procedure. Charges for the maintenance, cleaning, security, heating, etc. of the building, and the cost of the fitting out of premises are also included under this chapter;
- Chapter 22: ICT expenditure. This includes the purchase of equipment, licences, support for maintenance, specific IT developments and IT services;

– Chapter 23: Movable property and current operating expenditure. This chapter covers the cost of furniture and office supplies for the Agency and its staff and other current operating expenditure.

Title 3 relates to programme support expenditure (including also other costs relating to the management of the programmes delegated to the Agency and to the Support Services provided by REA to the European Commission and other EU Institutions, Agencies and Bodies):

– Chapter 31: Programme management expenditure such as external communication, information and ICT expenses as well as external audits and missions. This budget chapter concerns administrative expenditure directly related to the management of operational activities delegated to the Agency;
– Chapter 32: Common support services expenditure, such as building and ICT expenses for the common evaluation platform and common support services as well as meetings of experts.

In accordance with Article 5 of the Standard Financial regulation for Executive Agencies, the revenue of the Agency comprises the subsidy awarded by the Commission and any other revenue, including assigned revenue within the meaning of Article 15 thereof.

The main sources of revenue appropriations are:

– VOBU 2025: appropriations voted for the current budget year (initial adopted budget and its subsequent amending budgets and transfers);
– IARCA: internal assigned revenue for the current year (commitment and payment appropriations inscribed following the recovery order cashing),

The income appropriations are distributed among the following budget items:

Budget Item		2025 Income appropriations
2 0 0 0	EUROPEAN COMMISSION'S SUBSIDY TO REA	125,373,186
5 0 0 0	ASSIGNED REVENUE FROM THE PROVISION OF VALIDATION SERVICES (SEDIA) TO OTHER EU BODIES AND INSTITUTIONS	135,101
9 0 0 0	MISCELLANEOUS REVENUE	1,474,743
TOTAL		**126,983,030**

3.1.2. Budgetary principles

The budget of REA has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in the standard Financial Regulation for the executive agencies.

Principle of annuality

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

Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December.

Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the Accounting Officer by 31 December of that year at the latest.

Principle of equilibrium

The Agency’s budget revenue and payment appropriations must be in balance.

Commitment appropriations may not exceed the amount of the Community subsidy, plus own revenue and any other revenue. The Agency may not raise loans.

Principle of unit of account

The budget shall be drawn up and implemented in Euro and the accounts shall be presented in Euro. However, for cash-flow purposes, the Accounting Officer and, in the case of imprest accounts, imprest administrators, shall be authorised to carry out operations in national currencies.

Principle of universality

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

Principle of specification

The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items.

The Executive Agency's Director, following an ex-ante agreement from the Steering Committee, may authorise transfers from one article to another within each chapter. Transfers between chapters/titles may be authorised by the Director after agreement from the Agency's Steering Committee.

Principle of sound financial management

Budget appropriations shall be used in accordance with the principle of sound financial management, i.e. in accordance with the principles of economy, efficiency and effectiveness.

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

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

The principle of effectiveness aims at attaining the specific objectives set and achieving the intended results.

Principle of transparency

The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency. The budget, as finally adopted, shall be published in the Official Journal of the European Union and amending budgets shall be published in an appropriate way within two months of their adoption.

3.1.3. Key data

	Amount in EUR	% implementation
Revenue (Entitlements established)	127,285,150	99.79% collected
Commitments Appropriations (current year appropriations - VOBU 2025 and IAR 2/2)	126,983,030	99.62% of the available appropriations are implemented 1.95% of the committed appropriations are carried forward to 2026
Payments Appropriations current year appropriations - VOBU 2025 and IAR 2/2	126,983,030	97.68% of the available appropriations are implemented
Payments Appropriations carried over appropriations - VOBU 2024	4,900,215	39.55% of the payment appropriations carried-over from 2024 are implemented

3.2. Budget Result

The budgetary outturn account was prepared in accordance with the requirements of Article 244 of Commission Regulation (EU, Euratom) 2024/2509 and in accordance with Article 56 of the Standard Financial Regulation for executive agencies.

The revenue entered in the accounts is the amount actually received during the year. For the purpose of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus the appropriations for that year that are carried over to the following year. Payments made against the year's appropriations mean payments that are made by the accounting officer by 31 December of the financial year.

The following are added to or deducted from the resulting figure:

– the cancellations of payment appropriations carried over from previous years (added),
– the balance of exchange-rate gains (added) and losses (deducted) recorded during the year.

Budget result table (in EUR – rounded)

	Title	2025	2024
		127,012,833	**111,863,388**
of Which			
Contribution from EU	2	125,373,186	111,421,572
Assigned revenue accruing from other EU bodies and institutions	5	135,101	152,286
Miscellaneous revenue	9	1,504,546	289,530
Expenditure		**-124,032,098**	**-106,380,551**
of Which			
Staff expenditure	1	-105,127,882	-91,101,415
Administrative expenditure	2	-12,520,950	-11,785,519
Operational expenditure	3	-6,383,266	-3,493,617
Payment appropriat. carried over to the following year		**-2,463,804**	**-4,900,215**
of Which			
Staff expenditure	1	-365,348	-311,223
Administrative expenditure	2	-876,614	-746,111
Operational expenditure	3	-1,221,843	-3,842,880
Cancellation of unused appropr. carried over from year n-1		**2,962,114**	**1,127,760**
Exchange rate differences		**26**	**29**
Budget Result		**3,479,071**	**1,710,411**

The 2025 budget result amounts to EUR 3,479,071 and will be reimbursed to the Commission in 2026.

It corresponds to:

- EUR 480,924: current year commitment appropriations not used (see 3.4.2 implementation of 2025 commitment and payment appropriations),
- EUR 6,204: current year commitment appropriations that were not carried over to 2026, these unused appropriations could not be cancelled due to technical issue in SUMMA,
- EUR 29,803: miscellaneous revenue (recovery orders issued and cashed by the Agency) not used in the financing of the Agency's operating budget (out of EUR 1,504,546),
- EUR 2,962,114: cancellation of unused appropriations carried over from 2022 to 2023,
- EUR 26: exchange rate gain.

Reconciliation of the 2025 economic result with the 2025 budgetary result

	2025	2024
Economic result (+ for surplus and - for deficit)	**-4,271,341**	**-2,359,510**
Adjustment for accrual items (items included in the economic result but not in the budgetary result		
Adjustments for Accrued charges and deffered income (reversal previous year)	-3,406,072	-5,234,004
Adjustments for Accrued charges and deffered income (cut off current year)	3,590,743	3,406,072
Unpaid invoices at year end but booked in charges		19,681
Depreciation and write down of intangible and tangible assets	549,986	636,609
Provisions	41,770	337,049
Amounts written off and losses on trade debtors		34,613
Recovery Orders issued and not yet cashed	-237,704	-843,443
Prefinancing given in previous year and cleared in the year		
Prefinancing received in previous year and cleared in the year		
Salary related payments on HB line in N and booked in charge	21,100	20,500
Payments made from carry over of payment appropriations	1,938,101	5,523,845
Adjustment for deffered charges and accrued income (cut off current year)	-129,463	-824,112
Adjustment for deffered charges and accrued income (reversal previous years)	810,589	3,721,445
Other (asset revenues)		-742
Ajustment for budgetary items (item included in the budgetary result but not in the economic result)		
Asset acquisitions (excluding unpaid amounts at year end and including paid amount in N for asets received in N-1)	-174,668	-616,535
New pre-financing paid in the year N and remaining open as at 31.12.N		-10,000
New pre-financing received in the year N and remaining open as at 31/12/N	3,479,071	1,710,411
Budgetary recovery orders issued in the previous years and cashed in the year N	808,830	0
Payment appropriations carried over to the next year	-2,463,804	-4,900,215
Cancellation of unused carried over payment approppriations from previous year	2,962,114	1,127,760
Salary related payment on budget N and booked in charge in N-1	-20,500	
Invoices booked in charge in the previous year but paid in the current year	-19,681	-39,475
Other (payroll regularisation)		461
Total	**3,479,071**	**1,710,411**
Budgetary result including amount of exchange rate differences	**3,479,071**	**1,710,411**
Amount of exchange rate differences included in the budgetary result	**26**	**29**
Delta not explained	0	0

The economic result shown in the Statement of financial performance (point 2.2) differs from the budgetary result shown in the budget outturn account (point 3.2) because the economic result is based on accrual accounting principles (revenues and expenses are recorded when they occur; income is reported in the period it is earned regardless of when it is received and expenses are reported in the period they are incurred whether they are paid or not) while the budget result is based on modified cash accounting rules (revenues are recorded in the period they are cashed and expenses are recorded in the period they are paid, carry-over of appropriations are also recorded).

The difference between the economic result and the budgetary result can be explained and reconciled inter alia by the following elements:

- The economic result takes into account accrued charges via cut off correction entries. Expenses related to services provided or goods delivered in the current year but not paid at 31/12/N are charged in the financial year while the budgetary result takes also into account amounts of invoices received and paid at 31/12/N relating to services still to be provided or goods still to be delivered in the next financial year.
- The movement in provisions linked to the end-of-year estimates following the accrual based principle (e.g. untaken holidays) only impacts the economic result. The budget result is not impacted as long as these provisions are not paid.
- The economic result takes into account the depreciation expense of the fixed assets while the budgetary result takes into account the purchase cost of the fixed asset in the financial year it is paid.
- The economic result comprises all the revenues generated during the financial year even if entitlements established were not collected. The budgetary result takes into account the revenue collected from entitlements established in the course of the year and amounts collected from entitlements established in previous years. The entitlements established in the current year but not yet collected are not comprised in the budgetary result.
- The economic result takes into account expenses on carried over appropriations from the previous year when they are related to services provided or goods delivered in the current financial year while the budgetary result is not impacted by the payments done on carried over appropriations

from the previous year. However, the cancellation of unused appropriations carried over from the previous year increases the budgetary result.

– The economic result does not take into account deferred charges. Expenses that are prepaid in the current financial year but related to services to be provided in subsequent years are not charged in the current financial year but in the year to which they relate. The budgetary result is however impacted when the amount has been paid in the current financial year.

3.3. Budget Revenue (in Euros – rounded)

Item		Income appropriations		Entitlements established			Revenue			Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	
		1	2	3	4	5=3+4	6	7	8	9=5-8
2 0 0 0	EUROPEAN COMMISSION'S SUBSIDY	125,315,676	125,373,186	125,373,186	0	125,373,186	125,373,186	0	125,373,186	0
5 0 0 0	PROVISION OF VALIDATION SERVICES TO OTHER EU BODIES AND INSTITUTIONS (SEDIA)	85,119	135,101	135,101	0	135,101	135,101	0	135,101	0
9 0 0 0	MISCELLANEOUS REVENUE	0	1,474,743	933,420	843,443	1,776,863	695,716	808,830	1,504,546	272,317
TOTAL		125,400,795	126,983,030	126,441,707	843,443	127,285,150	126,204,003	808,830	127,012,833	272,317

The EC balancing subsidy (budget line 2000) paid by DG Research and Innovation in 2025 amounts to EUR 125,373,186 out of which:

m the budget line 01 01 01 72 - Contribution from "Horizon Europe" from EU General Budget	107,522,193
m the budget line 01 01 01 72 - Contribution from "Horizon Europe" from EFTA/EEA Countries	2,754,768
m the budget line 01 01 01 72 - Contribution from "Horizon Europe" from Third Countries	997,521
coming from the budget line 08 01 01 72 - Contribution from the "European Agricultural Guarantee Fund" from EU General Budget	2,134,828
coming from the budget line 08 01 01 72 - Contribution from the "European Agricultural Guarantee Fund" from Internal Assigned Revenues	9,716,876
coming from the budget line 20 03 14 72 - Contribution for the implementation of the "research programme for coal and steel and non-Research programmes" from EU General Budget	2,247,000
TOTAL COMMISSION SUBSIDY	125,373,186

The recovery orders established in 2025 on the budget line 9000 “miscellaneous revenue” for a total amount of EUR 933,420 concern:

– The municipality taxes related to the building Coven Garden for the fiscal years 2019, 2020 and 2021, plus the compensatory interest, recovered from OIB: EUR 682,633;
– amounts overpaid to the Commission Services under the SLAs for the year 2024 and subsequently recovered: EUR 201,250;
– legal costs incurred by the agency in the context of a legal proceeding against beneficiaries of a grant granted on the operational budget and to be recovered from the beneficiaries: EUR 26,063;
– recovery of amounts overpaid to contractors: EUR 13,332;
– Additional compensatory interests related to the municipality taxes and recovered from the building owner: EUR 10,142.

3.4. Budget Expenditure (in Euros – rounded)

3.4.1. Budget overview

The two tables below give a summarised overview, for the budget year 2025, of REA’s budget for commitments and for payments per budget title, with a repartition by fund source.

Only the VOBU 2025 appropriations and the related transfer and amendment are presented under “Budget appropriations” while the 2025 appropriations accruing from assigned revenue (IAR 2/2) and the carried over appropriations from 2024 (VOBU 2024) are presented separately under the column "Additional appropriations".

Breakdown and changes in commitment appropriations:

Item	Budget appropriations				Additional appropriations			Total appropr. available
	Initial adopted budget (VOBU 2025)	Amending budgets	Transfers	Final adopted budget (VOBU 2025)	Assigned revenue (IAR 2/2)	Amending budgets	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
Total Title 1 - STAFF EXPENDITURE	105,041,639	2,022,729	-1,301,415	105,762,953	66,292	40,260	106,552	105,869,505
Total Title 2 - INFRASTRUCTURE AND OPERATING EXPENDITU	12,537,802	66,084	855,105	13,458,991	18,828	9,721	28,549	13,487,540
Total Title 3 - PROGRAMME SUPPORT EXPENDITURE	7,736,235	-556,560	446,310	7,625,985	0	0	0	7,625,985
TOTAL	125,315,676	1,532,253	0	126,847,929	85,120	49,981	135,101	126,983,030

Breakdown and changes payment appropriations:

Item	Budget appropriations				Additional appropriations			Total appropr. available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
Total Title 1 - STAFF EXPENDITURE	105,041,639	2,022,729	-1,301,415	105,762,953	311,223	106,552	417,775	106,180,728
Total Title 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE	12,537,802	66,084	855,105	13,458,991	746,111	28,549	774,661	14,233,651
Total Title 3 - PROGRAMME SUPPORT EXPENDITURE	7,736,235	-556,560	446,310	7,625,985	3,842,880	0	3,842,880	11,468,865
GRAND TOTAL	125,315,676	1,532,253	0	126,847,929	4,900,215	135,101	5,035,316	131,883,245

The table hereafter gives a detailed overview per budget line of the initial budget and its subsequent amendment and transfer presented to the REA's Steering Committee for adoption. It concerns only the commitment appropriations VOBU 2025 (accruing from the 2025 Commission's subsidy) and IAR 2/2 (accruing from assigned revenue) adopted by the Steering Committee for the year 2025.

To be noted that:

- the initial budget 2025, adopted by the Steering Committee in December 2024 (EUR 125,400,795), includes VOBU 2025 appropriations (EUR 125,315,676) and appropriations from assigned revenues IAR 2/2 (EUR 85,119);
- the first amended budget adopted by the Steering Committee in October 2025 (EUR 128,778,140) includes increased VOBU 2025 appropriations (EUR 128,643,039) and increased appropriations from assigned revenue (EUR 135,101);
- The second amended budget adopted by the Steering Committee in December 2025 (EUR 126,983,030) includes decreased VOBU 2025 appropriations (EUR 126,847,929) and unchanged appropriations from assigned revenue (EUR 135,101).

Expenditure Titles, Chapters, Articles and Items		Official Name of the Expenditure Budget Lines	2025 Initial Administrative Budget (SC adoption 11.12.2024)	Transfer 2025/01 (SC authorisation 11.07.2025)	BUDGET 2025 following Transfer 2025/01	1st Amending Budget	2025 1st Amended Administrative Budget (SC adoption 15.10.2025)	Transfer 2025/02 (Director autorisation 21.11.2025)	BUDGET 2025 following the Transfer 2025/02	2nd Amending Budget	2025 2nd Amended Administrative Budget (SC adoption 05.12.2025)
TOTAL EXPENDITURE			**125,400,795**	**0**	**125,400,795**	**3,377,345**	**128,778,140**	**0**	**128,778,140**	**-1,795,110**	**126,983,030**
Title	**1**	**STAFF EXPENDITURE**	**105,107,930**	**-1,301,415**	**103,806,515**	**3,473,735**	**107,280,250**	**0**	**107,280,250**	**-1,410,745**	**105,869,505**
Chapter	**11**	**Remunerations, Allowances and Charges**	**101,541,825**	**-1,669,425**	**99,872,400**	**3,367,225**	**103,239,625**	**0**	**103,239,625**	**-1,069,300**	**102,170,325**
Article	**111**	**Staff occupying an employment in the establishment plan**	**38,525,320**	**-592,655**	**37,932,665**	**987,655**	**38,920,320**	**0**	**38,920,320**	**-416,345**	**38,503,975**
Item	1111	Temporary Agents - Remuneration, Allowances and Charges	38,525,320	-592,655	37,932,665	987,655	38,920,320	0	38,920,320	-416,345	38,503,975
Article	**112**	**Contract Agents**	**61,186,290**	**-952,765**	**60,233,525**	**2,379,570**	**62,613,095**	**0**	**62,613,095**	**-261,010**	**62,352,085**
Item	1121	Contract Agents - Remuneration, Allowances and Charges	61,186,290	-952,765	60,233,525	2,379,570	62,613,095	0	62,613,095	-261,010	62,352,085
Article	**113**	**Other Staff Remunerations, Allowances and Charges**	**1,830,215**	**-124,005**	**1,706,210**	**0**	**1,706,210**	**0**	**1,706,210**	**-391,945**	**1,314,265**
Item	1131	Seconded National Experts - Allowances and Charges	0	0	0	0	0	0	0	0	0
Item	1132	Interim supportive agents and Trainees	1,830,215	-124,005	1,706,210	0	1,706,210	0	1,706,210	-391,945	1,314,265
Chapter	**12**	**Professional Development and Social expenditure**	**3,566,105**	**368,010**	**3,934,115**	**106,510**	**4,040,625**	**0**	**4,040,625**	**-341,445**	**3,699,180**
Article	**121**	**Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel**	**2,524,200**	**319,950**	**2,844,150**	**98,490**	**2,942,640**	**0**	**2,942,640**	**-292,910**	**2,649,730**
Item	1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	2,524,200	319,950	2,844,150	98,490	2,942,640	0	2,942,640	-292,910	2,649,730
Article	**122**	**Professional and Personal Development and Social expenses for Staff**	**943,405**	**48,060**	**991,465**	**-3,925**	**987,540**	**0**	**987,540**	**-63,390**	**924,150**
Item	1221	Training Courses for the Professional and Personal Development of Staff	521,700	0	521,700	-25,295	496,405	0	496,405	-58,120	438,285
Item	1222	Missions related to the Professional and Personal Development of Staff	0	0	0	0	0	0	0	0	0
Item	1223	Medical Service	161,080	0	161,080	-34,930	126,150	0	126,150	0	126,150
Item	1224	Mobility and Other Social expenses	260,625	48,060	308,685	56,300	364,985	0	364,985	-5,270	359,715
Article	**123**	**Representation expenses, Events and Internal meetings**	**98,500**	**0**	**98,500**	**11,945**	**110,445**	**0**	**110,445**	**14,855**	**125,300**
Item	1231	Representation expenses, Events and Internal meetings	98,500	0	98,500	11,945	110,445	0	110,445	14,855	125,300
Title	**2**	**INFRASTRUCTURE AND OPERATING EXPENDITURE**	**12,556,630**	**855,105**	**13,411,735**	**-40,110**	**13,371,625**	**0**	**13,371,625**	**115,915**	**13,487,540**
Chapter	**21**	**Building expenditure**	**7,052,270**	**381,420**	**7,433,690**	**-45,150**	**7,388,540**	**0**	**7,388,540**	**-7,860**	**7,380,680**
Article	**211**	**Rent / Usufruct instalments and Building Charges**	**7,052,270**	**381,420**	**7,433,690**	**-45,150**	**7,388,540**	**0**	**7,388,540**	**-7,860**	**7,380,680**
Item	2111	Rent / Usufruct instalments, Building Charges and associated expenses	7,052,270	381,420	7,433,690	-45,150	7,388,540	0	7,388,540	-7,860	7,380,680
Chapter	**22**	**ICT expenditure**	**4,886,750**	**469,635**	**5,356,385**	**9,365**	**5,365,750**	**0**	**5,365,750**	**171,740**	**5,537,490**
Article	**221**	**ICT Environment**	**4,179,100**	**626,670**	**4,805,770**	**34,095**	**4,839,865**	**0**	**4,839,865**	**171,740**	**5,011,605**
Item	2211	ICT Environment (Infrastructure, Systems and Services)	4,179,100	626,670	4,805,770	34,095	4,839,865	0	4,839,865	171,740	5,011,605
Article	**222**	**Data Processing and application development**	**707,650**	**-157,035**	**550,615**	**-24,730**	**525,885**	**0**	**525,885**	**0**	**525,885**
Item	2221	Data Processing and application development and associated expenditure	707,650	-157,035	550,615	-24,730	525,885	0	525,885	0	525,885
Chapter	**23**	**Movable property and Current Operating expenditure**	**617,610**	**4,050**	**621,660**	**-4,325**	**617,335**	**0**	**617,335**	**-47,965**	**569,370**
Article	**231**	**Furniture, Materials and Technical Installations**	**141,495**	**4,050**	**145,545**	**7,395**	**152,940**	**12,315**	**165,255**	**0**	**165,255**
Item	2311	Furniture, Materials and Technical Installations and associated expenditure	141,495	4,050	145,545	7,395	152,940	12,315	165,255	0	165,255
Article	**232**	**Current Operating expenditure**	**476,115**	**0**	**476,115**	**-11,720**	**464,395**	**-12,315**	**452,080**	**-47,965**	**404,115**
Item	2321	Office Supplies and Other Current Operating expenditure	476,115	0	476,115	-11,720	464,395	-12,315	452,080	-47,965	404,115

Expenditure Titles, Chapters, Articles and Items		Official Name of the Expenditure Budget Lines	2025 Initial Administrative Budget (SC adoption 11.12.2024)	Transfer 2025/01 (SC authorisation 11.07.2025)	BUDGET 2025 following Transfer 2025/01	1st Amending Budget	2025 1st Amended Administrative Budget (SC adoption 15.10.2025)	Transfer 2025/02 (Director autorisation 21.11.2025)	BUDGET 2025 following the Transfer 2025/02	2nd Amending Budget	2025 2nd Amended Administrative Budget (SC adoption 05.12.2025)
Title	**3**	**PROGRAMME SUPPORT EXPENDITURE**	**7,736,235**	**446,310**	**8,182,545**	**-56,280**	**8,126,265**	**0**	**8,126,265**	**-500,280**	**7,625,985**
Chapter	**31**	**Programme Management expenditure**	**2,299,895**	**240,515**	**2,540,410**	**45,070**	**2,585,480**	**0**	**2,585,480**	**-346,680**	**2,238,800**
Article	**311**	**Communication, Information and ICT expenditure related to the Management of Delegated Programmes**	**1,332,290**	**155,875**	**1,488,165**	**11,025**	**1,499,190**	**0**	**1,499,190**	**-93,165**	**1,406,025**
Item	3111	Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	667,670	0	667,670	11,025	678,695	0	678,695	-93,165	585,530
Item	3112	ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	664,620	155,875	820,495	0	820,495	0	820,495	0	820,495
Article	**312**	**External Audits, Missions and Other expenses related to the Management of Delegated Programmes**	**967,605**	**84,640**	**1,052,245**	**34,045**	**1,086,290**	**0**	**1,086,290**	**-253,515**	**832,775**
Item	3121	External Audits	0	0	0	0	0	0	0	0	0
Item	3122	Missions and Other expenses related to the Administrative Management of Programmes	967,605	84,640	1,052,245	34,045	1,086,290	0	1,086,290	-253,515	832,775
Chapter	**32**	**Common Support Services expenditure**	**5,436,340**	**205,795**	**5,642,135**	**-101,350**	**5,540,785**	**0**	**5,540,785**	**-153,600**	**5,387,185**
Article	**321**	**Common Support Services and Evaluation Platform – Building expenditure**	**4,425,850**	**350,900**	**4,776,750**	**-50,620**	**4,726,130**	**0**	**4,726,130**	**-106,255**	**4,619,875**
Item	3211	Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	4,425,850	350,900	4,776,750	-50,620	4,726,130	0	4,726,130	-106,255	4,619,875
Article	**322**	**Common Support Services and Evaluation Platform – ICT, Logistics, Information and Current Operating expenditure**	**910,275**	**-145,105**	**765,170**	**-86,730**	**678,440**	**0**	**678,440**	**-38,355**	**640,085**
Item	3221	ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs	910,275	-145,105	765,170	-86,730	678,440	0	678,440	-38,355	640,085
Article	**323**	**Meetings of Experts**	**100,215**	**0**	**100,215**	**36,000**	**136,215**	**0**	**136,215**	**-8,990**	**127,225**
Item	3231	Meetings of Experts and associated costs	100,215	0	100,215	36,000	136,215	0	136,215	-8,990	127,225

Initial Budget (IB)

The REA Steering Committee adopted the 2024 administrative budget on 11 December 2024 for a total amount of EUR 125,400,795.

Compared to the final 2024 budget, the initial budget 2024 increased by EUR 13,744,075 (+ 12.3%) distributed as follows:

Expenditure Titles		Official Name of the Expenditure Budget Lines	Final budget 2024	Initial Budget 2025	∆ in EUR	∆ in %
Title	1	STAFF EXPENDITURE	91,548,040	105,107,930	13,559,890	14.8%
Title	2	INFRASTRUCTURE AND OPERATING EXPENDITURE	12,652,685	12,556,630	-96,055	-0.8%
Title	3	PROGRAMME SUPPORT EXPENDITURE	7,455,995	7,736,235	280,240	3.8%
TOTAL EXPENDITURE			111,656,720	125,400,795	13,744,075	12.3%

On title 1, the variation mainly results from an increase of the chapter 11 “Remunerations, Allowances and Charges” due to:

- a higher estimated number of staff,
- the salary indexation,
- the impact of the staff reclassification, the career progression linked to seniority and the move of contract staff from lower to higher function groups,
- higher REA employer's contribution for pension, health/accident, and unemployment insurances for the E0/R0 staff,
- higher number of interim supportive agents (+5 FTE’s) budgeted to cope with staff absences and for temporary support for the provision of validation service and increase of the hourly rate (price).

On title 2, the budget is stable.

On title 3, the variation concerns mostly the chapter 31 “Programme Management expenditure” and, in particular, the mission expenses due to a higher number of FTEs, the inflation in travel ticket prices and the use of greener but also more expensive alternatives.

Budget transfer

In July, the Steering Committee authorised a budget transfer. This adjustment between budget items was required to cope with urgent needs.

A reinforcement of the following budget items was requested:

Budget Item	Amount (EUR)	Reasons / Justification of the reinforcement
1211	+319 950	Insufficient budget for the contribution to the school bus services, the establishment of the Chief Confidential Counsellor, the accredited European Schools (SLA with DG HR)
1224	+48 060	Increasing reimbursements of public transport costs and complementary assistance (disabilities) to staff
2111	+381 420	Insufficient budget for the security guards (SLA with DG HR/DS), the building charges and running costs (SLA with OIB) for the SB34 building
2211	+626 670	Higher charge-back fees related to the services provided by DG DIGIT
2311	+4 050	Updated needs related to the inventory and furniture for the SB34 building (SLA with OIB)
3112	+155 875	Increased use of external ICT service for the programme management
3122	+84 640	Increasing costs related to legal assistance, legal charges, mission costs and additional expenses linked to the ORBIS Pilot Project
3211	+350 900	Insufficient budget for the security guards (SLA with DG HR/DS), the building charges and running costs (SLA with OIB) for the COVE building
TOTAL	+1 971 565	

An equivalent decrease of appropriations, to enable the funding of the above-mentioned needs, was proposed on the following budget line:

Budget Item	Amount (EUR)	Reasons / Justification of the decrease
1111	**-592 655**	Temporary decrease in the budget foreseen for new recruitments considering the recruitment planning
1121	**-952 765**	
1132	**-124 005**	Lower number interim support agents and trainees (in FTEs).
2221	**-157 035**	Cancellation of the budget foreseen for office automation, reduced use of external ICT service for tasks not related to programme management.
3221	**-145 105**	Reduced budget for support services related to audiovisual equipment in the COVE building project rooms (SLA with SCIC).
TOTAL	**-1 971 565**	

First amended budget (AB1)

An amended budget of EUR 128,778,140 was presented to and adopted by the Steering Committee on 15 October 2025. The total budget was increased by EUR 3,377,345 (2.7%) compared to the initial budget.

The main difference compared to the initial budget after the first transfer explained above concern the title 1 "staff expenditure". The budget related to Remunerations, allowances and charges for temporary agents and contract agent was increased by EUR 3,367,225 for the following reasons:

- The budget forecast related to REA's Employer Pension contributions for the staff financed by the third countries contributions was adjusted by EUR 1.8 million.
- In July, appropriations on chapter 11 "Remunerations, Allowances and Charges" were reduced by 1.5 million and temporarily transferred to other budget items to cope with urgent needs (see budget transfer explained here above) pending this amended budget intended to increase the total available appropriations to cover all identified needs and to reinstate the appropriations temporarily withdrawn from chapter 11.

Second amended budget (AB2)

In December REA identified necessary adjustments and asked the Steering Committee to adopt a second amended budget. The total budget was decreased by EUR 1,795,110 (-1.4%) compared to the first amended budget. The changes are explained hereafter.

Budget Item	Amount (EUR)	Reasons / Justification of the reinforcement
1111	**-416 345**	Lower indexation rate for the salaries than in the 1st AB 2025 and 3 vacant positions more than expected as of 31 December 2025
1121	**-261 010**	
1132	**-391 945**	Actual use of interim support agents and trainees being is lower than forecast
1211	**-292 910**	Decreased contribution to day-care services (SLA with OIB -*Centre de la Petite Enface*-) Actual reimbursement of travel expenses to new the recruited staff and to the staff leaving the Agency lower than estimated
1221	**-58 120**	Lower costs associated with team-building activities, coaching, and training in HR-related matters than expected
1224	**-5 270**	End of year adjustment based on actual costs
1231	**+14 855**	Updated needs related to some events
2111	**-7 860**	End of year adjustment based on actual costs
2211	**+171 740**	Additional costs related to the AV&C system for project rooms Increased charge-back fees incurred in October 2025 for and the Digital Workplace provided by DG DIGIT
2321	**-47 965**	Updated needs related to the handling of investigation and disciplinary cases (SLA with DG HR) as well as for legal assistance not related to programme management
3111	**-93 165**	Decreased budget for the Info day related to the promotion of Agricultural Products thanks to a new contractual approach Costs incurred for the catering related to external communication events (SLA with OIB) are lower than estimated
3122	**-253 515**	Reduced actual needs for legal assistance than expected at the end of 2025 Lower number of missions than estimated towards the end of the year
3211	**-106 255**	Decreased budget for the security of the Common Evaluation Platform in the COVE building (SLA with DG HR/DS)
3221	**-38 355**	lower costs than initially expected related to AVC equipment and to the ORBIS Pilot Project
3231	**-8 990**	End of year adjustment based on actual costs
TOTAL	**-1 795 110**	

In addition, a transfer EUR 12,315 within the chapter 23 “Movable property and Current Operating expenditure” was authorised by the Director in November.

3.4.2. Implementation of 2025 commitment and payment appropriations (VOBU 2025 + IAR 2/2)

This table summarises the execution per title:

Item	Total appropriations available (VOBU 2025 + IAR 2/2)	Commitment appropriations			Payment Appropriations		
		Committed	%	Balance	Paid	%	Balance
	1	2	3=2/1	4=1-2	5	6=5/2	7=2-5
Total Title 1 - STAFF EXPENDITURE	105,869,505	105,499,434	99.7%	370,071	105,127,882	99.6%	371,552
Total Title 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE	13,487,540	13,397,563	99.3%	89,977	12,520,950	93.5%	876,614
Total Title 3 - PROGRAMME SUPPORT EXPENDITURE	7,625,985	7,605,108	99.7%	20,877	6,383,266	83.9%	1,221,843
TOTAL	126,983,030	126,502,106	99.6%	480,924	124,032,098	98.0%	2,470,008

Appropriations are distributed as follows:

- 83.4% on title 1 "Staff expenditure" (+1.4 percentage points compared to 2024);
- 10.6% on title 2 "Infrastructure and operating expenditure" (-0.7 percentage points compared to 2024);
- 6% on title 3 "Programme support expenditure" (-0.7 percentage points compared to 2024).

As regards title 1, 95.3% of the amount committed covers the remuneration, allowances and charges of the staff (interim supportive agents and trainees excluded). 3.5% of the committed amount is related to professional development and social expenditure. The remaining balance concerns the use of “interim supportive agents”.

With respect to title 2, the building expenditure (rent/usufruct instalments, building charges and associated costs) and the ICT expenditure (IT equipment and services) represent respectively 54.7% and 41.1% of the amount committed under this title. The remaining amount concerns movable property and current operating expenditure.

As regards title 3, 70.6% of the amount is committed to cover the expenditure related to the provision of administrative and logistical support services to participants, Commission services, other agencies and joint undertakings. The expenditure consists mainly in building expenses and ICT expenses incurred for the provision of Common Support Services and the management of the Evaluation Platform.

The programme management expenditure represents 29.4 % of the amount committed under this title and relates to communication activities, ICT environment, and cost of staff travelling (missions) carried out as part of the management of projects financed by the Agency. A detailed overview of the 2025 budget implementation is provided in the table hereafter (Euros – rounded).

Item		Total appropriations available (VOBU 2025 + IAR 2/2)	Commitment appropriations			Payment Appropriations		
			Committed	%	Balance	Paid	%	Balance
		1	2	3=2/1	4=1-2	5	6=5/2	7=2-5
1 1 1 1	TEMPORARY AGENTS - REMUNERATION, ALLOWANCES AND CHARGES	38,503,975	38,348,542	99.6%	155,433	38,348,542	100.0%	0
1 1 2 1	CONTRACT AGENTS - REMUNERATION, ALLOWANCES AND CHARGES	62,352,085	62,245,029	99.8%	107,056	62,238,826	100.0%	6,204
1 1 3 2	INTERIM SUPPORTIVE AGENTS AND TRAINEES	1,314,265	1,296,520	98.6%	17,745	1,066,756	82.3%	229,764
Total Chapter 11 - Remunerations, Allowances and Charges		**102,170,325**	**101,890,090**	**99.7%**	**280,235**	**101,654,123**	**99.8%**	**235,967**
1 2 1 1	SPECIFIC STAFF-RELATED CHARGES, SUPPORT SERVICES FOR THE MANAGEMENT OF STAFF RIGHTS AND PAYROLL, CHARGES RELATING TO RECRUITMENT AND CHANGE OF PERSONNEL	2,649,730	2,595,105	97.9%	54,625	2,594,405	100.0%	700
1 2 2 1	TRAINING COURSES FOR THE PROFESSIONAL AND PERSONAL DEVELOPMENT OF STAFF	438,285	410,571	93.7%	27,714	369,038	89.9%	41,534
1 2 2 3	MEDICAL SERVICE	126,150	126,148	100.0%	2	126,148	100.0%	0
1 2 2 4	MOBILITY AND OTHER SOCIAL EXPENSES	359,715	359,713	100.0%	2	293,792	81.7%	65,921
1 2 3 1	REPRESENTATION EXPENSES, EVENTS AND INTERNAL MEETINGS	125,300	117,806	94.0%	7,494	90,376	76.7%	27,430
Total Chapter 12 - Professional Development and Social expenditure		**3,699,180**	**3,609,344**	**97.6%**	**89,836**	**3,473,759**	**96.2%**	**135,584**
Total Title 1 - STAFF EXPENDITURE		**105,869,505**	**105,499,434**	**99.7%**	**370,071**	**105,127,882**	**99.6%**	**371,552**
2 1 1 1	RENT / USUFRUCT INSTALMENTS, BUILDING CHARGES AND ASSOCIATED EXPENSES	7,380,680	7,331,999	99.3%	48,681	7,186,000	98.0%	145,999
Total Chapter 21 - Building expenditure		**7,380,680**	**7,331,999**	**99.3%**	**48,681**	**7,186,000**	**98.0%**	**145,999**
2 2 1 1	ICT ENVIRONMENT (INFRASTRUCTURE, SYSTEMS AND SERVICES)	5,011,605	4,986,136	99.5%	25,469	4,623,580	92.7%	362,556
2 2 2 1	DATA PROCESSING AND APPLICATION DEVELOPMENT AND ASSOCIATED EXPENDITURE	525,885	525,786	100.0%	99	212,397	40.4%	313,389
Total Chapter 22 - ICT expenditure		**5,537,490**	**5,511,922**	**99.5%**	**25,568**	**4,835,977**	**87.7%**	**675,945**
2 3 1 1	FURNITURE, MATERIALS AND TECHNICAL INSTALLATIONS AND ASSOCIATED EXPENDITURE	165,255	157,509	95.3%	7,746	137,593	87.4%	19,916
2 3 2 1	OFFICE SUPPLIES AND OTHER CURRENT OPERATING EXPENDITURE	404,115	396,134	98.0%	7,982	361,379	91.2%	34,755
Total Chapter 23 - Movable property and Current Operating expenditure		**569,370**	**553,642**	**97.2%**	**15,728**	**498,972**	**90.1%**	**54,670**
Total Title 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE		**13,487,540**	**13,397,563**	**99.3%**	**89,977**	**12,520,950**	**93.5%**	**876,614**

Item		Total appropriations available (VOBU 2025 + IAR 2/2)	Commitment appropriations			Payment Appropriations		
			Committed	%	Balance	Paid	%	Balance
		1	2	3=2/1	4=1-2	5	6=5/2	7=2-5
3 1 1 1	COMMUNICATION, INFORMATION, PUBLICATIONS, LINGUISTIC SERVICES AND TRAINING COURSES FOR THE MANAGEMENT OF PROGRAMMES AND ASSOCIATED EXPENSES	585,530	585,530	100.0%	0	115,524	19.7%	470,007
3 1 1 2	ICT INFRASTRUCTURE, ENVIRONMENT AND SYSTEMS RELATED TO THE PROGRAMME MANAGEMENT AND ASSOCIATED EXPENSES	820,495	820,398	100.0%	97	407,274	49.6%	413,123
3 1 2 2	MISSIONS AND OTHER EXPENSES RELATED TO THE ADMINISTRATIVE MANAGEMENT OF PROGRAMMES	832,775	832,764	100.0%	12	630,136	75.7%	202,627
Total Chapter 31 - Programme Management expenditure		**2,238,800**	**2,238,691**	**100.0%**	**109**	**1,152,934**	**51.5%**	**1,085,757**
3 2 1 1	BUILDING RENT / USUFRUCT INSTALMENTS, BUILDING CHARGES AND ASSOCIATED EXPENSES FOR THE COMMON SUPPORT SERVICES AND EVALUATION PLATFORM	4,619,875	4,619,866	100.0%	9	4,615,655	99.9%	4,210
3 2 2 1	ICT, LOGISTICS, ACQUISITION AND PROVISION OF INFORMATION, CURRENT OPERATING EXPENDITURE AND ASSOCIATED COSTS	640,085	634,719	99.2%	5,366	536,787	84.6%	97,932
3 2 3 1	MEETINGS OF EXPERTS AND ASSOCIATED COSTS	127,225	111,832	87.9%	15,393	77,889	69.6%	33,943
Total Chapter 32 - Common Support Services expenditure		**5,387,185**	**5,366,417**	**99.6%**	**20,768**	**5,230,332**	**97.5%**	**136,086**
Total Title 3 - PROGRAMME SUPPORT EXPENDITURE		**7,625,985**	**7,605,108**	**99.7%**	**20,877**	**6,383,266**	**83.9%**	**1,221,843**
TOTAL		**126,983,030**	**126,502,106**	**99.6%**	**480,924**	**124,032,098**	**98.0%**	**2,470,008**

The Internal assigned revenues (IAR 2/2) amount to EUR 135,101 and are fully committed and paid. They are distributed as follows:

- EUR 106,552 on budget item 1132 “Interim supportive agents and trainees”,
- EUR 20,218 on budget item 2111 “Rent/Usufruct instalments, building charges and associated expenses”,
- EUR 8,331 ICT environment (infrastructure, systems and services).

3.4.3. Implementation of 2024 commitment and payment appropriations (VOBU 2024)

This table summarises the execution per title:

Item	Appropriations carried over from previous year (VOBU 2024)	Payments	%	Unused appropriations from last year	% unused appropriations
	1	2	3=2/1	4	3=2/1
Total Title 1 - STAFF EXPENDITURE	311,223	290,500	93.3%	20,723.62	6.7%
Total Title 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE	746,111	691,431	92.7%	54,680.80	7.3%
Total Title 3 - PROGRAMME SUPPORT EXPENDITURE	3,842,880	956,170	24.9%	2,886,709.76	75.1%
TOTAL	4,900,215	1,938,101	39.6%	2,962,114	60.4%

The 2024 appropriations that were carried forward to 2025 (VOBU 2024) amounted to EUR 4,900,215. Out of this amount, EUR 1,938,101 equivalent to 39.6% (83 % in 2024), have been paid and EUR 2,962,114 have not been used.

Out of the total amount carried over, EUR 2,706,106 or 55% pertains to budget item 3211 “Building rent, usufruct instalments, building charges and associated expenses for the Common Support Services and Evaluation Platform”. Virtually all of this amount was eventually not paid for reasons outlined in section 3.4.4 “Evolution of outstanding commitments” and explains a very significant part of the unused appropriations carried forward from 2024.

The detailed 2025 budget implementation is provided in the table hereafter (Euros – rounded).

Item		Appropriations carried over from previous year (VOBU 2024)	Payments	%	Unused appropriations from last year	% unused appropriations
		1	2	3=2/1	4	3=2/1
1 1 1 1	TEMPORARY AGENTS - REMUNERATION, ALLOWANCES AND CHARGES	0	0	-	0	-
1 1 2 1	CONTRACT AGENTS - REMUNERATION, ALLOWANCES AND CHARGES	0	0	-	0	-
1 1 3 2	INTERIM SUPPORTIVE AGENTS AND TRAINEES	215,255	213,307	99.1%	1,948	0.9%
Total Chapter 11 - Remunerations, Allowances and Charges		**215,255**	**213,307**	**99.1%**	**1,948**	**0.9%**
1 2 1 1	SPECIFIC STAFF-RELATED CHARGES, SUPPORT SERVICES FOR THE MANAGEMENT OF STAFF RIGHTS AND PAYROLL, CHARGES RELATING TO RECRUITMENT AND CHANGE OF PERSONNEL	2,100	0	0.0%	2,100	100.0%
1 2 2 1	TRAINING COURSES FOR THE PROFESSIONAL AND PERSONAL DEVELOPMENT OF STAFF	71,398	59,615	83.5%	11,783	16.5%
1 2 2 3	MEDICAL SERVICE	0	0	-	0	-
1 2 2 4	MOBILITY AND OTHER SOCIAL EXPENSES	22,470	17,577	78.2%	4,893	21.8%
1 2 3 1	REPRESENTATION EXPENSES, EVENTS AND INTERNAL MEETINGS	0	0	-	0	-
Total Chapter 12 - Professional Development and Social expenditure		**95,968**	**77,192**	**80.4%**	**18,776**	**19.6%**
Total Title 1 - STAFF EXPENDITURE		**311,223**	**290,500**	**93.3%**	**20,723.62**	**6.7%**
2 1 1 1	RENT / USUFRUCT INSTALMENTS, BUILDING CHARGES AND ASSOCIATED EXPENSES	140,975	127,687	90.6%	13,288	9.4%
Total Chapter 21 - Building expenditure		**140,975**	**127,687**	**90.6%**	**13,288**	**9.4%**
2 2 1 1	ICT ENVIRONMENT (INFRASTRUCTURE, SYSTEMS AND SERVICES)	115,432	114,182	98.9%	1,250	1.1%
2 2 2 1	DATA PROCESSING AND APPLICATION DEVELOPMENT AND ASSOCIATED EXPENDITURE	414,434	392,020	94.6%	22,414	5.4%
Total Chapter 22 - ICT expenditure		**529,867**	**506,202**	**95.5%**	**23,665**	**4.5%**
2 3 1 1	FURNITURE, MATERIALS AND TECHNICAL INSTALLATIONS AND ASSOCIATED EXPENDITURE	45,869	29,070	63.4%	16,799	36.6%
2 3 2 1	OFFICE SUPPLIES AND OTHER CURRENT OPERATING EXPENDITURE	29,401	28,472	96.8%	930	3.2%
Total Chapter 23 - Movable property and Current Operating expenditure		**75,270**	**57,542**	**76.4%**	**17,728**	**23.6%**
Total Title 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE		**746,111**	**691,431**	**92.7%**	**54,680.80**	**7.3%**
3 1 1 1	COMMUNICATION, INFORMATION, PUBLICATIONS, LINGUISTIC SERVICES AND TRAINING COURSES FOR THE MANAGEMENT OF PROGRAMMES AND ASSOCIATED EXPENSES	466,271	428,115	91.8%	38,156	8.2%
3 1 1 2	ICT INFRASTRUCTURE, ENVIRONMENT AND SYSTEMS RELATED TO THE PROGRAMME MANAGEMENT AND ASSOCIATED EXPENSES	301,892	299,930	99.3%	1,962	0.7%
3 1 2 2	MISSIONS AND OTHER EXPENSES RELATED TO THE ADMINISTRATIVE MANAGEMENT OF PROGRAMMES	235,435	104,839	44.5%	130,596	55.5%
Total Chapter 31 - Programme Management expenditure		**1,003,598**	**832,884**	**83.0%**	**170,714**	**17.0%**
3 2 1 1	BUILDING RENT / USUFRUCT INSTALMENTS, BUILDING CHARGES AND ASSOCIATED EXPENSES FOR THE COMMON SUPPORT SERVICES AND EVALUATION PLATFORM	2,706,106	200	0.0%	2,705,906	100.0%
3 2 2 1	ICT, LOGISTICS, ACQUISITION AND PROVISION OF INFORMATION, CURRENT OPERATING EXPENDITURE AND ASSOCIATED COSTS	94,138	91,735	97.4%	2,404	2.6%
3 2 3 1	MEETINGS OF EXPERTS AND ASSOCIATED COSTS	39,038	31,352	80.3%	7,686	19.7%
Total Chapter 32 - Common Support Services expenditure		**2,839,282**	**123,287**	**4.3%**	**2,715,996**	**95.7%**
Total Title 3 - PROGRAMME SUPPORT EXPENDITURE		**3,842,880**	**956,170**	**24.9%**	**2,886,709.76**	**75.1%**

TOTAL		**4,900,215**	**1,938,101**	**39.6%**	**2,962,114**	**60.4%**

3.4.4. Evolution of outstanding commitments

The table below shows the cancellation of unused appropriations carried over from previous year (VOBU 2024) per budget title.

Given that these administrative appropriations must be used by 31 December N+1, the unused appropriations were cancelled, leaving no outstanding commitment at year end.

The cancelled amount equal to EUR 2,962,114 and represents 60.4% of the total appropriations carried over from 2024.

Item	Appropriations carried over from previous year (VOBU 2024)	Payments	%	Unused appropriations from last year	% unused appropriations
	1	2	3=2/1	4	3=2/1
Total Title 1 - STAFF EXPENDITURE	311,223	290,500	93.3%	20,724	6.7%
Total Title 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE	746,111	691,431	92.7%	54,681	7.3%
Total Title 3 - PROGRAMME SUPPORT EXPENDITURE	3,842,880	956,170	24.9%	2,886,710	75.1%
	4,900,215	1,938,101	39.6%	2,962,114	60.4%

On title 1 "Staff expenditure", the unused appropriations carried over represent EUR 20,723 (6.7%) of the appropriations carried over on this title. Given the small amount cancelled, it does not call for any particular comment.

On title 2"Infrastructure and operating expenditure", the unused part of the appropriations carried over amounts to EUR 54,681 (7.3%). About half of this amount concern the budget item 2221 ”Data processing, application development and associated expenses” because all the working days stipulated in the contract could not be performed by the service provider within the agreed time frame.

On title 3 “Programme support expenditure”, EUR 2,886,710 (75%) on title 3 "Programme support expenditure” were not used mainly due to the following reasons:

- On budget line 3122 “Missions and Other expenses related to the Administrative Management of Programmes”, EUR 130,596 were not used because:
    - part of the services included in some contracts for legal assistance could not be invoiced as the procedure was not yet finalised and also because the actual cost incurred for some legal procedures was lower than estimated (EUR 63,809 in total);
    - reimbursements to staff for their missions performed in 2024 was overestimated (EUR 66,506).

- On budget line 3211 “Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform”, the cancellation amounts to EUR 2,705,906 and relates to rent of the evaluation platform at the Coven Garden building (COVE) that is made available to REA through a Service Level Agreement (SLA) with OIB.
  In line with prior years’ practices, the rent for 2025 was committed in 2024 as it was scheduled for payment in November 2024 (too early to call on the anticipated budget for 2025). As OIB was preparing an updated SLA, this payment was put on hold and was eventually not made before 31 December 2024. The corresponding appropriations were carried forward to 2025.
  Early 2025, the modified SLA between OIB and REA was signed; it no longer required such an advance payment in the preceding year.
  To comply with the annuality principle, REA decided not to pay the 2025 rent by using the appropriations carried forward from 2024. It rather shifted the rent charge to the 2025 budget, leaving the appropriations carried forward from 2024 unused. This change in practice will be pursued in subsequent years to ensure that annual rent charges are budgeted and paid in the corresponding budget year.

The table below summarises the current year appropriations (VOBU 2025) outstanding at year end. These outstanding appropriations are carried forward to 2026 to cover the payment of services/goods ordered in 2025 but not yet paid at year-end. The outstanding amount (RAL – Reste à liquider) represents 1.9% of the committed appropriations of this year (VOBU 2025).

Item	Commitments of the current year (VOBU 2025)				
	Commit-ments made during the year	Pay-ments	Cancel-lation of commit-ment which cannot be carried forward	Commit. outstand-ing at year-end (RAL) to carry forward to 2026	% Commit. outstand-ing at year-end (RAL) to carry forward to 2026
	5	6	7=5-6	8=5-6-7	9=8/5
Total Title 1 - STAFF EXPENDITURE	105,499,434	105,127,882	6,204	365,348	0.3%
Total Title 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE	13,397,563	12,520,950	0	876,614	6.5%
Total Title 3 - PROGRAMME SUPPORT EXPENDITURE	7,605,108	6,383,266	0	1,221,843	16.1%
TOTAL	126,502,106	124,032,098	6,204	2,463,804	1.9%

An amount of EUR 6,204 remained unused at the end of current year for the item “Remuneration, allowances and charges” and could not be cancelled due to technical restrictions of the SUMMA accounting system. This amount is therefore reported as a commitment that cannot be carried forward.

Out of the total amount of EUR 2,463,804 that is carried forward to 2026, EUR 1,991,466 equivalent to 81% concern the 6 following budget lines:

1 1 3 2	INTERIM SUPPORTIVE AGENTS AND TRAINEES	229,764
2 2 1 1	ICT ENVIRONMENT (INFRASTRUCTURE, SYSTEMS AND SERVICES)	362,556
2 2 2 1	DATA PROCESSING AND APPLICATION DEVELOPMENT AND ASSOCIATED EXPENDITURE	313,389
3 1 1 1	COMMUNICATION, INFORMATION, PUBLICATIONS, LINGUISTIC SERVICES AND TRAINING COURSES FOR THE MANAGEMENT OF PROGRAMMES AND ASSOCIATED EXPENSES	470,007
3 1 1 2	ICT INFRASTRUCTURE, ENVIRONMENT AND SYSTEMS RELATED TO THE PROGRAMME MANAGEMENT AND ASSOCIATED EXPENSES	413,123
3 1 2 2	MISSIONS AND OTHER EXPENSES RELATED TO THE ADMINISTRATIVE MANAGEMENT OF PROGRAMMES	202,627

Further details are provided in the table hereafter (Euros – rounded).

The left side of the table shows the detailed overview of the cancellation of unused appropriations from the previous year (VOBU 2024) and the right side gives a detailed overview of the current year commitment appropriations that are carried forward to 2026.

Item		Commitments outstanding at the end of previous year (VOBU 2024)				Commitments of the current year (VOBU 2025)				
		Commit-ments carried over from previous year	Payments	Cancel-lation of unused appropriations from last year	% Cancel-lation of unused appropriations from last year (VOBU 2024)	Commit-ments made during the year	Pay-ments	Cancel-lation of commit-ment which cannot be carried forward	Commit. outstand-ing at year-end (RAL) to carry forward to 2026	% Commit. outstand-ing at year-end (RAL) to carry forward to 2026
		1	2	3	4=3/1	5	6	7	8=5-6-7	9=8/5
1 1 1 1	TEMPORARY AGENTS - REMUNERATION, ALLOWANCES AND CHARGES	0	0	0	-	38,348,542	38,348,542	0	0	0.0%
1 1 2 1	CONTRACT AGENTS - REMUNERATION, ALLOWANCES AND CHARGES	0	0	0	-	62,245,029	62,238,826	6,204	0	0.0%
1 1 3 2	INTERIM SUPPORTIVE AGENTS AND TRAINEES	215,255	213,307	1,948	0.9%	1,296,520	1,066,756	0	229,764	17.7%
Total Chapter 11 - Remunerations, Allowances and Charges		**215,255**	**213,307**	**1,948**	**0.9%**	**101,890,090**	**101,654,123**	**6,204**	**229,764**	**0.2%**
1 2 1 1	SPECIFIC STAFF-RELATED CHARGES, SUPPORT SERVICES FOR THE MANAGEMENT OF STAFF RIGHTS AND PAYROLL, CHARGES RELATING TO RECRUITMENT AND CHANGE OF PERSONNEL	2,100	0	2,100	100.0%	2,595,105	2,594,405	0	700	0.0%
1 2 2 1	TRAINING COURSES FOR THE PROFESSIONAL AND PERSONAL DEVELOPMENT OF STAFF	71,398	59,615	11,783	16.5%	410,571	369,038	0	41,534	10.1%
1 2 2 3	MEDICAL SERVICE	0	0	0	-	126,148	126,148	0	0	0.0%
1 2 2 4	MOBILITY AND OTHER SOCIAL EXPENSES	22,470	17,577	4,893	21.8%	359,713	293,792	0	65,921	18.3%
1 2 3 1	REPRESENTATION EXPENSES, EVENTS AND INTERNAL MEETINGS	0	0	0	-	117,806	90,376	0	27,430	23.3%
Total Chapter 12 - Professional Development and Social expenditure		**95,968**	**77,192**	**18,776**	**19.6%**	**3,609,344**	**3,473,759**	**0**	**135,584**	**3.8%**
Total Title 1 - STAFF EXPENDITURE		**311,223**	**290,500**	**20,723.62**	**6.7%**	**105,499,434**	**105,127,882**	**6,204**	**365,348**	**0.3%**
2 1 1 1	RENT / USUFRUCT INSTALMENTS, BUILDING CHARGES AND ASSOCIATED EXPENSES	140,975	127,687	13,288	9.4%	7,331,999	7,186,000	0	145,999	2.0%
Total Chapter 21 - Building expenditure		**140,975**	**127,687**	**13,288**	**9.4%**	**7,331,999**	**7,186,000**	**0**	**145,999**	**2.0%**
2 2 1 1	ICT ENVIRONMENT (INFRASTRUCTURE, SYSTEMS AND SERVICES)	115,432	114,182	1,250	1.1%	4,986,136	4,623,580	0	362,556	7.3%
2 2 2 1	DATA PROCESSING AND APPLICATION DEVELOPMENT AND ASSOCIATED EXPENDITURE	414,434	392,020	22,414	5.4%	525,786	212,397	0	313,389	59.6%
Total Chapter 22 - ICT expenditure		**529,867**	**506,202**	**23,665**	**4.5%**	**5,511,922**	**4,835,977**	**0**	**675,945**	**12.3%**
2 3 1 1	FURNITURE, MATERIALS AND TECHNICAL INSTALLATIONS AND ASSOCIATED EXPENDITURE	45,869	29,070	16,799	36.6%	157,509	137,593	0	19,916	12.6%
2 3 2 1	OFFICE SUPPLIES AND OTHER CURRENT OPERATING EXPENDITURE	29,401	28,472	930	3.2%	396,134	361,379	0	34,755	8.8%
Total Chapter 23 - Movable property and Current Operating expenditure		**75,270**	**57,542**	**17,728**	**23.6%**	**553,642**	**498,972**	**0**	**54,670**	**9.9%**
Total Title 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE		**746,111**	**691,431**	**54,680.80**	**7.3%**	**13,397,563**	**12,520,950**	**0**	**876,614**	**6.5%**
3 1 1 1	COMMUNICATION, INFORMATION, PUBLICATIONS, LINGUISTIC SERVICES AND TRAINING COURSES FOR THE MANAGEMENT OF PROGRAMMES AND ASSOCIATED EXPENSES	466,271	428,115	38,156	8.2%	585,530	115,524	0	470,007	80.3%
3 1 1 2	ICT INFRASTRUCTURE, ENVIRONMENT AND SYSTEMS RELATED TO THE PROGRAMME MANAGEMENT AND ASSOCIATED EXPENSES	301,892	299,930	1,962	0.7%	820,398	407,274	0	413,123	50.4%
3 1 2 2	MISSIONS AND OTHER EXPENSES RELATED TO THE ADMINISTRATIVE MANAGEMENT OF PROGRAMMES	235,435	104,839	130,596	55.5%	832,764	630,136	0	202,627	24.3%
Total Chapter 31 - Programme Management expenditure		**1,003,598**	**832,884**	**170,714**	**17.0%**	**2,238,691**	**1,152,934**	**0**	**1,085,757**	**48.5%**
3 2 1 1	BUILDING RENT / USUFRUCT INSTALMENTS, BUILDING CHARGES AND ASSOCIATED EXPENSES FOR THE COMMON SUPPORT SERVICES AND EVALUATION PLATFORM	2,706,106	200	2,705,906	100.0%	4,619,866	4,615,655	0	4,210	0.1%
3 2 2 1	ICT, LOGISTICS, ACQUISITION AND PROVISION OF INFORMATION, CURRENT OPERATING EXPENDITURE AND ASSOCIATED COSTS	94,138	91,735	2,404	2.6%	634,719	536,787	0	97,932	15.4%
3 2 3 1	MEETINGS OF EXPERTS AND ASSOCIATED COSTS	39,038	31,352	7,686	19.7%	111,832	77,889	0	33,943	30.4%
Total Chapter 32 - Common Support Services expenditure		**2,839,282**	**123,287**	**2,715,996**	**95.7%**	**5,366,417**	**5,230,332**	**0**	**136,086**	**2.5%**
Total Title 3 - PROGRAMME SUPPORT EXPENDITURE		**3,842,880**	**956,170**	**2,886,709.76**	**75.1%**	**7,605,108**	**6,383,266**	**0**	**1,221,843**	**16.1%**
TOTAL		**4,900,215**	**1,938,101**	**2,962,114**	**60.4%**	**126,502,106**	**124,032,098**	**6,204**	**2,463,804**	**1.9%**

3.5. Glossary and Abbreviations

Term	Definition
Administrative appropriations	Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).
Adopted budget	The adopted budget approved by the REA Steering Committee (in line with the budget on the budget line in the general EU budget covering the subsidy to the Agency, as approved by the Budgetary Authority). Cf. Budget.
Amending budget	Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the previously adopted budget of that year.
Appropriations	The budget forecasts for both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ – differentiated appropriations – because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments for which commitment appropriations equal payment appropriations.
Assigned revenue External/Internal	Dedicated revenue received to finance specific items of expenditure. Main sources of external assigned revenue are financial contributions from third countries to programmes financed by the Union. Main source of internal assigned revenue (IAR2/2) is revenue from third parties in respect of goods, services or work supplied at their request or revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium. The complete list of items constituting assigned revenue is given in Article 21(2) of the Financial Regulation.
Budget	Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.
Budget result	The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the general EU budget as provided in the Standard Financial Regulation for Executive Agencies.
Budget implementation	Consumption of the budget through expenditure and revenue operations.
Budget item / Budget line / Budget position	As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.
Budgetary 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 may no longer be used are 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.

Term	Definition
Commitment appropriations	Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/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	Cf. Appropriations
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 currency at the closure.
Expenditure	Term used to describe spending the budget from all types of funds sources.
Funds Source	Type of appropriations (e.g.: VOBU, IAR,…)
Grants	Direct financial contributions from the budget to third-party beneficiaries, engaged in activities that serve Union policies.
Legal base (basic act)	The legal base is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.
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 to incur liabilities.
Legal commitment	The act whereby the Authorising Officer enters into an obligation towards third parties which results in a charge for the Union budget. Common forms of legal commitments are contracts in the case of procurement, grant agreements and grant decisions.
Non-differentiated appropriations	Cf. Appropriations
Operational appropriations	Operational appropriations finance the different policies, mainly in the form of grants or procurement.
Outstanding commitment	Outstanding commitments (or RAL, from the French ‘reste à liquider’) are defined as the amount of appropriations committed that have not yet been paid.
Outturn	Cf. Budget result
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	Cf. Outstanding commitments
Recovery order	The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement for the Commission and instructs the accounting officer to collect an amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary. .
Revenue	Term used to describe income from all sources financing the budget.
Surplus	Positive difference between revenue and expenditure (see budget result) which has to be returned to the general EU budget as provided in the Financial Regulation.

Term	Definition
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, thereby constituting an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.