



# **Final Annual Accounts**

## **European Research Executive Agency (REA)**

### **Financial Statements**

### **Reports on the implementation of the budget**

## **Financial year 2024**

The opinion of the REA Steering Committee was given on **24.06.2025**

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](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 2024 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<sup>1</sup>. This Decision was repealed and replaced by Commission Decision 2013/778/EU<sup>2</sup> 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 The later was also repealed and replaced by Commission Decision 2021/173/EU<sup>3</sup> 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, Bio-economy, 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

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<sup>1</sup> OJ L 11 of 15.1.2008, p.9.

<sup>2</sup> OJ L 346 of 20.12.2013, p.54.

<sup>3</sup> OJ L 50 of 15.02.201, p.9

- Research Infrastructure
- under “Societal Challenges”:
  - Societal Challenge 2 – Food security, sustainable agriculture and forestry, marine & maritime and inland water research and the bio-economy
  - Societal Challenge 5 – Climate action, Environment, resource efficiency and raw materials
  - Societal Challenge 6 – Europe in a changing world: Inclusive, innovative and reflective societies
  - Societal Challenge 7 – Secure Societies – Protecting freedom and security of Europe and its citizens
- under “Horizon 2020 Specific Objectives”:
  - Spreading Excellence and Widening Participation
  - 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 2024

### 2.1. REA balance sheet (in euros - rounded)

	Notes (section 2.5.2)	31.12.2024	31.12.2023 (restated)	Variation Amount	Variation %
<b>ASSETS</b>		<b>10,076,902</b>	<b>15,573,881</b>	<b>-5,496,979</b>	<b>-35%</b>
<b>NON CURRENT ASSETS</b>		<b>1,466,294</b>	<b>1,485,626</b>	<b>-19,331</b>	<b>-1%</b>
<b>INTANGIBLE FIXED ASSETS</b>	2.5.2.1	<b>650,152</b>	<b>838,037</b>	<b>-187,885</b>	<b>-22%</b>
Intangible assets		452,059	838,037	-385,978	-46%
Intangible assets under construction		198,093	0	198,093	-
<b>TANGIBLE FIXED ASSETS</b>	2.5.2.2	<b>701,482</b>	<b>532,929</b>	<b>168,553</b>	<b>32%</b>
Furniture and vehicles		7,123	14,381	-7,258	-50%
Computer hardware		0	200	-200	-100%
Others fixtures and fittings		694,359	518,348	176,011	34%
<b>NON-CURRENT PRE-FINANCING</b>	2.5.2.3	<b>114,660</b>	<b>114,660</b>	<b>0</b>	<b>0%</b>
Long Term administrative pre-financing		114,660	114,660	0	0%
<b>CURRENT ASSETS</b>		<b>8,610,608</b>	<b>14,088,256</b>	<b>-5,477,647</b>	<b>-39%</b>
<b>CURRENT PRE-FINANCING</b>	2.5.2.4	<b>10,000</b>	<b>0</b>	<b>10,000</b>	<b>-</b>
Current pre-financing		10,000	0	10,000	-
<b>EXCHANGE RECEIVABLES</b>	2.5.2.5	<b>8,591,231.69</b>	<b>14,087,790</b>	<b>-5,496,558</b>	<b>-39%</b>
Current receivable customers		1,190,242	346,799	843,443	243%
Current receivable customers written down		-34,613	0	-34,613	-
Deferred charges		117,479	166,412	-48,933	-29%
Deferred charges with consolidated entities		31,433	2,193,540	-2,162,108	-99%
Sundry receivables - staff		97,050	110,465	-13,415	-12%
Sundry receivables - Liaison account with Commission		6,483,009	9,818,262	-3,335,253	-34%
Accrued income		706,633	1,452,312	-745,679	-51%
<b>NON EXCHANGE RECOVERABLES</b>	2.5.2.6	<b>9,376.53</b>	<b>466</b>	<b>8,911</b>	<b>1912%</b>
Other current recoverable with consolidated entities		9,377	466	8,911	1912%
<b>TOTAL LIABILITIES AND NET ASSET</b>		<b>10,076,902</b>	<b>15,573,881</b>	<b>-5,496,978</b>	<b>-35%</b>
<b>CURRENT LIABILITIES</b>		<b>5,853,218</b>	<b>8,990,687</b>	<b>-3,137,469</b>	<b>-35%</b>
<b>CURRENT PROVISIONS</b>	2.5.2.7	<b>370,049</b>	<b>33,000</b>	<b>337,049</b>	<b>1021%</b>
Short Term Provisions		370,049	33,000	337,049	1021%
<b>CURRENT PAYABLE</b>	2.5.2.8	<b>366,661</b>	<b>587,841</b>	<b>-221,180</b>	<b>-38%</b>
Current payable vendor		366,480	525,180	-158,700	-30%
Other current payable		181	573	-392	-68%
Current payable consolidated entities		0	62,088	-62,088	-100%
<b>CURRENTSUNDRY PAYABLES</b>		<b>24</b>	<b>646</b>	<b>-622</b>	<b>-96%</b>
<b>ACCOUNT PAYABLE CONSOLIDATED ENTITIES</b>	2.5.2.9	<b>1,710,411</b>	<b>3,254,185</b>	<b>-1,543,774</b>	<b>-47%</b>
Pre-financing from consolidated entities		1,710,411	3,254,185	-1,543,774	-47%
<b>ACCRUED CHARGES AND DEFERRED INCOME</b>	2.5.2.10	<b>3,406,072</b>	<b>5,115,016</b>	<b>-1,708,944</b>	<b>-33%</b>
Accrued charges		2,981,415	2,676,593	304,822	11%
Accrued charges with consolidated entities		424,657	2,438,423	-2,013,766	-83%
<b>NET ASSET</b>		<b>4,223,685</b>	<b>6,583,194</b>	<b>-2,359,509</b>	<b>-36%</b>
<b>ACCUMULATED SURPLUS / (DEFICIT)</b>		<b>6,583,195</b>	<b>6,145,462</b>	<b>437,733</b>	<b>7%</b>
<b>ECONOMIC RESULT OF THE YEAR (profit+/-loss)</b>		<b>-2,359,510</b>	<b>437,732</b>	<b>-2,797,242</b>	<b>-639%</b>

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

	Notes (section 2.5.3)	31.12.2024	31.12.2023	Variation Amount	Variation %
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>-2,359,510</b>	<b>437,732</b>	<b>-2,797,242</b>	<b>-639%</b>
<b>OPERATING REVENUE</b>		<b>110,261,518</b>	<b>101,607,615</b>	<b>8,653,903</b>	<b>9%</b>
<b>NON-EXCHANGE REVENUES</b>		<b>109,721,160</b>	<b>99,877,035</b>	<b>9,844,126</b>	<b>10%</b>
Other non exchange revenue	2.5.3.1	10,000	390,821	-380,821	-97%
Subsidy of the Commission	2.5.3.2	109,711,160	99,486,214	10,224,946	10%
<b>EXCHANGE REVENUES</b>		<b>540,358</b>	<b>1,730,580</b>	<b>-1,190,222</b>	<b>-69%</b>
Interest revenue	2.5.3.3	36,126	19	36,107	-
Fixed assets related revenue	2.5.3.4	742	0	742	-
Exchange rate differences gains	2.5.3.5	36	13	24	187%
Other operating revenue	2.5.3.6	503,454	1,730,549	-1,227,095	-71%
<b>OPERATING EXPENSES</b>		<b>112,621,028</b>	<b>101,169,883</b>	<b>11,451,145</b>	<b>11%</b>
<b>EXCHANGE EXPENSES</b>		<b>112,621,028</b>	<b>101,169,883</b>	<b>11,451,145</b>	<b>11%</b>
Staff expenses	2.5.3.7	87,977,437	78,943,479	9,033,958	11%
Other financial expenses	2.5.3.8	34,613	0	34,613	-
Administrative and IT expenses	2.5.3.9	13,200,212	11,264,448	1,935,765	17%
Assets related expenses	2.5.3.10	636,609	621,452	15,156	2%
Land and building expenses	2.5.3.11	10,772,151	10,340,467	431,684	4%
Exchange rate differences losses	2.5.3.12	7	37	-30	-81%

## 2.3. REA Cash flow statement (in euros - rounded)

	NOTES (section 2.5.4)	31.12.2024	31.12.2023
<b>Economic result of the year</b>		<b>-2,359,510</b>	<b>437,732</b>
<b>Operating activities</b>			
Amortization (intangible fixed assets) (+)		385,978	316,626
Depreciation (tangible fixed assets) (+)		250,486	295,089
Written off (tangible assets) (+)		145	9,738
other non cashed movements (reactivation of assets)		-742	-
(Increase)/decrease in exchange receivables - non current		-	-114,660
(Increase)/decrease in non exchange recoverable - non current			
(Increase)/decrease in non exchange recoverable - current		-8,910	5,850
(Increase)/decrease in prefinancing - current		-10,000	-
(Increase)/decrease in exchange receivable - current		-795,415	14,141
(Increase)/decrease in Receivables - Liaison Account with Commission		3,335,254	-3,544,075
(Increase)/decrease in deferred charges and accrued income		2,956,719	1,813,535
Increase/(decrease) in provisions - non current			
Increase/(decrease) in provisions - current		337,049	-608,000
Increase/(decrease) in payables - current		-1,765,575	2,479,450
Increase/(decrease) in accrued charges		-1,708,944	-775,321
Prior year budgetary surplus taken as non-cash revenue			
<b>Total Operating activities</b>		<b>616,535</b>	<b>330,104</b>
<b>Investing activities</b>			
(Increase)/decrease in intangible assets		-198,093	-103,254
(Increase)/decrease in tangible assets		-418,442	-226,850
<b>Total Investing activities</b>		<b>-616,535</b>	<b>-330,104</b>
<b>NET CASHFLOW</b>		<b>-</b>	<b>-</b>

## 2.4. REA statement of changes in net assets (in euros - rounded)

	Accumulated Surplus (+) / Deficit (-)	Economic result of the year	Net assets (total)
<b>Balance as of 31 December 2023</b>	<b>6,145,462</b>	<b>437,732</b>	<b>6,583,195</b>
Changes in accounting policies	0	0	0
<b>Balance as of 01 January 2024</b>	<b>6,145,462</b>	<b>437,732</b>	<b>6,583,195</b>
Allocation 2023 economic result	437,732	-437,732	0
Economic result of the year	0	-2,359,510	-2,359,510
<b>Balance as of 31 December 2024</b>	<b>6,583,195</b>	<b>-2,359,510</b>	<b>4,223,685</b>

## **2.5. Notes to the financial statements**

These financial statements cover the period from 1 January 2024 until 31 December 2024.

### **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 2024 REA financial statements and report 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<sup>4</sup>. 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<sup>5</sup> 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.

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<sup>4</sup> This differs from cash-based accounting because of elements such as carryovers of appropriations.

<sup>5</sup> 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.



### *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.

### *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.

#### *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 contractual cash flows and the cash flows that the Agency expects to receive. 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 an 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.

### *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.

### *Liabilities*

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

### *Provisions*

Provisions are recognised when REA has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. 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.

### ***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. Considering the size of REA's administrative budget, the threshold amount for capitalising internally developed intangible assets has been set at EUR 100,000.

The variation of the intangible fixed assets in 2024 is detailed as follows (in euros):

Intangible Fixed Assets	Computer Software	Internally developed intangible fixed assets	Intangible assets under construction	Total
<b>Gross carrying amounts 31.12.2023</b>	<b>3,920,641</b>	<b>1,985,736</b>	<b>0</b>	<b>5,906,377</b>
Additions			198,093	198,093
Disposals	-3,916,298	-441,820		-4,358,118
Transfer between headings				0
<b>Gross carrying amounts 31.12.2024</b>	<b>4,343</b>	<b>1,543,915.34</b>	<b>198,093</b>	<b>1,746,352</b>
<b>Accumulated amortization and impairment 31.12.2023</b>	<b>-3,920,641</b>	<b>-1,147,698</b>	<b>0</b>	<b>-5,068,339</b>
Amortization		-385,978		-385,978
Disposals	3,916,298	441,820		4,358,118
<b>Accumulated amortization and impairment 31.12.2024</b>	<b>-4,343</b>	<b>-1,091,856</b>	<b>0</b>	<b>-1,096,199</b>
<b>Net carrying amounts 31.12.2024 (EUR)</b>	<b>0</b>	<b>452,059</b>	<b>198,093</b>	<b>650,152</b>

It is explained by the following main movements:

#### – Computer software:

From 2010 to 2014, the Agency has paid a financial contribution to RTD for the development of IT tools for the management of its operational programmes. The developments were carried out by and for various Directorates-General in the European Commission and Executive Agencies. These financial contributions were capitalised as computer software for a total value of EUR 3,757,602 and are fully amortised since 2018.

In 2014, the Commission set up the Common Implementation Centre (CIC) in DG RTD, responsible for the implementation and support of IT systems for Horizon 2020. Following a partnership agreement, the CIC (representing the Research and Innovation DGs and DIGIT) has developed several IT tools (COMPASS, SYGMA, etc.). The development costs of these IT tools are shared among DGs without any financial participation of REA. DG Research and Innovation is the owner of these tools. Consequently, no further development costs related to these corporate tools have been capitalised by the Executive Agencies.

Given that the EC has changed policy whereby these tools are no longer co-financed/co-owned by the EAs and because these systems have significantly evolved since the originally capitalised developments, REA has withdrawn the corresponding amount capitalised under “Computer Software”.

Other software for a total amount EUR 158,696, and fully amortized, have also been retired because they are no longer in use.

– *Internally developed intangible fixed assets:*

In the past years, to cover functionalities not provided by the central tools, the Agency has developed internally IT systems to facilitate the reporting. This tool which was fully amortized (EUR 166 496), has been decommissioned in 2024 as it was not used anymore.

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 2024 (EUR 198,093).

(2) *Tangible fixed assets*

Tangible fixed assets at REA consist of technical equipment, furniture, 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 2024 is detailed as follows (in euros):

<b>Tangible Fixed Assets</b>	<b>Plant and Equipment</b>	<b>Furniture and vehicles</b>	<b>Computer hardware</b>	<b>Other Fixtures and Fittings</b>	<b>Total</b>
<b>Gross carrying amounts 31.12.2023</b>	<b>5,500</b>	<b>32,594</b>	<b>479,688</b>	<b>2,949,881</b>	<b>3,467,663</b>
Additions				418,442	418,442
Disposals	-5,500	-4,776	-446,468	-226,390	-683,134
Assets reactivation				173,469	173,469
<b>Gross carrying amounts 31.12.2024</b>	<b>0</b>	<b>27,819</b>	<b>33,219</b>	<b>3,315,402</b>	<b>3,376,440</b>
<b>Accumulated amortization and impairment 31.12.2023 (EUR)</b>	<b>-5,500</b>	<b>-18,213</b>	<b>-479,488</b>	<b>-2,431,533</b>	<b>-2,934,734</b>
Depreciation		-7,224	-200	-243,062	-250,486
Disposals	5,500	4,742	446,468	226,279	682,989
Assets reactivation				-172,727	-172,727
<b>Accumulated amortization and impairment 31.12.2024 (EUR)</b>	<b>0</b>	<b>-20,696</b>	<b>-33,219</b>	<b>-2,621,043</b>	<b>-2,674,958</b>
<b>Net carrying amounts 31.12.2024 (EUR)</b>	<b>0</b>	<b>7,123</b>	<b>0</b>	<b>694,359</b>	<b>701,482</b>

The main movements in tangible fixed assets in 2024 concern the following categories:

– *Furniture and vehicles:*

Some of the assets withdrawn were not fully depreciated (acquisition value EUR 4,776 with an accumulated depreciation EUR 4,742). Consequently, the residual value of EUR 34 was subject to a write off booked in the statement of financial performance (see section 2.5.3.7).



– ***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 446,467 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. As shown in the table above, some of the assets withdrawn were not fully depreciated (acquisition value EUR 226,390 with an accumulated depreciation EUR 226,279). Consequently, the residual value of EUR 111 was subject to a write off booked in the statement of financial performance (see section 2.5.3.7).

Additionally, audio-visual equipment, which had previously been decommissioned, was reactivated after being relocated during the latest inventory exercise (EUR 173,469, previously amortised for an amount of EUR 172,727).

***(3) Non-Current Pre-financing***

REA paid 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 an advance to a trustee.

***(5) Exchange receivables***

***Current receivable customers (EUR 1.190.242)***

At the end of 2024, the following recovery orders were open:

- EUR 804,830 related to the recovery of the municipality taxes for the financial years 2019 to 2021,
- EUR 38,613 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 amounting to EUR 346,799 is booked. As outlined in Section 2.5.2.7, REA is disputing the claimed reimbursement of the 2022 tax to the bare owner. A credit note was requested in 2023, but it has not yet been received. In 2023, the credit note related to the cancellation of the 2022 tax invoiced by the property owner was not recorded under "current receivable customer." Instead, an equivalent reduction was made to the 2023 payable amount to the property owner, which was presented under "current payable vendor." This adjustment was made because the bare owner committed to send the credit note in the upcoming days. By 2024, since the credit note still had not been received, it was recorded under "current receivable customer," and no adjustment was made to reduce the amount invoiced by the property owner for the 2022 tax. To ensure comparability of the data between 2024 and 2023, these amounts have been restated in the 2023 column of the balance sheet to align the presentation of the relevant accounts (See section 2.5.6 other disclosures).

***Current receivable customers written down (EUR 34,613)***

An overdue debit note as of 31.12.2024 (see 2.5.3.8) will probably not be honored, a doubtful debt has been recorded.

*Deferred charges (EUR 117,479)*

The deferred charges relate mainly to yearly fees for IT licences.

*Deferred charges consolidated entities (EUR 31,433)*

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

The 2024 rent for the COVE building has been paid in advance in 2023 while the 2025 rent for the COVE building was not yet invoiced by OIB end of 2024, explaining the significant drop compared to the deferred charges reported as of 31.12.2023 (EUR 2,193,540).

*Sundry Receivables (EUR 97,050)*

The sundry receivables relate to regularisations linked to the payroll.

*Sundry Receivables with consolidated entities (EUR 6,483,009)*

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 6,483,009 corresponds to the balance available on the liaison accounts and is considered as an amount receivable from the Commission.

*Accrued income (EUR 706,633)*

Following the amendment of its office tax regulation (extension of the concept of tax payer), the Municipality of Saint-Joost-ten-Noode has charged the tax on office space to the bare owner of the COV2 and COVE buildings. The bare owner subsequently charged these taxes to REA for the COV2 building and to OIB for the COVE building. OIB has charged these taxes to REA as occupant of the COVE building.

In 2023, the Brussels Court of First Instance ordered the annulment of the tax for the fiscal year 2019 and condemned the Municipality to the repayment of the amounts unduly collected as well as to the payment of 'intérêts moratoires' (compensatory interests).

On 18 July 2023, the municipality decided:

- not to appeal the decision of the Brussels Court of First Instance for the year 2019;
- to accept the ruling as a basis for the subsequent years (2020 to 2021);
- to reimburse the bare owner for the taxes paid for 2019, 2020 and 2021, including compensatory interests.

Upon the conclusion of the 2023 annual accounts, REA booked an accrued income of EUR 1,439,187 corresponding to the amount of the unduly collected taxes for the fiscal years 2019, 2020, 2021. Out of this amount, EUR 793,162 concern the COV2 building and EUR 646,025 concern the COVE building. However, the accrued income booked in 2023 did not include any compensatory interests as the amount to be re-invoiced to the bare owner could not be assessed.

In 2024, REA has issued the debit note to the bare owner for the recovery of the taxes from 2019 to 2021 and the compensatory interests for the building COV2 (EUR 793,162 + EUR 36,126). With respect to the COVE building, since the debit note issued by OIB to the bare-owner remained unpaid as of 31 December 2024, REA has not yet issued the recovery order to OIB. As a result, the amount of EUR 682,633 (EUR 646,025 plus EUR 36,608 compensatory interests) is still recognized as accrued income.

Additionally, EUR 24,000 relate to legal costs incurred by the Agency in a legal case, for which a judgement in favour of REA was pronounced at the end of 2024. The debit note to recover these legal costs was not yet issued at the end of 2024.

*(6) Non exchange recoverables (EUR 9,377)*

The amount relates to staff salary regularisations with other EU Agencies.

***Current liabilities***

*(7) Current provisions (EUR 370,049)*

A short term provision of EUR 32,000 for legal costs has been booked in 2024 to cover the legal costs that a beneficiary of a grant (financed on REA's operational budget) may charge to REA as the outcome of the proceedings was in favour of this beneficiary. This provision replaces the contingent liability booked in 2023.

A provision for risks and charges of EUR 311,819 was also established 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 it 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 the owner's responsibility to contest this tax and OIB and REA are contesting the claimed reimbursement of the 2022 tax to the owner. In addition, a provision of EUR 16,230 for liabilities and charges is booked to cover the risks linked to this litigation.

REA paid an advance to a trustee as part of a liquidation case. This advance should be reimbursed to REA upon closure of the liquidation case if 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 to REA, it is possible that the assets may be insufficient. Therefore, a provision of EUR 10,000 has been recognised.

*(8) Current payables (EUR 366,661)*

*Current payable vendor (EUR 366,480)*

The amount relates to outstanding commercial invoices at year end. It includes the invoice received in 2023 related to the 2022 tax recharged by the owner of the building COV2.

As mentioned above under section 2.5.2.5, a reduction equivalent to the credit note requested to cancel the 2022 taxes invoiced was recorded in 2023 under "current payable vendor."

To ensure comparability of the data between 2024 and 2023, the amount has been restated in the 2023 column of the balance sheet to align the presentation of the relevant account (See section 2.5.6 other disclosures).

*Other Current payable (EUR 181)*

The amount relates to the reimbursement of expenses to a staff member.

*Current payable with consolidated entities (EUR 0)*

All invoices received from consolidated entities by end of 2024 were settled.

*(9) Accounts payable to consolidated entities*

*Prefinancing from consolidated entities (EUR 1,710,411)*

The amount corresponds to the 2024 positive budgetary outturn to be reimbursed in 2025 to DG Research and Innovation, after adoption of the final 2024 accounts.

*(10) Accrued charges and deferred income*

*Accrued charges (EUR 2,981,415)*

Accrued charges are expenses corresponding to goods and services provided to the Agency in 2024 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 675,841 relates to goods and services delivered by third parties, such as IT consultancy, use of interim staff, communication support, legal support, insurance, mission expenses, trainings.

Moreover, an accrual is also recognised for untaken annual leave by staff for an amount of EUR 2,305,574.

Overall, the amount of accrued charges has increased by EUR 0.3 million compared to last year, mainly because of the increase in the accrual for untaken annual leave. The other accrued expenses are stable compared to 2023.

*Accrued charges with consolidated entities (€ 424,657)*

Accruals with consolidated entities concern goods and services provided by other EU institutions in 2024 in the framework of a Service Level Agreement and not yet invoiced as of 31.12.2024. The amount is mainly distributed between the following Commission services:

– DG HR:	EUR	232,826
– OIB:	EUR	104,825
– DG EAC:	EUR	45,099
– EUSA:	EUR	20,350
– JRC :	EUR	19,440
– Other:	EUR	2,117

Accrued charges with consolidated entities have decreased by EUR 2 million compared to 2023. The main variations concern the estimated accrued charges for the services provided by OIB in 2024 (- EUR 1.8 million) and DG HR (- EUR 0.2 million). In 2023, no provision was paid to OIB for the services related to the building SB34. The accrual booked in 2023 for the services provided by OIB was higher than the amount booked for 2024 as REA made an advance payment in 2024. Concerning DG HR, the estimated costs for the 2024 security services are lower than in 2023. Other variations are less significant.

### **2.5.3. Notes to the Statement of financial performance**

#### ***Non-exchange revenues***

##### ***(1) Other non-exchange revenue (EUR 10,000)***

EUR 10,000 results from the cancellation of unused provisions booked to cover the possible charges related a legal case that was closed in 2024. REA was condemned to pay legal cost incurred by the plaintiff for the proceedings, but the actual amount was lower than the provision.

##### ***(2) Subsidy of the Commission (EUR 109,711,160)***

The revenue booked as “Commission's subsidy” is equal to the Commission's contribution to the operating budget (EUR 111,421,572), cashed by REA in 2024 less the budget result of the year (EUR 1,710,411 - see budget outturn table under section 3.2).

This method for determining revenue follows the modified cashed-based accounting principle and results from the budget outturn.

#### ***Exchange revenues***

##### ***(3) Interest revenue (EUR 36,126)***

As mentioned under point 2.5.2.5, the Brussels Court of First Instance condemned the Municipality to the repayment of the taxes unduly collected as well as to the payment of ‘intérêts moratoires’ (compensatory interests). However, the accrued income booked in 2023 did not include any compensatory interests as the amount to be re-invoiced to the bare owner could not be assessed.

In 2024, the debit note was emitted by REA for the COV2 building.

##### ***(4) Fixed assets related revenue (EUR 742)***

As mentioned under point 2.5.2.2, audio-visual equipment, which had previously been decommissioned, was reactivated as it was relocated during the latest inventory exercise. EUR 742 corresponds to the difference between the acquisition value and the cumulated depreciation. The amount previously written off for the partially depreciated assets that were retired is now recognized as revenue upon the reactivation of these same assets

##### ***(5) Exchange rate differences (EUR 36)***

The amount results from exchange gains on payments in foreign currency

##### ***(6) Other operating revenue (EUR 503,454)***

- EUR 244,405 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, the children daycare services (CPE), PMO for the payroll related services, and DG DIGIT for the IT related services,

- EUR 152,286 for services provided by the REA Central Validation Service to the European Network and Information Security Agency, to the European Parliament and to the European Food Safety Authority,

- EUR 68,938 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 36,608 additional amount still to be invoiced to OIB corresponding to the compensatory interests to be reimbursed by the bare owner to OIB for the building COVE (see section 2.5.2.5).

- EUR 1,217 for the recovery of amounts unduly paid.

## ***Expenses***

### *(7) Staff expenses (€ 87,977,437)*

Compared to last year, staff costs have increased by approximately EUR 9,0 million (11%), mainly due to a higher average occupancy rate (917 posts occupied as per 31/12/2024 compared to 876 as per 31/12/2023), 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. 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 87,111,706);
- the amount paid to DG EAC for the trainees employed by the Agency during 2024 (EUR 167,138);
- The employer's contribution for the school transport, contribution to staff public transport season tickets and other staff prerequisites (EUR 698,593).

### *(8) Other financial expenses (EUR 34,613)*

An impairment on receivable amounts has been booked given that an overdue debit note as of 31.12.2024 will probably not be honored (see 2.5.3.8).

### *(9) Administrative and IT expenses (EUR 13,200,212)*

To allow for the comparability of the data between 2024 and 2023, an amount of EUR 728,203 has been moved from the account "Administrative and IT expenses" to the account "Land and building expenses" in the column 2023 of the statement of financial performance presented in section 2.2. This pertains to the expenses for the security services of DG HR, which had been considered last year as administrative expenses rather than building related expenses.

Compared to 2023, the overall administrative and IT expenses increased with EUR 1.935.765 (17%).

The 2024 administrative and IT expenses costs comprise:

- EUR 8,997,844 relating to services provided by consolidated entities (DG DIGIT, OIB, DG HR, PMO, DG SCIC, SG, DG BUDG, CDT, EPSO) in the framework of Service Level agreements.

These expenses have increased overall by EUR 1 million (13%) mainly for the following reasons:

- OIB provided the canteen services for the full year in 2024;
  - DG SCIC renewed the meeting rooms in the COVE building;
  - DG BUDG charged a start up fee SUMMA;
  - DG DIGIT charged a higher amount for its services.
- EUR 4,202,368 relate to services or goods provided by external contractors in the following fields:
    - Non-IT services such as interim staff (EUR 1,168,914);
    - ICT support (EUR 1,155,208) ;
    - material, office supplies, licence fees, maintenance (EUR 549,628);
    - communication (EUR 482,961);
    - missions (EUR 431,799);
    - training (EUR 225,486);

- legal assistance (EUR 177,689);
- recruitment (EUR 6,633);
- other (EUR 4,049).

These expenses have increased by EUR 0.9 million (27%) compared to last year, the main reasons being:

- the purchase of wireless headsets with noise cancelling for all the staff to facilitate the work in the collaborative space and the subscriptions to online databases;
- an increase of expenses related to the support by interim staff due to the indexation of the prices and a higher number of interimaire in 2024 compared to 2023;
- an increase of the communication expenses.

#### *(10) Assets related expenses (EUR 636,609)*

These expenses relate to the depreciation/amortization charges of the Agency's tangible and intangible fixed assets. It also includes a write off (EUR 145) corresponding to the residual value of assets retired but not fully depreciated (see section 2.5.2.2).

#### *(11) Land and Building (EUR 10,772,151)*

The 2024 land and building comprise:

- EUR 10,460,332 relate to services provided by OIB and DG HR (Direction Security). This amount includes:
  - 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.

As mentioned here above under section 2.5.3.9 an amount of EUR 728,203 (pertaining to the expenses for the security services of DG HR) has been moved from the the account "Administrative and IT expenses" to the account "Land and building expenses" in the column 2023 of the statement of financial performance presented in section 2.2.

- EUR 311,819 corresponding to the provision related the 2022 tax that the agency might have to pay (see point 2.5.2.7)

#### *(12) Exchange rate losses (EUR 7)*

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 regular activities of REA. These are the majority of the activities performed.

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, REA and OIB invoiced the owner for the taxes from 2019 to 2021, including compensatory interests. However, this amount could be adjusted and increased in 2025, given that the Municipality of Saint Josse has changed its schedule for reimbursing taxes that were unduly collected from the property owner. Therefore, a contingent asset is disclosed pending the notification of the new instalment plan from the bare-owner.

### ***Contingent liabilities***

In 2023, a contingent liability of an estimated amount of EUR 32,000 was booked to cover the reimbursement of legal fees. Following the judgment rendered in December 2024, the Court has ordered REA to reimburse the legal costs incurred by the applicant. The contingent liability has been cancelled and replaced by a provision; the amount being not certain as the applicant has not communicated to REA the amount to be reimbursed.

Legal proceedings concerning the operational budget managed by the Agency are covered by the Agency's administrative budget. In this context, REA will probably have to bear the costs associated to an outstanding legal case of 2024, but the related costs cannot be assessed at the time of the closure of these accounts.

## **2.5.6. Other disclosures**

### ***Commitment for future expenditure***

<b>Commitments for future expenditure</b>	
Commitments made in 2024 and not yet paid as of 31.12.2024	EUR 3,799,377

Commitments made in 2024 and not yet paid as of 31.12.2024 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 2025. The amount increased with EUR 410,526 compared to last year.

### ***Municipality tax – Compensatory interests***

As explained in section 2.5.2.4 under “accrued income”, last year the agency booked an accrued income equivalent to the taxes paid by REA for the period 2019-2021. However, the accrued income did not include any compensatory interests as the amount could not be assessed. In 2024, the debit related to the “compensatory interests” have been issued by REA and OIB but the amount is still subject to changes given the ongoing discussions with the bare owner. The amount of the change cannot be assessed at the time of the closure of these accounts (see 2.5.3.3 and 2.5.3.6).



### ***Restatement 2023 Balance sheet***

The amounts mentioned under “Account receivable – customers” and “Account payable – vendors” in the 2023 column of the balance sheet have been restated to align the presentation of the respective accounts and to ensure comparability of the data between 2024 and 2023.

The following restatement have been done:

<b>BS account</b>	<b>31.12.2024</b>	<b>31.12.2023 (restated)</b>	<b>restatement</b>	<b>31.12.2023 (initial)</b>
Current receivable customers	1,190,242	346,799	346,799	0
Current payable vendors	366,480	525,180	346,799	178,381

As outlined in the notes to the balance sheet (section 2.5.2.), in 2023, the bare owner of the COV2 building had invoiced to REA the municipality taxes related to the fiscal year 2022. REA contested the claimed reimbursement and requested a credit note to the bare owner.

By end 2024, the credit note was not yet received. The open invoice received in 2023 for an amount of EUR 346,799 is recorded under “current payable vendor” and included in the total amount EUR 366,480. The corresponding credit note still to be received is recorded under “current receivable customer” and included in the total amount EUR 1,190,242.

In 2023, the credit note related to the cancellation of the 2022 tax invoiced by the property owner was not recorded under "current receivable customer". Instead, an equivalent reduction was made to the 2023 payable amount to the property owner, which was presented under "current payable vendor". This adjustment was made because the bare owner had committed to send the credit note in the upcoming days. In 2024 it became clear that this commitment was not honoured, making it necessary to reconsider the accounting presentation.

To ensure comparability of the data between 2024 and 2023, the above-mentioned amounts have been restated in the 2023 column of the balance sheet to align the presentation of the relevant accounts.

### ***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):

	2024	2023
<b>FINANCIAL ASSETS</b>		
Current receivable	1,155,629	-
Other receivable	97,050	110,465
Other receivable - Liaison account with Commission	6,483,009	9,818,262
Accrued income	706,633	1,452,312
<b>TOTAL FINANCIAL ASSETS</b>	<b>8,442,320</b>	<b>11,381,039</b>
<b>FINANCIAL LIABILITIES</b>		
Current payables	366,661	241,042
Other payables	24	646
Payables consolidated entities	1,710,411	3,254,185
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>2,077,097</b>	<b>3,495,872</b>

### *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 31.12.2024	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	7,290,691	34,613	-	1,151,629	-	8,476,933
Impairment (-)		-34,613	-	-	-	-34,613
<b>Net receivables</b>	<b>7,290,691</b>	<b>0</b>	<b>0</b>	<b>1,151,629</b>	<b>0</b>	<b>8,442,320</b>

### **Out of the “not yet overdue” amount:**

#### 1. With consolidated entities:

- EUR 6,483,009 concerns the liaison account with the Commission
- EUR 682,632 relates to accrued income with consolidated entities

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

#### 2. With Staff:

- EUR 97,050 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 4,000 represents a receivable for the recovery of legal costs associated with a legal proceeding;
- EUR 24,000 relates to accrued income with a third party.

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 804,830 represents two amounts to be recovered from the building owner for the municipal taxes paid between 2019-2021 along with the associated compensatory interests. No impairment has been booked as the building owner has confirmed that these amounts will be paid to REA at the rhythm that the municipality will repay the building owner.
- EUR 346,799 represents to the invoice received in 2023 from the bare owner relating to 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
<b>FINANCIAL ASSETS</b>						
Receivable	-	1,155,629		-	-	1,155,629
Other receivable	-	-	97,050	-	-	97,050
Other receivable - Liaison account with Commission -	6,483,009	-	-	-	-	6,483,009
Accrued income	-		706,633		-	706,633
<b>TOTAL FINANCIAL ASSETS</b>	<b>6,483,009</b>	<b>1,155,629</b>	<b>803,683</b>	<b>0</b>	<b>0</b>	<b>8,442,320</b>
<b>FINANCIAL LIABILITIES</b>						
Current payables	-	366,661	-	0	-	366,661
Other payables	-	24	-	-	-	24
Payables consolidated entities	1,710,411	-	-	-	-	1,710,411
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>1,710,411</b>	<b>366,685</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,077,097</b>
<b>LIQUIDITY SURPLUS</b>	<b>4,772,597</b>	<b>788,944</b>	<b>803,683</b>	<b>0</b>	<b>0</b>	<b>6,365,224</b>

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**

There is no change in accounting policies in 2024.

**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 of this grade
Director, Heads of department	AD14	5

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/2024/7388 of 11 December 2024.

### ***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:

- C1: appropriations voted for the current budget year (initial adopted budget and its subsequent amending budgets and transfers);
- C4: appropriations from internal assigned revenue for the current year,
- C8: the non-differentiated payment appropriations carried over from the previous year

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

Budget Title	2024 Commitment appropriations (C1)	2024 Commitment appropriations (C4)	Payment Appropriations carried over from 2023 (C8)	TOTAL
Title 1 - Staff expenditure	91,429,439	118,601	445,837	91,993,877
Title 2 - Infrastructure and operating expenditure	12,619,000	33,685	2,718,160	15,370,845
Title 3 - Programme support expenditure	7,455,995	0	3,487,608	10,943,603
TOTAL	111,504,434	152,286	6,651,605	118,308,325

**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:

- IC1: appropriations voted for the current budget year (initial adopted budget and its subsequent amending budgets and transfers);
- IC4: internal assigned revenue for the current year,

The revenue appropriations are distributed among the following budget items:

- 2000: European Commission's Subsidy to the European Research Executive Agency (REA),
- 5000: Revenue accruing from the provision of validation services (SEDIA) to other European Union's Institutions, Agencies and other Bodies (Assigned revenue);
- 5100: Revenue accruing from the provision of ICT services to other European Union's Institutions, Agencies and other Bodies (Assigned revenue);
- 9000: Miscellaneous revenue

### **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**

<b>Budget</b>	<b>€ 118,308,325</b>
<b>Commitments Appropriations (C1 and C4 current year appropriations)</b>	99.66% of the current year's commitment appropriations are implemented 4.39% of the appropriations are carried forward to 2025
<b>Payments (C1, C4 current year appropriations and C8 carried over appropriations)</b>	95.27% of the current year's payment appropriations are implemented 83,05% of the payment appropriations carried-over from 2023 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	2024	2023
<b>Revenue</b>		<b>111,863,388</b>	<b>103,077,849</b>
<i>of which:</i>			
Commission Subsidy	2	111,421,572	102,740,399
Assigned revenue from other EU Bodies and institutions	5	152,286	85,780
Miscellaneous revenue	9	289,530	251,670
<b>Expenditure</b>		<b>-106,380,551</b>	<b>-94,783,207</b>
<i>of which:</i>			
Staff expenditure	1	-91,101,415	-82,025,235
Administrative expenditure	2	-11,785,519	-7,891,845
Operational expenditure	3	-3,493,617	-4,866,127
<b>Payment appropriation carried over to year N+1</b>		<b>-4,900,215</b>	<b>-6,651,605</b>
<i>of which:</i>			
Staff expenditure	1	-311,223	-445,837
Administrative expenditure	2	-746,111	-2,718,160
Operational expenditure	3	-3,842,880	-3,487,608
<b>Cancellation of unused appropriations carried over from year n-1</b>		<b>1,127,760</b>	<b>1,611,173</b>
<b>Exchange rate differences (gain + / loss -)</b>		<b>29</b>	<b>-24</b>
<b>Budget result</b>		<b>1,710,411</b>	<b>3,254,185</b>

The 2024 budget result amounts to EUR 1,710,411 and corresponds to:

- EUR 375,954: current year commitment appropriations not used (see 3.4.2 implementation of 2024 commitment and payment appropriations),
- EUR 206 667,90: miscellaneous revenue (recovery orders issued and cashed by the Agency) not used in the financing of the Agency's operating budget (out of EUR 289 530,24),
- EUR 1,127,760: cancellation of unused appropriations carried over from 2022 to 2023,
- EUR 29: exchange rate gain.



## Reconciliation of the 2024 economic result with the 2024 budgetary result

	2024	2023
<b>Economic result (+ for surplus and - for deficit)</b>	<b>-2,359,509.64</b>	<b>437,732.12</b>
<b>Adjustment for accrual items (items included in the economic result but not in the budgetary result)</b>		
Adjustments for Accrued charges and deferred income (reversal previous year)	-5,234,004.40	-5,890,089.55
Adjustments for Accrued charges and deferred income (cut off current year)	3,406,071.81	5,234,004.40
Unpaid invoices at year end but booked in charges	19,681.35	39,475.00
Depreciation and write down of intangible and tangible assets	636,608.54	621,452.35
Provisions	337,048.81	-608,000.00
Amounts written off and losses on trade debtors	34,612.62	0.00
Recovery Orders issued and not yet cashed	-843,442.60	0.00
salary related advance paid on HB line and booked in charge	20,500.00	0.00
Payments made from carry over of payment appropriations	5,523,844.67	3,765,077.14
Adjustment for deferred charges and accrued income (cut off current year)	-824,111.79	-3,708,443.42
Adjustment for deferred charges and accrued income (reversal previous years)	3,721,445.46	5,555,883.73
Other (asset revenues)	-742.00	-221.68
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>		
Asset acquisitions (excluding unpaid amounts at year end and including paid amount in N for assets received in N-1)	-616,534.79	-330,103.71
New pre-financing paid in the year N and remaining open as at 31.12.N	-10,000.00	-114,660.00
New pre-financing received in the year N and remaining open as at 31/12/N	1,710,411.41	3,254,184.95
Budgetary recovery orders issued in the previous years and cashed in the year N	0.00	38,325.68
Payment appropriations carried over to the next year	-4,900,214.80	-6,651,605.11
Cancellation of unused carried over payment appropriations from previous year	1,127,760.44	1,611,173.05
Invoices booked in charge in the previous year but paid in the current year	-39,475.00	
Other (payroll regularisation)	461.32	
<b>total</b>	<b>1,710,411.41</b>	<b>3,254,184.95</b>
<b>Budgetary result including amount of exchange rate differences</b>	<b>1,710,411.41</b>	<b>3,254,184.95</b>
<b>Amount of exchange rate differences included in the budgetary result</b>	<b>29.25</b>	<b>-24.36</b>
Delta not explained	0.00	0.00

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=6+7	9=5-8
2 0 0 0	European Commission subsidy	109,030,005	111,421,572	111,421,572	0	111,421,572	111,421,572	0	111,421,572	0
5 0 0 0	Assigned Revenue from provision of validation services (SEDIA) to other EU Bodies and Institutions			152,286	0	152,286	152,286	0	152,286	0
9 0 0 0	Miscellaneous revenue		82,862	1,132,973	0	1,132,973	289,530	0	289,530	843,443
<b>GRAND TOTAL</b>		<b>109,030,005</b>	<b>111,504,434</b>	<b>112,706,831</b>	<b>0</b>	<b>112,706,831</b>	<b>111,863,388</b>	<b>0</b>	<b>111,863,388</b>	<b>843,443</b>

The EC balancing subsidy (budget line 2000) paid by DG Research and Innovation in 2024 amounts to EUR 111,421,572 out of which:

coming from the budget line 01 01 01 72 - Contribution from "Horizon Europe" from EU General Budget	101,690,299
coming from the budget line 08 01 01 72 - Contribution from the "European Agricultural Guarantee Fund" from EU General Budget	3,788,257
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	2,310,000
coming from the budget line 01 01 01 72 - Contribution from "Horizon Europe" from EFTA/EEA Countries	3,633,015
<b>TOTAL Commission Subsidy</b>	<b>111,421,572</b>

The recovery orders emitted in 2024 on the budget line 9000 “miscellaneous revenue” concern:

- The municipality taxes related to the building Coven Garden and paid to the building owner for the fiscal years 2019, 2020 and 2021: EUR 829,288;
- amounts overpaid to the Commission Services under the SLAs for the year 2022 and subsequently recovered: EUR 244,405;
- 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 58,063;
- recovery of amounts overpaid to contractors: EUR 1,217.

#### Cashing information :

Income budget lines	Open recovery orders by 01/01/2024		Recovery orders established by 31/12/2024		Recovery orders fully cashed by 31/12/2024		Recovery orders waived by 31/12/2023		Recovery orders fully cancelled 31/12/2024		Open recovery orders by 31/12/2024	
	#	€	#	€	#	€	#	€	#	€	#	€
2 0 0 0			4	111,421,572	4	111,421,572					0	0
5 0 0 0			3	152,286	3	152,286					0	0
9 0 0 0			14	1,132,973	10	289,530					4	843,443
<b>Total</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>112,706,831</b>	<b>17</b>	<b>111,863,388</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>4</b>	<b>843,443</b>

Out of the 21 recovery orders emitted in 2024, 17 were fully cashed and 4 were not settled, representing a total amount of EUR 843,443 as of 31.12.2024. No recovery orders have been cancelled or waived in 2024.

### 3.4. Budget Expenditure (in Euros – rounded)

#### 3.4.1. Breakdown and changes in appropriations

The two tables below give a summarised overview of the 2024 REA’s budget for commitments and for payments per budget title, with a repartition per fund sources.

Only the C1 appropriations from 2024 and the related transfer and amendment are presented under “Budget appropriations” while the 2024 appropriations accruing from assigned revenue (C4) and the carried over appropriations from 2023 (C8) are presented separately under the column “Additional appropriations”.

BREAKDOWN AND CHANGES IN COMMITMENT APPROPRIATIONS						
in EUR	Budget appropriations				Additional appropriations	Total appropriations available
Budget titles	Initial adopted budget C1	Amending budgets	Transfers	Final adopted budget C1	from assigned revenue C4	
	1	2	3	4=1+2+3	5	6=4+5
Title 1 - Staff expenditure	88,367,233	3,003,391	58,815	91,429,439	118,601	91,548,040
Title 2 - Infrastructure and operating expenditure	12,751,177	-140,177	8,000	12,619,000	33,685	12,652,685
Title 3 - Programme support expenditure	7,911,595	-388,785	-66,815	7,455,995	0	7,455,995
<b>TOTAL</b>	<b>109,030,005</b>	<b>2,474,429</b>	<b>0</b>	<b>111,504,434</b>	<b>152,286</b>	<b>111,656,720</b>

BREAKDOWN AND CHANGE IN PAYMENT APPROPRIATIONS								
in EUR	Budget appropriations				Additional appropriations			Total appropriations available
Budget Titles	Initial adopted budget C1	Amending budgets	Transfers	Final adopted budget C1	Carry-overs C8	From assigned revenue C4	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
Title 1 - Staff expenditure	88,367,233.00	3,003,391.36	58,815.00	91,429,439.36	445,837.08	118,600.64	564,437.72	91,993,877.08
Title 2 - Infrastructure and operating expenditure	12,751,177	-140,177	8,000	12,619,000	2,718,160	33,685	2,751,845	15,370,845
Title 3 - Programme support expenditure	7,911,595	-388,785	-66,815	7,455,995	3,487,608	0	3,487,608	10,943,603
<b>TOTAL</b>	<b>109,030,005</b>	<b>2,474,429</b>	<b>0</b>	<b>111,504,434</b>	<b>6,651,605</b>	<b>152,286</b>	<b>6,803,891</b>	<b>118,308,325</b>

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 C1 (accruing from the 2024 Commission’s subsidy) and C4 (accruing from assigned revenue) adopted by the Steering Committee for the year 2024.

To be noted that:

- the initial budget 2024 adopted by the Steering Committee in December 2023 (EUR 109,056,925) includes C1 appropriations (EUR 109,030,005) and C4 appropriations from assigned revenues (EUR 26,920);
- the amended budget adopted by the Steering Committee in December 2024 (EUR 111,656,720) includes increased C1 appropriations (111,504,434) and C4 appropriations from assigned revenue (EUR 152,286).

The initial budget and the subsequent transfer and amendment are explained after the table.

Expenditure Titles, Chapters, Articles and Items		Official Name of the Expenditure Budget Lines	2024 Initial Administrative Budget (SC adoption 19.12.2023)	Transfers 2024/01,02,03,04 (internal transfers initiated on 18.07.2024)	BUDGET 2024 following the Transfer 2024/01,02,03,04	Amendment	2024 Amended Administrative Budget (SC adoption 20.11.2024 - WP)	Transfer 2024/05 (SC authorisation 11.12.2024)	2024 Amended Administrative budget following transfer 2024/05
<b>TOTAL EXPENDITURE</b>			<b>109,056,925</b>	<b>0</b>	<b>109,056,925</b>	<b>2,599,795</b>	<b>111,656,720</b>	<b>0</b>	<b>111,656,720</b>
<b>Title</b>	<b>1</b>	<b>STAFF EXPENDITURE</b>	<b>88,388,050</b>	<b>0</b>	<b>88,388,050</b>	<b>3,101,175</b>	<b>91,489,225</b>	<b>58,815</b>	<b>91,548,040</b>
<b>Chapter</b>	<b>11</b>	<b>Remunerations, Allowances and Charges</b>	<b>84,750,595</b>	<b>0</b>	<b>84,750,595</b>	<b>3,368,820</b>	<b>88,119,415</b>	<b>19,530</b>	<b>88,138,945</b>
<b>Article</b>	<b>111</b>	<b>Staff occupying an employment in the establishment plan</b>	<b>33,217,680</b>	<b>0</b>	<b>33,217,680</b>	<b>921,475</b>	<b>34,139,155</b>	<b>0</b>	<b>34,139,155</b>
Item	1111	Temporary Agents - Remuneration, Allowances and Charges	33,217,680	0	33,217,680	921,475	34,139,155	0	34,139,155
<b>Article</b>	<b>112</b>	<b>Contract Agents</b>	<b>50,053,510</b>	<b>0</b>	<b>50,053,510</b>	<b>2,523,230</b>	<b>52,576,740</b>	<b>19,530</b>	<b>52,596,270</b>
Item	1121	Contract Agents - Remuneration, Allowances and Charges	50,053,510	0	50,053,510	2,523,230	52,576,740	19,530	52,596,270
<b>Article</b>	<b>113</b>	<b>Other Staff Remunerations, Allowances and Charges</b>	<b>1,479,405</b>	<b>0</b>	<b>1,479,405</b>	<b>-75,885</b>	<b>1,403,520</b>	<b>0</b>	<b>1,403,520</b>
Item	1131	Seconded National Experts - Allowances and Charges	0	0	0	0	0	0	0
Item	1132	Interim supportive agents and Trainees	1,479,405	0	1,479,405	-75,885	1,403,520	0	1,403,520
<b>Chapter</b>	<b>12</b>	<b>Professional Development and Social expenditure</b>	<b>3,637,455</b>	<b>0</b>	<b>3,637,455</b>	<b>-267,645</b>	<b>3,369,810</b>	<b>39,285</b>	<b>3,409,095</b>
<b>Article</b>	<b>121</b>	<b>Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel</b>	<b>2,594,135</b>	<b>-50,400</b>	<b>2,543,735</b>	<b>-123,680</b>	<b>2,420,055</b>	<b>39,285</b>	<b>2,459,340</b>
Item	1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	2,594,135	-50,400	2,543,735	-123,680	2,420,055	39,285	2,459,340
<b>Article</b>	<b>122</b>	<b>Professional and Personal Development and Social expenses for Staff</b>	<b>975,320</b>	<b>0</b>	<b>975,320</b>	<b>-120,185</b>	<b>855,135</b>	<b>0</b>	<b>855,135</b>
Item	1221	Training Courses for the Professional and Personal Development of Staff	541,475	0	541,475	-48,320	493,155	0	493,155
Item	1222	Missions related to the Professional and Personal Development of Staff	0	0	0	0	0	0	0
Item	1223	Medical Service	167,155	0	167,155	-65,535	101,620	0	101,620
Item	1224	Mobility and Other Social expenses	266,690	0	266,690	-6,330	260,360	0	260,360
<b>Article</b>	<b>123</b>	<b>Representation expenses, Events and Internal meetings</b>	<b>68,000</b>	<b>50,400</b>	<b>118,400</b>	<b>-23,780</b>	<b>94,620</b>	<b>0</b>	<b>94,620</b>
Item	1231	Representation expenses, Events and Internal meetings	68,000	50,400	118,400	-23,780	94,620	0	94,620
<b>Title</b>	<b>2</b>	<b>INFRASTRUCTURE AND OPERATING EXPENDITURE</b>	<b>12,757,280</b>	<b>0</b>	<b>12,757,280</b>	<b>-112,595</b>	<b>12,644,685</b>	<b>8,000</b>	<b>12,652,685</b>
<b>Chapter</b>	<b>21</b>	<b>Building expenditure</b>	<b>7,094,270</b>	<b>0</b>	<b>7,094,270</b>	<b>-114,575</b>	<b>6,979,695</b>	<b>0</b>	<b>6,979,695</b>
<b>Article</b>	<b>211</b>	<b>Rent / Usufruct instalments and Building Charges</b>	<b>7,094,270</b>	<b>0</b>	<b>7,094,270</b>	<b>-114,575</b>	<b>6,979,695</b>	<b>0</b>	<b>6,979,695</b>
Item	2111	Rent / Usufruct instalments, Building Charges and associated expenses	7,094,270	0	7,094,270	-114,575	6,979,695	0	6,979,695
<b>Chapter</b>	<b>22</b>	<b>ICT expenditure</b>	<b>4,966,950</b>	<b>0</b>	<b>4,966,950</b>	<b>99,515</b>	<b>5,066,465</b>	<b>8,000</b>	<b>5,074,465</b>
<b>Article</b>	<b>221</b>	<b>ICT Environment</b>	<b>4,169,610</b>	<b>117,730</b>	<b>4,287,340</b>	<b>87,430</b>	<b>4,374,770</b>	<b>8,000</b>	<b>4,382,770</b>
Item	2211	ICT Environment (Infrastructure, Systems and Services)	4,169,610	117,730	4,287,340	87,430	4,374,770	8,000	4,382,770
<b>Article</b>	<b>222</b>	<b>Data Processing and application development</b>	<b>797,340</b>	<b>-117,730</b>	<b>679,610</b>	<b>12,085</b>	<b>691,695</b>	<b>0</b>	<b>691,695</b>
Item	2221	Data Processing and application development and associated expenditure	797,340	-117,730	679,610	12,085	691,695	0	691,695
<b>Chapter</b>	<b>23</b>	<b>Movable property and Current Operating expenditure</b>	<b>696,060</b>	<b>0</b>	<b>696,060</b>	<b>-97,535</b>	<b>598,525</b>	<b>0</b>	<b>598,525</b>
<b>Article</b>	<b>231</b>	<b>Furniture, Materials and Technical Installations</b>	<b>207,750</b>	<b>0</b>	<b>207,750</b>	<b>-33,425</b>	<b>174,325</b>	<b>0</b>	<b>174,325</b>
Item	2311	Furniture, Materials and Technical Installations and associated expenditure	207,750	0	207,750	-33,425	174,325	0	174,325
<b>Article</b>	<b>232</b>	<b>Current Operating expenditure</b>	<b>488,310</b>	<b>0</b>	<b>488,310</b>	<b>-64,110</b>	<b>424,200</b>	<b>0</b>	<b>424,200</b>
Item	2321	Office Supplies and Other Current Operating expenditure	488,310	0	488,310	-64,110	424,200	0	424,200

Expenditure Titles, Chapters, Articles and Items		Official Name of the Expenditure Budget Lines	2024 Initial Administrative Budget (SC adoption 19.12.2023)	Transfers 2024/01,02,03,04 (internal transfers initiated on 18.07.2024)	BUDGET 2024 following the Transfer 2024/01,02,03,04	Amendment	2024 Amended Administrative Budget (SC adoption 20.11.2024 - WP)	Transfer 2024/05 (SC authorisation 11.12.2024)	2024 Amended Administrative budget following transfer 2024/05
<b>Title</b>	<b>3</b>	<b>PROGRAMME SUPPORT EXPENDITURE</b>	<b>7,911,595</b>	<b>0</b>	<b>7,911,595</b>	<b>-388,785</b>	<b>7,522,810</b>	<b>-66,815</b>	<b>7,455,995</b>
<b>Chapter</b>	<b>31</b>	<b>Programme Management expenditure</b>	<b>2,288,810</b>	<b>0</b>	<b>2,288,810</b>	<b>-106,960</b>	<b>2,181,850</b>	<b>-66,815</b>	<b>2,115,035</b>
<b>Article</b>	<b>311</b>	<b>Communication, Information and ICT expenditure related to the Management of Delegated Programmes</b>	<b>1,214,210</b>	<b>103,230</b>	<b>1,317,440</b>	<b>50,235</b>	<b>1,367,675</b>	<b>-66,815</b>	<b>1,300,860</b>
Item	3111	Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	578,015	103,230	681,245	38,550	719,795	-66,815	652,980
Item	3112	ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	636,195	0	636,195	11,685	647,880	0	647,880
<b>Article</b>	<b>312</b>	<b>External Audits, Missions and Other expenses related to the Management of Delegated Programmes</b>	<b>1,074,600</b>	<b>-103,230</b>	<b>971,370</b>	<b>-157,195</b>	<b>814,175</b>	<b>0</b>	<b>814,175</b>
Item	3121	External Audits	0	0	0	0	0	0	0
Item	3122	Missions and Other expenses related to the Administrative Management of Programmes	1,074,600	-103,230	971,370	-157,195	814,175	0	814,175
<b>Chapter</b>	<b>32</b>	<b>Common Support Services expenditure</b>	<b>5,622,785</b>	<b>0</b>	<b>5,622,785</b>	<b>-281,825</b>	<b>5,340,960</b>	<b>0</b>	<b>5,340,960</b>
<b>Article</b>	<b>321</b>	<b>Common Support Services and Evaluation Platform – Building expenditure</b>	<b>4,643,115</b>	<b>-45,775</b>	<b>4,597,340</b>	<b>-203,595</b>	<b>4,393,745</b>	<b>0</b>	<b>4,393,745</b>
Item	3211	Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	4,643,115	-45,775	4,597,340	-203,595	4,393,745	0	4,393,745
<b>Article</b>	<b>322</b>	<b>Common Support Services and Evaluation Platform – ICT, Logistics, Information and Current Operating expenditure</b>	<b>900,605</b>	<b>0</b>	<b>900,605</b>	<b>-39,255</b>	<b>861,350</b>	<b>0</b>	<b>861,350</b>
Item	3221	ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs	900,605	0	900,605	-39,255	861,350	0	861,350
<b>Article</b>	<b>323</b>	<b>Meetings of Experts</b>	<b>79,065</b>	<b>45,775</b>	<b>124,840</b>	<b>-38,975</b>	<b>85,865</b>	<b>0</b>	<b>85,865</b>
Item	3231	Meetings of Experts and associated costs	79,065	45,775	124,840	-38,975	85,865	0	85,865

### ***Initial Budget (IB)***

The REA Steering Committee adopted the 2024 administrative budget on 19 December 2023 for a total amount of EUR 109,056,925.

Compared to the final 2023 budget, the initial budget 2024 increased by EUR 5,979,076 (+ 5.8%) distributed as follows:

Titles	Official Name of the Expenditure Budget Lines	Final Budget 2023	Initial Budget 2024	Δ in EUR	Δ in %
Title 1	STAFF EXPENDITURE	82,800,695	88,388,050	5,587,355	6.7%
Title 2	INFRASTRUCTURE AND OPERATING EXPENDITURE	11,176,884	12,757,280	1,580,396	14.1%
Title 3	PROGRAMME SUPPORT EXPENDITURE	9,100,270	7,911,595	-1,188,675	-13.1%
<b>TOTAL EXPENDITURE</b>		<b>103,077,849</b>	<b>109,056,925</b>	<b>5,979,076</b>	<b>5.8%</b>

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, calculated in Full-Time Equivalents (FTE),
- 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 (+3 FTE's) budgeted to cope with staff absences and for temporary support for the provision of validation services.

On title 2, the variation mainly concerns the chapter 21 “Building expenditure” and relates to the amount budgeted for rent, which is higher in 2024 compared to 2023 for the following reasons:

- the rent for the period January to September 2023 for the offices occupied by REA in the COV2 building was paid in September 2022 with the 2022 budget (as foreseen in the usufruct contract);
- for the last quarter 2023, OIB invoiced only the part of the rent corresponding to the yearly additional rental fee for the renovation work of the building SB34, the basic rent was not charged following the agreement between the OIB and the owner.

It should be noted that the increase of the rent is partially offset by a decrease in other building related charges for SB34, which are lower than those for COV2 in 2023.

The estimated expenses for chapter 22 “ICT expenses” are also lower compared to 2023 because REA had to budget in 2023 the costs related to the move of IT equipment from COV2 to SB34 and to the preparation of the building SB34.

On title 3, the variation concerns mostly the chapter 32 “Common Support Services expenditure” and results from:

- the decrease of the building charges related Common Evaluation Platform (CEP);
- no more works planned in 2024 for the building COVE;
- investments to renew audio-visual equipment in the meetings rooms and auditoriums of the CEP in COVE building were frontloaded on the 2023 budget.

It should be noted that the decreases are partially offset by higher costs for security services provided by DG HR/DS in the CEP.

The budget for Missions under chapter 31 “Programme Management expenditure” is also increased. due to the inflation in travel ticket prices and the use of more expensive and greener alternatives.

### ***Budget transfers within the same chapter***

In July, four internal transfers between budget items inside the same budget chapters were authorised by the Director (in accordance with the Steering Committee's decision of 19/12/2023).

- EUR 50,400 within the chapter 32 from the budget item 1211 “Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to

Recruitment and Change of Personnel” to the Budget Item 1231 “Representation expenses, Events and Internal meetings” to cover the expenses related to “Staff Assembly” meeting that was not planned in the initial budget.

- EUR 117,730 inside chapter 22 from the Budget Item 2221 “Data Processing and application development and associated expenditure” to the Budget Item 2211 “ICT Environment (Infrastructure, Systems and Services)” to cover higher costs than estimated for several Service level Agreements (SLAs) between REA and the Commission Services (i.e.: new SLA between REA and DG HR on the “Human Resources Transformation” project, updated SLA between REA and DG BUDG for “SUMMA on-boarding set-up fees”, SLA between REA and DIGIT.
- EUR 103,230 inside chapter 31 from the Budget Item 3122 “Missions and Other expenses related to the Administrative Management of Programmes” to the Budget Item 3111 “Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses” to cover the extension of the Web Editor contract.
- EUR 45,775 inside chapter 32 from the Budget Item 3211 “Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform” to the Budget Item 3231 “Meetings of Experts and associated costs” to cover insufficient budget allocated for expenses for drinks and food served to the Expert Evaluators during the evaluation process in the Common Evaluation Platform.

### ***Amended budget (AB1)***

An amended budget of EUR 111,656,720 was presented to and adopted by the Steering Committee on 20 November 2024. The total budget was increased by EUR 2,599,795 (2.4%) mainly due to an increase of the salary expenses. Indeed, the budget on title 1 “Staff expenditure” (representing 82% of its total budget) was increased by 3.51% while REA managed to reduce its budget on the title 2 “Infrastructure and operating expenditure” and on title 3 “Programme support expenditure” by respectively 0.88% and 4.91%.

The additional subsidy requested to DG RTD amounted to EUR 2,391,567, given that REA cashed EUR 82,862 miscellaneous revenue and additional EUR 125,366 assigned revenue for the provision of validation services (EUR 26,920 initially estimated).

Under title 1, the increase of EUR 3,101,175 mainly results from:

- An additional need of EUR 3,368,620 (3.97%) on budget chapter 11 “Remunerations, Allowances and Charges” to cover the increase of salaries due to an indexation rate higher than initially forecasted, the recruitment of 31 contract agents out of the 56 additional positions financed by third country contributions and the related additional REA Employer Pension contributions, and a higher number of reclassifications for contract staff. This increase was partly off-set by a decrease by EUR 75,885 (5.1%) in the budget for the Interim support agents and Trainees.
- On chapter 12 “Professional Development and Social expenditure”, the budget could be reduced by EUR 267,645 due to the reduction of REA’s contribution for 2024 to the day care through the SLA with OIB (CPE – “Centre de la Petite Enfance”), reduced estimated cost for the services provided by PMO and the Medical Services, lower expenses for staff trainings and coaching sessions.

Under title 2, the decrease by EUR 112,595 the budget reduction on chapters 21 and 23 (EUR 212,110), part of which was used to cover additional needs on chapter 22 (EUR 99,515).

The most significant movements are:

- A net decrease of EUR 114,575 (1.62%) on budget chapter 21 “Building expenditure” mainly due to the reduction of the expenses planned for the Service Level Agreement (SLA) with OIB for the building SB34. This reduction was partly offset by additional costs associated to the SLA with DG HR / DS for security guards at the SB34 building).

- An increase by EUR 99,515 (2%) on budget chapter 22 “ICT expenditure” to cover the SUMMA on-boarding and set-up fee in 2024, the higher amount charged-back for the services provided by DG DIGIT (SLA) and additional expenses related to the Human Resources Transformation Programme (SLA with DG HR).
- Decrease by EUR 97,535 (14.01%) on budget chapter 23 “Movable property and Current Operating expenditure” where the forecasts have been revised in the light of the current execution and updated needs.

Under title 3, the decrease by EUR 388,785 is mainly due to the following changes:

- Decrease by EUR 106,960 (4.67%) on budget chapter 31 “Programme Management expenditure”, the forecasts have been revised in the light of the execution and updated needs. The budget for missions was reduced in line with the EU’s greening policy.
- Decrease by EUR 281,825 (5%) on budget chapter 32 “Common Support Services expenditure” resulting from a reduction of the forecasted expenses for the services provided by different Commission services for the Common Evaluation Platform (SLA with OIB for building related services, SLA with DG HR for the security, SLA with DG SCIC for audio-visual facilities, SLA with DG DIGIT for IT facilities).

### ***Budget transfer***

In December REA identified necessary adjustments for optimising budget execution by year-end. As a result, the Steering Committee was asked on 11 December to authorise, by written procedure, some budget transfers across budget chapters.

A reinforcement of the following budget lines was requested:

Budget line	Official Name of the Expenditure Budget Lines	Amount before transfer	Amount after transfer	Transfer in EUR	Justification of the increase
1121	Contract Agents - Remuneration, Allowances and Charges	52,576,740	52,596,270	19,530	higher expenses related to REA's pension contributions for the EO/R0 Contract Staff.
1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	2,420,055	2,459,340	39,285	additional expenses related to REA's contribution for 2024 to the school busses
2211	ICT Environment (Infrastructure, Systems and Services)	4,374,770	4,382,770	8,000	higher annual fee related to the SLA with DG BUDG
<b>TOTAL INCREASE</b>				<b>66,815</b>	

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

Budget line	Official Name of the Expenditure Budget Lines	Amount in the budget before transfer	Amount in the budget after transfer	Transfer in EUR	Justification of the decrease
3111	Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	719,795	652,980	-66,815	cancellation of some of the external communication events.
<b>TOTAL DECREASE</b>				<b>-66,815</b>	

### ***3.4.2. Implementation of 2024 commitment and payment appropriations (C1 + C4)***

The overall implementation rate reaches 99.7% in commitment appropriations (98.4% in 2023) and 95.27% in payment appropriations (92% in 2023). Out of the total available commitment appropriations EUR 375,954 (0.3%) remain unused.

The appropriations carried forward to 2025 to cover the payment of services/goods delivered in 2024 or to be delivered early 2025 represents 4.4% (EUR 4,900,215) of the total non-differentiated appropriations.

79% of the total amount carried forward concern the 4 following budget lines:



Budget line	Official Name of the Expenditure Budget Lines	Committed amount	Paid Amount	Carried forward amount to 2025	
2221	Data Processing and application development and associated expenditure	691,693	277,259	414,434	59.9%
3111	Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	601,297	135,026	466,271	77.5%
3112	ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	647,877	345,985	301,892	46.6%
3211	Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	4,393,742	1,687,636	2,706,106	61.6%

The total budget amounts to EUR 111,656,720 out of which EUR 111,280,766 are committed and EUR 106,380,551 are paid. Appropriations are distributed as follows:

- 81.99% on title 1 "Staff expenditure" (+1.66 % compared to 2023);
- 11.33% on title 2 "Infrastructure and operating expenditure" (+0.49 % compared to 2023);
- 6.68% on title 3 "Programme support expenditure" (-2.15% compared to 2023).

The increase on title 1 is mainly due to higher staff remuneration, allowances and charges explained by a higher estimated number of Full-Time Equivalents (FTE), 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 title 2 is stable.

The decrease on title 3 is mainly due to reduced expenditure related to the Common Evaluation Platform (CEP) explained by:

- the decrease of the building charges related,
- no more works planned in 2024 for the building,
- investments to renew audio-visual equipment in the meetings rooms and auditoriums were launched in 2023.

As regards title 1, 94.87% of the amount committed covers the remuneration, allowances and charges of the staff (interim supportive agents and trainees excluded). 3.63% 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 55.08% and 40.39% of the amount committed under this title. The remaining amount concerns movable property and current operating expenditure.

As regards title 3, 72.78% 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 27.22 % of the amount committed under this title and relates to communication activities, ICT environment, and missions carried out as part of the management of projects subsidised by the Agency.

The detailed 2024 budget implementation is provided in the table hereafter (Euros – rounded).

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines		Appropriations 2024	Commitment Appropriations (CA)				Payment Appropriations (PA)			
				Implemented Commitment appropriations		Unused Commitment appropriations		Implemented Payment appropriations		Outstanding RAL to carry forward to 2025	
				value	%	value	%	value	%	value	%
TOTAL EXPENDITURE			A	B	C = B/A	D = A-B	E = D/A	F	G = F/A	H = B-F	I = H/A
			111,656,720	111,280,766	99.7%	375,954	0.3%	106,380,551	95.27%	4,900,215	4.4%
Title	1	STAFF EXPENDITURE	91,548,040	91,412,638	99.9%	135,402	0.1%	91,101,415	99.5%	311,223	0.3%
Chapter	11	Remunerations, Allowances and Charges	88,138,945	88,093,133	99.9%	45,812	0.1%	87,877,878	99.7%	215,255	0.2%
Article	111	Staff occupying an employment in the establishment plan	34,139,155	34,125,133	100.0%	14,022	0.0%	34,125,133	100.0%	0	0.0%
Item	1111	Temporary Agents - Remuneration, Allowances and Charges	34,139,155	34,125,133	100.0%	14,022	0.0%	34,125,133	100.0%	0	0.0%
Article	112	Contract Agents	52,596,270	52,596,270	100.0%	0	0.0%	52,596,270	100.0%	0	0.0%
Item	1121	Contract Agents - Remuneration, Allowances and Charges	52,596,270	52,596,270	100.0%	0	0.0%	52,596,270	100.0%	0	0.0%
Article	113	Other Staff Remunerations, Allowances and Charges	1,403,520	1,371,730	97.7%	31,790	2.3%	1,156,475	82.4%	215,255	15.3%
Item	1131	Seconded National Experts - Allowances and Charges	p.m.	p.m.	-	p.m.	-	p.m.	-	p.m.	-
Item	1132	Interim supportive agents and Trainees	1,403,520	1,371,729.76	97.7%	31,790	2.3%	1,156,475	82.4%	215,255	15.3%
Chapter	12	Professional Development and Social expenditure	3,409,095	3,319,506	97.4%	89,589	2.6%	3,223,537	94.6%	95,968	2.8%
Article	121	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	2,459,340	2,436,187	99.1%	23,153	0.9%	2,434,087	99.0%	2,100	0.1%
Item	1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	2,459,340	2,436,187	99.1%	23,153	0.9%	2,434,087	99.0%	2,100	0.1%
Article	122	Professional and Personal Development and Social expenses for Staff	855,135	793,873	92.8%	61,263	7.2%	700,004	81.9%	93,868	11.0%
Item	1221	Training Courses for the Professional and Personal Development of Staff	493,155	452,608	91.8%	40,547	8.2%	381,210	77.3%	71,398	14.5%
Item	1222	Missions related to the Professional and Personal Development of Staff	0	0	-	0	-	0	-	0	-
Item	1223	Medical Service	101,620	101,616	100.0%	4	0.0%	101,616	100.0%	0	0.0%
Item	1224	Mobility and Other Social expenses	260,360	239,649	92.0%	20,711	8.0%	217,178	83.4%	22,470	8.6%
Article	123	Representation expenses, Events and Internal meetings	94,620	89,446	94.5%	5,174	5.5%	89,446	94.5%	0	0.0%
Item	1231	Representation expenses, Events and Internal meetings	94,620	89,446	94.5%	5,174	5.5%	89,446	94.5%	0	0.0%
Title	2	INFRASTRUCTURE AND OPERATING EXPENDITURE	12,652,685	12,531,630	99.0%	121,055	1.0%	11,785,519	93.1%	746,111	5.9%
Chapter	21	Building expenditure	6,979,695	6,902,843	98.9%	76,852	1.1%	6,761,868	96.9%	140,975	2.0%
Article	211	Rent / Usufruct instalments and Building Charges	6,979,695	6,902,843	98.9%	76,852	1.1%	6,761,868	96.9%	140,975	2.0%
Item	2111	Rent / Usufruct instalments, Building Charges and associated expenses	6,979,695	6,902,843	98.9%	76,852	1.1%	6,761,868	96.9%	140,975	2.0%
Chapter	22	ICT expenditure	5,074,465	5,061,666	99.7%	12,799	0.3%	4,531,799	89.3%	529,867	10.4%
Article	221	ICT Environment	4,382,770	4,369,973	99.7%	12,797	0.3%	4,254,541	97.1%	115,432	2.6%
Item	2211	ICT Environment (Infrastructure, Systems and Services)	4,382,770	4,369,973	99.7%	12,797	0.3%	4,254,541	97.1%	115,432	2.6%
Article	222	Data Processing and application development	691,695	691,693	100.0%	2	0.0%	277,259	40.1%	414,434	59.9%
Item	2221	Data Processing and application development and associated expenditure	691,695	691,693	100.0%	2	0.0%	277,259	40.1%	414,434	59.9%
Chapter	23	Movable property and Current Operating expenditure	598,525	567,122	94.8%	31,403	5.2%	491,851	82.2%	75,270	12.6%
Article	231	Furniture, Materials and Technical Installations	174,325	174,321	100.0%	4	0.0%	128,452	73.7%	45,869	26.3%
Item	2311	Furniture, Materials and Technical Installations and associated expenditure	174,325	174,321	100.0%	4	0.0%	128,452	73.7%	45,869	26.3%
Article	232	Current Operating expenditure	424,200	392,801	92.6%	31,399	7.4%	363,400	85.7%	29,401	6.9%
Item	2321	Office Supplies and Other Current Operating expenditure	424,200	392,801	92.6%	31,399	7.4%	363,400	85.7%	29,401	6.9%

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines		Appropriations 2024	Commitment Appropriations (CA)				Payment Appropriations (PA)			
				Implemented Commitment appropriations		Unused Commitment appropriations		Implemented Payment appropriations		Outstanding RAL to carry forward to 2025	
				value	%	value	%	value	%	value	%
			A	B	C = B/A	D = A-B	E = D/A	F	G = F/A	H = B-F	I = H/A
Title	3	PROGRAMME SUPPORT EXPENDITURE	7,455,995	7,336,498	98.4%	119,497	1.6%	3,493,617	46.9%	3,842,880	51.5%
Chapter	31	Programme Management expenditure	2,115,035	1,996,636	94.4%	118,399	5.6%	993,038	47.0%	1,003,598	47.5%
Article	311	Communication, Information and ICT expenditure related to the Management of Delegated Programmes	1,300,860	1,249,174	96.0%	51,686	4.0%	481,011	37.0%	768,163	59.1%
Item	3111	Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	652,980	601,297	92.1%	51,683	7.9%	135,026	20.7%	466,271	71.4%
Item	3112	ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	647,880	647,877	100.0%	3	0.0%	345,985	53.4%	301,892	46.6%
Article	312	External Audits, Missions and Other expenses related to the Management of Delegated Programmes	814,175	747,462	91.8%	66,713	8.2%	512,028	62.9%	235,435	28.9%
Item	3121	External Audits	0	0	-	0	-	0	-	0	-
Item	3122	Missions and Other expenses related to the Administrative Management of Programmes	814,175	747,462	91.8%	66,713	8.2%	512,028	62.9%	235,435	28.9%
Chapter	32	Common Support Services expenditure	5,340,960	5,339,861	100.0%	1,099	0.0%	2,500,579	46.8%	2,839,282	53.2%
Article	321	Common Support Services and Evaluation Platform – Building expenditure	4,393,745	4,393,742	100.0%	3	0.0%	1,687,636	38.4%	2,706,106	61.6%
Item	3211	Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	4,393,745	4,393,742	100.0%	3	0.0%	1,687,636	38.4%	2,706,106	61.6%
Article	322	Common Support Services and Evaluation Platform – ICT, Logistics, Information and Current Operating expenditure	861,350	861,346	100.0%	4	0.0%	767,207	89.1%	94,138	10.9%
Item	3221	ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs	861,350	861,346	100.0%	4	0.0%	767,207	89.1%	94,138	10.9%
Article	323	Meetings of Experts	85,865	84,773	98.7%	1,092	1.3%	45,735	53.3%	39,038	45.5%
Item	3231	Meetings of Experts and associated costs	85,865	84,773	98.7%	1,092	1.3%	45,735	53.3%	39,038	45.5%

### **3.4.3. Implementation of 2024 commitment and payment appropriations carried over from 2023 (C8)**

The 2023 appropriations that were carried forward to 2024 (C8 appropriations in 2024) amounted to EUR 6,651,605. Out of this amount, EUR 5,523,845, equivalent to 83% (70 % in 2023), have been paid and EUR 1,127,760 have not been used and consequently cancelled.

The main reasons justifying the cancellation are explained hereafter.

On title 1 "Staff expenditure", the unused appropriations carried over represent EUR 69,280 (15.5%) of the appropriations carried over on this title. It stems mainly from an under implementation on the following budget items:

- Line 1132 "Interim supportive agents and Trainees": less days actually worked (and invoiced) by the interim supportive agents than the number originally ordered.
- Line 1211 "Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel": the amount invoiced by PMO was below the forecast because some services to the staff were less demanded than expected.
- Line 1224 "Mobility and Other Social expenses": fewer telework devices were delivered to the staff than initially estimated.

The unused part of the appropriations carried over amounts to EUR 538,732 (19.8%) on title 2 "Infrastructure and operating expenditure" and to EUR 519,749 (14.9%) on title 3 "Programme support expenditure" and are mainly due to the following reasons:

- On both titles actual building charges were lower than estimated. The cancellation of appropriations carried over on budget lines 2111 "Rent / Usufruct instalments, Building Charges and associated expenses" and 3211 "Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform" amounts respectively to EUR 455,421 and EUR 200,543. The cancellation of appropriations results from a combination of various elements, such as:
  - the costs charged by OIB for refurbishing the building COV2 after the move-out of REA and the preparation of the building SB34 were lower than estimated,
  - the costs charged by OIB for the maintenance services related to the buildings COVE and COV 2 were lower than estimated, following a recalculation of the actual space occupied by REA in 2024,
  - The estimated costs for the security services in the building SB 34 communicated by DG HR were over-estimated.
- On budget line 2321 "Office Supplies and Other Current Operating expenditure", EUR 67,967 have not been used. A supplier delayed the counter-signature of a furniture purchase contract from the end of December to the beginning of January and the associated carried-over appropriations were cancelled. Moreover, the cost for the move of the archives was lower than the amount estimated.
- On chapter 31 "Programme Management expenditure" the cancellation of carried over appropriations equals to EUR 277,819 and results mainly from the following:
  - on budget line 3111 "Communication, Information and ICT expenditure related to the Management of Delegated Programmes", the cancellation is mainly due to a lower than expected invoiced amount for some events for different reasons:
    - contracts for communication events always include a contingency to allow for the reimbursement of unforeseen needed expenses on the day of the event. Since this contingency was not used for the Infodays related to the promotion of agricultural products, the related amount was cancelled,
    - the amount carried over to cover the reimbursement of the speakers' expenses for their participation to external communication events was not used.

- the amount invoiced for the catering of certain events is lower than the estimated amount based on actual consumption.
- On budget line 3122 “Missions and Other expenses related to the Administrative Management of Programmes”, 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 procedure was lower than estimated.
- On budget line 3221 “ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs”, some works in the meeting rooms of the evaluation platform costed less than estimated.

The detailed budget implementation is provided in the table hereafter.

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines		Appropriations 2024 (C8) carried over from 2023	Implemented Payment appropriations		Cancellation unused appropriations	
				value	%	value	%
TOTAL EXPENDITURE			A	B	C = B/A	D = A-B	E = D/A
			6,651,605	5,523,845	83.0%	1,127,760	17.0%
Title	1	STAFF EXPENDITURE	445,837	376,557	84.5%	69,280	15.5%
Chapter	11	Remunerations, Allowances and Charges	228,706	208,095	91.0%	20,610	9.0%
Article	111	Staff occupying an employment in the establishment plan	0	0	-	0	-
Item	1111	Temporary Agents - Remuneration, Allowances and Charges	0	0	-	0	-
Article	112	Contract Agents	0	0	-	0	-
Item	1121	Contract Agents - Remuneration, Allowances and Charges	0	0	-	0	-
Article	113	Other Staff Remunerations, Allowances and Charges	228,706	208,095	91.0%	20,610	9.0%
Item	1131	Seconded National Experts - Allowances and Charges	0	0	-	0	-
Item	1132	Interim supportive agents and Trainees	228,706	208,095	91.0%	20,610	9.0%
Chapter	12	Professional Development and Social expenditure	217,131	168,462	77.6%	48,669	22.4%
Article	121	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	60,399	41,475	68.7%	18,925	31.3%
Item	1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	60,399	41,475	68.7%	18,925	31.3%
Article	122	Professional and Personal Development and Social expenses for Staff	138,632	113,235	81.7%	25,397	18.3%
Item	1221	Training Courses for the Professional and Personal Development of Staff	57,071	51,464	90.2%	5,607	9.8%
Item	1222	Missions related to the Professional and Personal Development of Staff	0	0	-	0	-
Item	1223	Medical Service	43,459	37,119	85.4%	6,339	14.6%
Item	1224	Mobility and Other Social expenses	38,103	24,652	64.7%	13,451	35.3%
Article	123	Representation expenses, Events and Internal meetings	18,100	13,752	76.0%	4,347	24.0%
Item	1231	Representation expenses, Events and Internal meetings	18,100	13,752	76.0%	4,347	24.0%
Title	2	INFRASTRUCTURE AND OPERATING EXPENDITURE	2,718,160	2,179,428	80.2%	538,732	19.8%
Chapter	21	Building expenditure	1,617,711	1,162,290	71.8%	455,421	28.2%
Article	211	Rent / Usufruct instalments and Building Charges	1,617,711	1,162,290	71.8%	455,421	28.2%
Item	2111	Rent / Usufruct instalments, Building Charges and associated expenses	1,617,711	1,162,290	71.8%	455,421	28.2%
Chapter	22	ICT expenditure	679,441	677,771	99.8%	1,670	0.2%
Article	221	ICT Environment	322,048	322,048	100.0%	0	0.0%
Item	2211	ICT Environment (Infrastructure, Systems and Services)	322,048	322,048	100.0%	0	0.0%
Article	222	Data Processing and application development	357,393	355,723	99.5%	1,670	0.5%
Item	2221	Data Processing and application development and associated expenditure	357,393	355,723	99.5%	1,670	0.5%
Chapter	23	Movable property and Current Operating expenditure	421,008	339,367	80.6%	81,641	19.4%
Article	231	Furniture, Materials and Technical Installations	292,592	278,918	95.3%	13,674	4.7%
Item	2311	Furniture, Materials and Technical Installations and associated expenditure	292,592	278,918	95.3%	13,674	4.7%
Article	232	Current Operating expenditure	128,416	60,449	47.1%	67,967	52.9%
Item	2321	Office Supplies and Other Current Operating expenditure	128,416	60,449	47.1%	67,967	52.9%
Title	3	PROGRAMME SUPPORT EXPENDITURE	3,487,608	2,967,860	85.1%	519,749	14.9%
Chapter	31	Programme Management expenditure	1,068,713	790,894	74.0%	277,819	26.0%
Article	311	Communication, Information and ICT expenditure related to the Management of Delegated Programmes	735,366	657,763	89.4%	77,603	10.6%
Item	3111	Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	391,171	315,568	80.7%	75,603	19.3%
Item	3112	ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	344,195	342,195	99.4%	2,000	0.6%
Article	312	External Audits, Missions and Other expenses related to the Management of Delegated Programmes	333,347	133,131	39.9%	200,216	60.1%
Item	3121	External Audits	0	0	-	0	-
Item	3122	Missions and Other expenses related to the Administrative Management of Programmes	333,347	133,131	39.9%	200,216	60.1%
Chapter	32	Common Support Services expenditure	2,418,895	2,176,966	90.0%	241,930	10.0%
Article	321	Common Support Services and Evaluation Platform – Building expenditure	1,194,068	993,525	83.2%	200,543	16.8%
Item	3211	Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	1,194,068	993,525	83.2%	200,543	16.8%
Article	322	Common Support Services and Evaluation Platform – ICT, Logistics, Information and Current Operating expenditure	1,202,705	1,168,132	97.1%	34,573	2.9%
Item	3221	ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs	1,202,705	1,168,132	97.1%	34,573	2.9%
Article	323	Meetings of Experts	22,122	15,308	69.2%	6,814	30.8%
Item	3231	Meetings of Experts and associated costs	22,122	15,308	69.2%	6,814	30.8%

### 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 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 sources of internal assigned revenue 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 funding authority 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.

Term	Definition
Carryover of appropriations	Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.
Commitment appropriations	Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year.
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.: C1, C8,...)
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



Term	Definition
Recovery	The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement for the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.
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 funding authority as provided in the Financial Regulation.
Transfer between budgt lines	Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. 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.