



Final Annual Accounts 2015

30 June 2016

The Final Annual Accounts 2015 are drafted in accordance with Title IX of the SESAR Joint Undertaking Financial Rules¹, which are established in accordance with Council Regulation (EC) No 219/2007, as modified by Council Regulation (EC) 1361/2008 (SJU Regulation) and last amended by the Council Regulation (EC) 721/2014.

This report is sent to the Accounting Officer of the European Commission, the European Court of Auditors, the European Parliament and the Council in accordance with Article 98 of the Financial Rules.

STRUCTURE OF THE REPORT

This report consists of two parts:

Part I: Annual General Accounts

In accordance with Article 91 of the Financial Rules of the SESAR Joint Undertaking (hereinafter the “SJU”), the accounts consist of the financial statements of the SJU (general accounts) and of the reports on the implementation of the budget of the SJU (budget accounts), each following different accounting principles.

The general accounts are accrual accounts, meaning that the effects of transactions and other events are recognised when those transactions or events take place. They are drawn up in accordance with the accounting rules adopted by the European Commission’s Accounting Officer. These rules were initially adopted on 28 December 2004 and modified from time to time until the issuance of these Final Annual Accounts, and are accrual based accounting policies derived from the International Public Sector Accounting Standards (IPSAS) or by default, International Financial Reporting Standards (IFRS).

Part II: Annual Budgetary Accounts

The budget accounts (Part II) are modified cash accounts. As in any cash accounting system, payments made and revenue received are recorded in the period in which the cash transaction occurs. These accounts are termed ‘modified’ because payment appropriations carried over are also recorded. Their purpose is for drawing up the budget result and reports on budget implementation.

¹ In its latest version the SESAR Joint Undertaking Financial Rules were adopted by the Administrative Board on 25 June 2015 (reference SJU-AB-033-15-DOC-01).

Table of Contents

PREAMBLE.....	3
1 ANNUAL GENERAL ACCOUNTS	4
1.1 CERTIFICATION BY THE ACCOUNTING OFFICER.....	4
1.2 FINANCIAL STATEMENTS	5
1.2.1 <i>Balance sheet</i>	5
1.2.2 <i>Statement of financial performance</i>	7
1.2.3 <i>Cash-flow table</i>	8
1.2.4 <i>Statement of changes in net assets/liabilities</i>	8
1.2.5 <i>Notes to the financial statements</i>	10
1.3 SIGNIFICANT ACCOUNTING POLICIES.....	26
1.3.1 <i>Legal provisions</i>	26
1.3.2 <i>Accounting principles</i>	26
1.3.3 <i>Currency and basis for conversion</i>	27
1.3.4 <i>Significant changes in 2015</i>	27
1.3.5 <i>Accounting policies related to the statement of financial performance</i>	27
1.3.6 <i>Accounting policies related to the balance sheet</i>	28
1.3.7 <i>Accounting policies related to the cash-flow table</i>	31
1.3.8 <i>Use of estimates</i>	31
1.3.9 <i>Voting rights</i>	32
1.3.10 <i>Events subsequent to the end of the period</i>	33
2 REPORTS ON IMPLEMENTATION OF THE BUDGET OF THE JOINT UNDERTAKING.....	34
2.1 GENERAL REMARKS.....	34
2.1.1 <i>Establishing the budget and budget structure</i>	34
2.1.2 <i>Budget principles</i>	34
2.1.3 <i>Staff establishment plan</i>	35
2.2 BUDGETARY IMPLEMENTATION REPORTS	36
2.2.1 <i>Section 1 – SESAR1 Programme 2007-2016 (FP7/TEN-T)</i>	36
2.2.1.1 <i>Budget Result</i>	36
2.2.1.2 <i>Revenue</i>	37
2.2.1.3 <i>Expenditure</i>	37
2.2.1.4 <i>Revenue In-Kind (Annex I of the Budget)</i>	38
2.2.1.5 <i>Expenses In-Kind (Annex I of the Budget)</i>	38
2.2.1.6 <i>Evolution of the budget and implementation rates</i>	39
2.2.1.7 <i>Multi-annual budget implementation</i>	41
2.2.1.8 <i>Notes to the budgetary implementation reports</i>	43
2.2.2 <i>Section 2 – SESAR2020 Programme 2014-2024 (Horizon 2020)</i>	49
2.2.2.1 <i>Budget Result, Revenue and Expenditure</i>	49
2.2.2.2 <i>Multi-annual budget implementation</i>	50
2.3 RECONCILIATION BETWEEN BUDGETARY AND FINANCIAL ACCOUNTS.....	51

Preamble

The SJU was established on 27 February 2007 by Council Regulation (EC) No 219/2007, as modified by Council Regulation (EC) 1361/2008 and last amended by the Council Regulation (EC) 721/2014 (hereinafter the “SJU Regulation”).

The mission of the SJU, created under Article 187 of the “Treaty on the Functioning of the European Union” and co-founded by the European Union and Eurocontrol (the founding Members) is to ensure the modernisation of the European air traffic management system by coordinating and concentrating all relevant research and development efforts undertaken by its Members and the related financing.

In particular, the SJU is responsible for the implementation of the European ATM Master Plan and for carrying out specific activities aiming at developing the new generation of air traffic management system capable of ensuring the safety and fluidity of air transport worldwide over the next thirty years. A substantial part of the benefit of the SESAR Programme lays in the involvement of most of the European ATM stakeholders for the development of the operational and technical solutions which best meet the objectives set out in the European ATM Master Plan.

The SJU became operational, in the sense of Article 6 of the SJU Regulation, as a result of the European Council decision of 8 June 2007, in anticipation on the EU Council decision on the endorsement of the European ATM Master Plan of March 2009. Furthermore, on 7 November 2008, Eurocontrol transferred to the SJU the right to use the SESAR Master Plan, together with the exclusive right to ensure its revision throughout the lifetime of the SJU.

The Council Regulation (EC) 721/2014 of June 16th 2014 extended the SJU up to 31 December 2024 to continue research and innovation on air traffic management and in particular the coordinated approach in the context of the Single European Sky to achieve the performance targets there defined. This decision was taken in recognition of the need to foster Research and Innovation on Air Traffic Management beyond the organisation’s original mandate until 2016, as well as in appreciation of the SESAR partnership’s ability to respond to evolving business needs and fast track technological and operational improvements in Europe’s ATM system.

Following this extension, the SJU is required to hold separate accounts for the first Programme (2007-2016 under the EU’s FP7/TEN-T funding, referred to as ‘**SESAR1**’) and the second Programme (2014-2024 under the EU’s HORIZON 2020 funding, referred to as ‘**SESAR2020**’). The present Annual Accounts therefore present separate information related to both Programmes wherever necessary for a fair presentation and a better understanding for the reader. However, in the absence of any activities launched by the end of 2015 and no cash paid or received before 2016, SESAR2020 related financial information is almost exclusively presented as budgetary commitments in PART II of this document.

1 Annual General Accounts

1.1 Certification by the Accounting Officer

The Final Annual Accounts of the SJU for the year 2015 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union, Title IX of the SJU Financial Rules and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

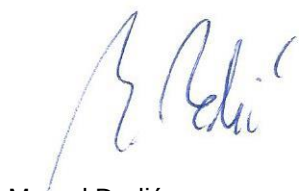
ABAC and SAP are the SJU integrated systems as developed and implemented by the European Commission, under the responsibility of the competent Authorising Officer and Accounting Officer, which provides them to the SJU on the basis of a Service Level Agreement.

I acknowledge my responsibility for the preparation and presentation of the Final Annual Accounts of the SJU in accordance with Article 49 of the SJU Financial Rules.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the SJU's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the SJU.

Brussels, 30 June 2016



Marcel Dedić
Accounting Officer

1.2 Financial Statements

1.2.1 Balance sheet

<i>all figures in EUR</i>	Note	31/12/2015	31/12/2014
<u>I. NON-CURRENT ASSETS</u>		<u>338.414</u>	<u>78.097.710</u>
Intangible fixed assets	1	130.855	288.122
Tangible fixed assets		207.559	264.204
<i>Furniture and Vehicles</i>	2	72.880	85.294
<i>Computer Hardware</i>	3	15.195	15.976
<i>Other tangible assets</i>	4	119.484	162.934
Long-term Pre-Financing	5	0	77.545.384
<u>II. CURRENT ASSETS</u>		<u>72.435.737</u>	<u>26.801.762</u>
Short-term Pre-Financing	5	61.883.817	4.762.560
Short-term receivables		422.848	882.200
<i>Current receivables</i>	6	5.017	9.761
<i>Sundry receivables</i>	7	64.316	9.437
<i>Accrued income</i>	8	0	4.245
<i>Deferred charges</i>	9	353.514	858.758
Cash & cash equivalents	10	10.129.073	21.157.002
<u>TOTAL ASSETS</u>		<u>72.774.151</u>	<u>104.899.472</u>
<u>III. CURRENT LIABILITIES</u>		<u>326.085.415</u>	<u>328.444.542</u>
Accounts payable		22.292.029	10.074.402
<i>Current payables</i>	11	10.705.171	776.785
<i>Accrued charges</i>	12	11.582.831	9.278.150
<i>Other accounts payable</i>	13	4.028	19.467
Co-Financing to be paid to the Members	14	63.754.331	81.126.978
Contribution from Members to be validated	14	240.039.056	237.243.162
<u>TOTAL LIABILITIES</u>		<u>326.085.415</u>	<u>328.444.542</u>
<u>NET ASSETS (Total Assets less Total Liabilities)</u>		<u>(253.311.264)</u>	<u>(223.545.070)</u>

<u>IV. NET ASSETS</u>		<u>(253.311.264)</u>	<u>(223.545.070)</u>
Contribution from Members		1.264.773.590	1.009.783.843
European Union	15	522.136.174	439.553.899
Eurocontrol	15	348.386.454	269.374.415
Other Members	15	394.250.962	300.855.529
Accumulated contribution from Members used previous years	16	(1.233.328.913)	(969.151.147)
Contribution from Members used during the year (SFP)	16	(284.755.942)	(264.177.766)
<u>TOTAL NET ASSETS</u>		<u>(253.311.264)</u>	<u>(223.545.070)</u>

Contingent liabilities and assets 17&18

1.2.2 Statement of financial performance

<i>all figures in EUR</i>	Note	2015	2014
<u>OPERATING REVENUE</u>			
Contributions from Members	15	0	0
Other Revenues	18	0	0
Total operating revenue		0	0
<u>OPERATING EXPENSES</u>			
Administrative expenses		(7.683.406)	(7.298.036)
Staff expenses	19	(4.105.312)	(3.990.546)
Fixed assets related expenses	1-4	(276.538)	(448.460)
Other administrative expenses	20	(3.301.556)	(2.859.030)
Operational expenses		(277.093.057)	(256.901.810)
Other operational expenses	21	(277.093.057)	(256.901.810)
Total operating expenses		(284.776.463)	(264.199.846)
<u>DEFICIT FROM OPERATING ACTIVITIES</u>		(284.776.463)	(264.199.846)
<u>NON-OPERATING ACTIVITIES</u>			
	22		
Financial operations revenues		25.463	33.653
Financial operations expenses		(6.536)	(11.660)
Other non operational income		1.594	88
Total non-operating activities		20.522	22.080
CONTRIBUTIONS FROM MEMBERS USED DURING THE YEAR		(284.755.942)	(264.177.766)

1.2.3 Cash-flow table

<i>all figures in EUR</i>	Note	2015	2014
Contribution from Members used during the year (SFP)		(284.755.942)	(264.177.766)
<u>Operating activities</u>			
Increase/(decrease) in Contribution in-kind from Members		153.301.600	151.212.882
Increase/(decrease) in Amortisation of Intangible assets		166.420	338.326
Increase/(decrease) in Depreciation of Tangible assets		113.622	110.134
(Increase)/decrease in long-term Pre-financing		77.545.384	(14.808.452)
(Increase)/decrease in short-term Pre-financing		(57.121.257)	20.770.738
(Increase)/decrease in short-term receivables		459.353	(63.986)
Increase/(decrease) in accounts payable		(2.359.127)	9.347.870
		172.105.995	166.907.513
<u>Investing activities (except depreciat./amort. of the year)</u>			
(Increase)/decrease of intangible and tangible assets		(66.130)	(68.668)
<u>Cash Contributions from Members</u>			
Increase/(decrease) in Cash Contribution from Members		101.688.148	113.279.661
NET CASHFLOW		(11.027.929)	15.940.740
Net increase/(decrease) in cash and cash equivalents		(11.027.929)	15.940.740
Cash and cash equivalents at the beginning of the year		21.157.002	5.216.262
Cash and cash equivalents at year-end		10.129.073	21.157.002

1.2.4 Statement of changes in net assets/liabilities

<i>all figures in EUR</i>	2015	2014
Balance at beginning of accounting period	(223.545.070)	(223.859.847)
Contribution from Members	254.989.747	264.492.543
Contribution from Members used during the year (SFP)	(284.755.942)	(264.177.766)
Balance as of 31 December	(253.311.264)	(223.545.070)

The above table shows negative Net Assets at the end of 2015. This is due to the fact that

- the Programme activities are increasing substantially year after year;
- the contributions from Members related to a certain year are recognized by the SJU only during the following year after the acceptance of the Interim Financial Statements (hereinafter also IFS) of the year n-1, as further explained in section 1.3.6 ('Net assets') below.

With regard to the overall financial situation of the SJU, it should be noted that, by the end of 2015:

- the SJU has signed specific agreements related to the contribution of the European Union to the SJU for a total amount of EUR 700.000.000. In order to comply with the principle of budget equilibrium and to ensure strict financial management of its resources at year end 2015, out of EUR 700.000.000 the SJU has requested and received cumulatively the amount of EUR 522.136.174, while the remaining amount will be requested at the moment of the recognition of the Members In Kind contributions and the payment of the relative co-financing;
- out of EUR 165.000.000 cash contribution of Eurocontrol, the SJU has requested and received a cumulative amount of EUR 111.865.391. Following the same approach as applied for the EU resources, the SJU will call the difference when needed in order to face its financial obligations.

Notes 14-18 (section 1.2.5 below) provide additional information in this respect.

It can be consequently concluded that while the SJU shows negative Net Assets at the end of 2015, **this is in no manner due to a going concern issue**, but mostly to the nature of the SJU operations and the rules governing the recognition of Members' contributions.

1.2.5 Notes to the financial statements

Note 1: Intangible assets: Computer Software

With regard to software and developments made under the contract with Eurocontrol which provides these services within the context of the agreement signed with the SJU on 12 June 2009, the costs related to acquisition of licenses and developments realized by Eurocontrol or its subcontractors for the SJU during 2015 amount to EUR 6.681 and are treated as intangible fixed assets on the assumption that the SJU retains the economical possession of the assets during the period of its existence. "Other changes" refer in this respect to the final value-adjustment of assets received by Eurocontrol during 2014 but invoiced only in 2015 as part of the Interim Financial Statements.

<i>all figures in EUR</i>	2015	2014
<u>Computer Software</u>		
Gross carrying amount at beginning of period	2.165.017	2.182.350
Additions	6.681	15.000
Other changes	(1.130)	(32.333)
Gross carrying amount at 31.12.	2.170.568	2.165.017
Accumulated amortisation at beginning of period	(1.876.895)	(1.611.018)
Amortisation of the period	(166.420)	(270.593)
Other changes	3.602	4.716
Accumulated amortisation at 31.12.	(2.039.713)	(1.876.895)
Net carrying amount at 31.12.	130.855	288.122

Note 2: Tangible fixed assets: Furniture and Vehicles

<i>all figures in EUR</i>	2015	2014
<u>Furniture</u>		
Gross carrying amount at beginning of period	164.051	160.414
Additions	6.376	3.637
Other changes	0	0
Gross carrying amount at 31.12.	170.427	164.051
Accumulated amortisation at beginning of period	(78.757)	(60.724)
Amortisation of the period	(18.790)	(18.033)
Other changes	0	0
Accumulated amortisation at 31.12.	(97.547)	(78.757)
Net carrying amount at 31.12.	72.880	85.294

Note 3: Tangible fixed assets: Computer Hardware

<i>all figures in EUR</i>	2015	2014
<u>Computer Hardware & Technical Equipment</u>		
Gross carrying amount at beginning of period	63.381	62.548
Additions	9.515	833
Other changes	(578)	
Gross carrying amount at 31.12.	72.318	63.381
Accumulated amortisation at beginning of period	(47.405)	(37.013)
Amortisation of the period	(10.198)	(10.392)
Other changes	480	
Accumulated amortisation at 31.12.	(57.123)	(47.405)
Net carrying amount at 31.12.	15.195	15.976

Note 4: Other tangible assets

<i>all figures in EUR</i>	2015	2014
<u>Other tangible assets</u>		
Gross carrying amount at beginning of period	550.509	542.180
Additions	41.185	8.329
Other changes	0	0
Gross carrying amount at 31.12.	591.693	550.509
Accumulated amortisation at beginning of period	(387.575)	(306.619)
Amortisation of the period	(84.635)	(80.956)
Other changes	0	0
Accumulated amortisation at 31.12.	(472.209)	(387.575)
Net carrying amount at 31.12.	119.484	162.934

Other tangible assets contain material and works in connection with the partitioning and set up of the SJU offices and some accessories.

Note 5: Pre-Financing

The amounts below represent the pre-financing paid by the SJU to its Members as at 31 December 2015. For a true and fair view, the Clearing of Pre-Financing has to be taken into account, i.e. the amount of pre-financing expected to be cleared against the Co-Financing claims for eligible costs already incurred during 2015 which will be submitted by the Members in 2016 (via the IFS2015 exercise). The remaining amount is then split into Long- and Short-term open amounts according to the expected end dates of all projects for which Pre-Financing was paid to the Members. Since all SESAR1 projects are obliged to finish their activities by 31/12/2016 at the latest, the SJU chose to present all open Pre-Financing on 31/12/2015 **as short-term Pre-Financing**, even if the actual clearing is likely to be performed in early 2017 with the submission of the Final Financial Statements for the closure of the SESAR1-Programme.

The pre-financing data is maintained in SAP, the SJU accounting system, as well as in a detailed off-SAP sub-ledger. On a yearly basis and at the latest at the occasion of the submission of the Final Annual Accounts to the Board, the Members are required to provide confirmation of the amounts to the SJU.

As already mentioned, the pre-financing remains property of the SJU until the performance of clearance through the acceptance of the Members' contributions.

<i>All figures in EUR</i>	Nominal Pre-Financing 31/12/2015	Clearing of Pre-Financing expected with IFS2015	Corrected Pre-Financing 31/12/2015	of which Long Term (due after 31/12/2016)	of which Short Term (due by 31/12/2016)
	(1)	(2)	(3)=(1)-(2)		
AIRBUS	7.478.789	(3.498.454)	3.980.335		3.980.335
ALENIA	2.468.627	(94.065)	2.374.562		2.374.562
DFS	4.306.993	(1.072.363)	3.234.630		3.234.630
DSNA	5.365.297	(1.131.211)	4.234.086		4.234.086
ENAI	3.246.064	(126.158)	3.119.906		3.119.906
ENAV	5.489.648	(590.680)	4.898.968		4.898.968
FREQUENTIS	2.182.074	(267.642)	1.914.432		1.914.432
HONEYWELL	2.564.509	(668.161)	1.896.348		1.896.348
INDRA	9.916.600	(4.900.318)	5.016.282		5.016.282
NATMIG	2.257.364	(523.494)	1.733.870		1.733.870
NATS	4.447.718	(445.430)	4.002.288		4.002.288
NORACON	1.740.710	(141.744)	1.598.966		1.598.966
SEAC	0	0	0		0
SELEX	8.509.170	(528.515)	7.980.655		7.980.655
THALES	21.412.591	(5.514.102)	15.898.489		15.898.489
TOTAL	81.386.154	(19.502.337)	61.883.817	0	61.883.817

Note 6: Current receivables

Item	2015	2014
Receivable from staff	803	4.329
Receivables from Institutions	4.214	3.317
Amounts receivable from Insurances	0	2.115
TOTAL	5.017	9.761

The amounts relate to open Recovery Orders not yet cashed in at 31/12/2015.

Note 7: Sundry receivables

Item	2015	2014
Cautions etc.	273	273
Salaires en attente	64.043	9.164
TOTAL	64.316	9.437

This line consists of cautions for items made available at the SJU premises and advances to staff, which in accordance with the Staff Regulations will be regularized in the first months of 2016.

Note 8: Accrued income

In the previous year, this position was made up entirely of interest to be received.

Note 9: Deferred charges

Item	2015	2014
Rent Office	23.817	169.312
Demonstration activities	307.285	595.450
Other deferred charges	22.412	93.996
TOTAL	353.514	858.758

The amount 2015 consists mainly of deferred charges related to the difference between the pre-financing paid at the launch of the Demonstration activities and the work estimated to be performed by year end 2015, and of the payment of premises-rental and associated costs.

Note 10: Cash & Cash equivalents

Balances of SJU Bank accounts, deposits and cash in hand:

Accounts	Classification	2015	2014
Bank accounts ING	Current accounts	1.689.573	4.155.017
Bank accounts CITI BANK	Current accounts	8.439.306	17.001.791
Petty Cash	Cash at hand	194	194
TOTAL		10.129.073	21.157.002

Note 11: Current payables

Current payables are comprised of the following:

Item	2015	2014
Commercial Suppliers	1.516	776.639
SJU Members	10.701.236	0
Public Bodies	118	118
Staff	2.301	28
TOTAL	10.705.171	776.785

The amount payable to SJU Members refer to parts of six costs claims received, assessed and fully validated but withheld by the SJU in accordance with Article 11.2 of the Multilateral Framework Agreement signed between the SJU and all Members (MFA); when total Pre- and Interim payments to a Member reach 85% (80% without bank guarantee) of the maximum contractual Co-Financing of that Member, the SJU withholds any excess amounts due until the payment of the balance with the Final Financial Statements at the end of the SESAR1-Programme on 31/12/2016. The SJU chose to present these payables here separately and not under "Co-Financing to be paid to Members" as the character of these amounts are debts rather than provisions accrued for.

Note 12: Accrued charges

Item	2015	2014
Demonstration activities	7.396.579	6.892.876
Associated Partners SJU	2.089.159	1.154.375
Other operational accruals	1.058.515	54.067
Other Administrative accruals	400.623	137.400
Programme Support Contract	364.425	690.625
Staff related accruals	185.093	128.345
Secondments of SJU Members (without Eurocontrol)	88.438	220.461
TOTAL	11.582.831	9.278.150

Note 13: Other accounts payable

Like previous year, this position contains exclusively staff related payables to European Union Institutions, agencies or other bodies.

Note 14: Co-Financing to be paid and Contributions from Members to be validated

As further explained in the accounting policies related to the balance sheet (section 1.3.6. 'Net Assets' below), eligible costs sustained by the Members during a certain year for which the acceptance process related to the Interim Financial Statements is not yet complete are accounted for as:

- accrued expenditure in the Statement of financial performance;
- for SESAR1 projects maximum 50% as a potential liability for the amount of the co-financing the SJU is expected to pay at the moment of the acceptance of the deliverables and of the related Interim Financial Statements, and
- "Contributions from Members to be validated" in the liabilities for the remaining difference between accrued expenditure and Co-Financing to be paid.

The tables below provide the details on the two lines (in total and per Member):

All figures in EUR	Eurocontrol				Other Members				TOTAL
	as at 31.12.14	2015		as at 31.12.15	as at 31.12.14	2015		as at 31.12.15	
		related to activities of 2014 and earlier	related to activities of 2015 only			related to activities of 2014 and earlier	related to activities of 2015 only		
"Provision for core Programme related work achieved"	128.075.139	(62.050.819)	69.922.000	135.946.320	183.866.765	(174.168.998)	161.171.655	170.869.422	306.815.742
"Provision for Programme Support Office"	3.279.484	(1.689.252)	1.590.000	3.180.232	0	0	0	0	3.180.232
"Provision for WP E, WP11, Prof Staff Ass, Mil and AUs"	11.619.554	(11.630.375)	12.453.500	12.442.679	0	0	0	0	12.442.679
IT Services and secondments	1.093.129	(1.093.129)	857.071	857.071	0	0	0	0	857.071
Total	144.067.306	(76.463.575)	84.822.571	152.426.302	183.866.765	(174.168.998)	161.171.655	170.869.422	323.295.724
of which									
Net Co-financing to be paid	0	0	0	0	81.126.978	(76.681.805)	59.309.158	63.754.331	63.754.331
Clearing of Pre-financing (see also note 5)	0	0	0	0	9.563.931	(9.163.225)	19.101.631	19.502.337	19.502.337
Net Contributions to be validated	144.067.306	(76.463.575)	84.822.571	152.426.302	93.175.856	(88.323.968)	82.760.866	87.612.754	240.039.056

<i>All figures in EUR</i>	<i>Net Co-financing to be paid per Member</i>	<i>Net Contribution to be validated</i>
ENAIRE	2.924.320	3.093.104
DFS	4.087.174	6.168.829
DSNA	3.917.997	5.226.514
ENAV	3.209.575	4.145.858
NATS	7.458.193	7.909.631
NORACON	2.587.393	2.789.102
SEAC	973.661	976.083
FREQUENTIS	1.444.359	1.733.039
INDRA	6.544.056	13.596.339
NATMIG	2.051.672	2.668.875
SELEX	3.534.028	4.063.541
THALES	11.894.771	17.729.867
AIRBUS	8.473.835	12.094.764
ALENIA	1.853.935	1.947.999
HONEYWELL	2.799.363	3.469.210
SUBTOTAL	63.754.331	87.612.754
EUROCONTROL	0	152.426.302
TOTAL	63.754.331	240.039.056

In accordance with the MFA Article 10.4, the Members of the SJU involved in the SESAR1 Programme activities are required to submit their Interim Financial Statements, together with a Certificate on the IFS where necessary, within 120 days from the end of each Financial Year.

By the finalization of these Final Annual Accounts 2015, the SJU had received Interim Financial Statements from seven Members related to the year 2015. In order to account for the eligible costs for the activities realized by the Members not having submitted the IFS 2015 yet, the SJU implemented an accrual calculation and based its estimates on the quarterly reporting communicated by each Member for 2015. The man-hours contained in the effort reporting have been valued at the total average hourly cost-rate per project and Member of the IFS 2009 - 2014; the amount resulting has constituted the basis for the determination of the accruals.

Note 15: Contributions from Members

During 2015, in addition to the cash contributions received from the two Founding Members, the SJU has performed the validation process for the in kind contributions of the Members related to the 2014 activities, remaining previous years' activities and corrections following project audit findings (if any), as detailed here below. Due to the late or incomplete submission, the SJU was not in the position to finalize the assessment of the IFS2014 for two Members by the end of 2015. Nevertheless, the accruals of contributions and co-financing to be validated related to these Members have been aligned to the information contained in their IFS although not yet validated. The following tables show the current status and the evolution of cash and in-kind contributions by all Members since the start of the SESAR1-Programme (both in total and split by Members):

	European Union			Eurocontrol	Other Members	TOTAL
	FP7	TEN-T	Total EU			
Total 2008 Contributions	25.000.000	85.863.211	110.863.211	10.000.000		120.863.211
Contributions recognised as revenue during 2008	(8.119.953)		(8.119.953)			(8.119.953)
Outstanding Members' Contributions 2008	16.880.047	85.863.211	102.743.258	10.000.000	0	112.743.258
Reverse of recognition of contribution as revenue in 2008 due to change in accounting policy	8.119.953		8.119.953			8.119.953
2009 Contributions	13.552.000	14.136.789	27.688.789	9.000.000		36.688.789
Activities realized in 2008 and recognized as cash contributions in 2009			0	696.691		696.691
Activities realized in 2008 and recognized as in-kind contributions in 2009			0	318.354		318.354
Total 2009 Contributions	38.552.000	100.000.000	138.552.000	20.015.045	0	158.567.045
<i>of which cash</i>	<i>38.552.000</i>	<i>100.000.000</i>	<i>138.552.000</i>	<i>19.696.691</i>	<i>0</i>	<i>158.248.691</i>
<i>in kind</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>318.354</i>	<i>0</i>	<i>318.354</i>
2010 Contributions	22.000.000	19.000.000	41.000.000	2.850.000	3.631.366	47.481.366
Activities realized in 2009 and recognized as cash contributions in 2010			0	8.079.193		8.079.193

Final Annual Accounts 2015

Activities realized in 2009 and recognized as in-kind contributions in 2010			0	11.256.098	2.445.132	13.701.230
Members' Contributions	60.552.000	119.000.000	179.552.000	42.200.336	6.076.498	227.828.834
<i>of which cash</i>	<i>60.552.000</i>	<i>119.000.000</i>	<i>179.552.000</i>	<i>30.625.884</i>	<i>3.631.366</i>	<i>213.809.250</i>
<i>in kind</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>11.574.452</i>	<i>2.445.132</i>	<i>14.019.584</i>
2011 Contributions	9.000.000	9.000.000	18.000.000	8.150.000	4.599.776	30.749.776
Activities realized in 2010 and recognized as cash contributions in 2011			0	3.015.408		3.015.408
Activities realized in 2010 and recognized as in-kind contributions in 2011			0	27.428.234	43.727.848	71.156.082
Members' Contributions	69.552.000	128.000.000	197.552.000	80.793.978	54.404.122	332.750.100
<i>of which cash</i>	<i>69.552.000</i>	<i>128.000.000</i>	<i>197.552.000</i>	<i>41.791.292</i>	<i>8.231.142</i>	<i>247.574.434</i>
<i>in kind</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>39.002.686</i>	<i>46.172.980</i>	<i>85.175.666</i>
2012 Contributions	34.887.000	34.826.000	69.713.000	30.000.000	4.507.943	104.220.943
Activities realized in 2011 and recognized as cash contributions in 2012			0	3.253.618		3.253.618
Activities realized in 2011 and recognized as in-kind contributions in 2012			0	63.557.755	75.660.278	139.218.033
Members' Contributions	104.439.000	162.826.000	267.265.000	177.605.351	134.572.343	579.442.694
<i>of which cash</i>	<i>104.439.000</i>	<i>162.826.000</i>	<i>267.265.000</i>	<i>75.044.910</i>	<i>12.739.085</i>	<i>355.048.995</i>
<i>in kind</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>102.560.441</i>	<i>121.833.258</i>	<i>224.393.699</i>
2013 Contributions	42.940.846	34.594.669	77.535.515	0	4.246.362	81.781.877
Activities realized in 2012 and recognized as cash contributions in 2013			0	7.681.057		7.681.057
Activities realized in 2012 and recognized as in-kind contributions in 2013			0	0	76.385.671	76.385.671
Members' Contributions	147.379.846	197.420.669	344.800.515	185.286.408	215.204.377	745.291.300
<i>of which cash</i>	<i>147.379.846</i>	<i>197.420.669</i>	<i>344.800.515</i>	<i>82.725.967</i>	<i>16.985.447</i>	<i>444.511.929</i>

Final Annual Accounts 2015

<i>in kind</i>	0	0	0	102.560.441	198.218.930	300.779.371
2014 Contributions	41.008.643	53.744.741	94.753.384	2.000.000	4.246.362	100.999.746
Activities realized in 2013 and recognized as cash contributions in 2014			0	12.279.914		12.279.914
Activities realized before 2014 and recognized as in-kind contributions in 2014			0	69.808.094	81.404.789	151.212.883
Members' Contributions	188.388.489	251.165.410	439.553.899	269.374.415	300.855.528	1.009.783.843
<i>of which cash</i>	188.388.489	251.165.410	439.553.899	97.005.881	21.231.809	557.791.589
<i>in kind</i>	0	0	0	172.368.535	279.623.719	451.992.254
2015 Contributions	46.826.075	35.756.200	82.582.275	2.000.000	4.246.362	88.828.637
Activities realized in 2014 and recognized as cash contributions in 2015			0	12.859.510		12.859.510
Activities realized before 2015 and recognized as in-kind contributions in 2015			0	64.152.528	89.149.072	153.301.600
Members' Contributions	235.214.564	286.921.610	522.136.174	348.386.454	394.250.962	1.264.773.590
<i>of which cash</i>	235.214.564	286.921.610	522.136.174	111.865.391	25.478.171	659.479.736
<i>in kind</i>	0	0	0	236.521.063	368.772.791	605.293.854

Split per Members:

<i>All figures in EUR</i>	Accumulated Contributions at 01/01/2015	Contribution received 2015	Validated during 2015	Accumulated Contributions at 31/12/2015	Net Contributions to be validated	Contributions to be received and accepted
EU	439.553.899	82.582.275	0	522.136.174	0	0
<i>cash</i>	439.553.899	82.582.275		522.136.174		
<i>in kind</i>	0	0	0	0		
EUROCONTROL	269.374.415	2.000.000	77.012.038	348.386.454	152.426.302	0
<i>cash</i>	97.005.881	2.000.000	12.859.510	111.865.392	13.299.750	
<i>in kind</i>	172.368.534	0	64.152.528	236.521.062	139.126.552	
Other Members	300.855.528	4.246.362	89.149.072	394.250.962	87.612.754	0
<i>cash</i>	21.231.809	4.246.362	0	25.478.171	0	0
<i>in kind</i>	279.623.719	0	89.149.072	368.772.791	87.612.754	0

of which:

<i>All figures in EUR</i>	Accumulated Contributions at 01/01/2015	Contribution received 2015	Validated during 2015	Accumulated Contributions at 31/12/2015	Net Contributions to be validated	Contributions to be received and accepted
ENAIRE	13.561.987	260.065	7.497.809	21.319.861	3.093.104	0
cash	1.300.325	260.065		1.560.390	0	
in kind	12.261.662		7.497.809	19.759.471	3.093.104	
DFS	20.032.077	256.911	5.720.452	26.009.440	6.168.829	0
cash	1.284.554	256.911		1.541.465	0	
in kind	18.747.523		5.720.452	24.467.975	6.168.829	
DSNA	18.719.759	240.582	5.271.092	24.231.433	5.226.514	0
cash	1.202.910	240.582		1.443.492	0	
in kind	17.516.849		5.271.092	22.787.941	5.226.514	
ENAV	18.324.986	253.411	4.274.590	22.852.987	4.145.858	0
cash	1.267.054	253.411		1.520.465	0	
in kind	17.057.932		4.274.590	21.332.522	4.145.858	
NATS	15.241.094	253.771	0	15.494.865	7.909.631	0
cash	1.268.856	253.771		1.522.627	0	
in kind	13.972.238		0	13.972.238	7.909.631	
NORACON	16.952.399	231.030	4.801.446	21.984.875	2.789.102	0
cash	1.155.150	231.030		1.386.180	0	
in kind	15.797.249		4.801.446	20.598.695	2.789.102	
SEAC	3.439.838	59.879	2.373.390	5.873.107	976.083	0
cash	299.396	59.879		359.275		
in kind	3.140.442		2.373.390	5.513.832	976.083	
FREQUENTIS	9.190.153	111.862	2.053.361	11.355.376	1.733.039	0
cash	559.310	111.862		671.172	0	
in kind	8.630.843		2.053.361	10.684.204	1.733.039	
INDRA	30.854.043	484.246	13.275.088	44.613.377	13.596.339	0
cash	2.421.229	484.246		2.905.475	0	
in kind	28.432.814		13.275.088	41.707.902	13.596.339	
NATMIG	11.888.648	142.301	2.320.983	14.351.932	2.668.875	0
cash	711.505	142.301		853.806	0	
in kind	11.177.143		2.320.983	13.498.126	2.668.875	

SELEX	25.688.236	365.461	7.741.473	33.795.170	4.063.541	0
cash	1.827.304	365.461		2.192.765	0	
in kind	23.860.932		7.741.473	31.602.405	4.063.541	

THALES	68.416.554	915.169	17.248.389	86.580.112	17.729.866	0
cash	4.575.846	915.169		5.491.015	0	
in kind	63.840.708		17.248.389	81.089.097	17.729.866	

AIRBUS	31.263.124	388.674	7.837.554	39.489.352	12.094.764	0
cash	1.943.370	388.674		2.332.044	0	
in kind	29.319.754		7.837.554	37.157.308	12.094.764	

ALENIA	6.574.703	137.917	5.743.842	12.456.462	1.947.999	0
cash	689.585	137.917		827.502	0	
in kind	5.885.118		5.743.842	11.628.960	1.947.999	

HONEYWELL	10.707.927	145.083	2.989.603	13.842.613	3.469.210	0
cash	725.415	145.083		870.498	0	
in kind	9.982.512		2.989.603	12.972.115	3.469.210	

TOTAL	1.009.783.842	88.828.637	166.161.110	1.264.773.590	240.039.056	0
cash	557.791.589	88.828.637	12.859.510	659.479.737	13.299.750	0
in kind	451.992.253	0	153.301.600	605.293.853	226.739.306	0

Note 16: Accumulated contribution from Members used

<i>all figures in EUR</i>	2015	2014
Accumulated contribution from Members used previous years	(1.233.328.913)	(969.151.147)
Contribution from Members used during the year (SFP)	(284.755.942)	(264.177.766)
Balance as at 31 December	(1.518.084.855)	(1.233.328.913)

See also Notes 14, 15 and 18.

Note 17: Contingent liabilities

Commitments for future fundings	31/12/2015	31/12/2014
SESAR1 RAL - Commitments against appropriations not yet consumed	90.203.095	57.329.033
SESAR2020 RAL - Commitments against appropriations not yet consumed	72.070.000	-
Operating lease	4.712.469	942.359
TOTAL	166.985.564	58.271.392

The “Contingent liabilities” are off-balance sheet items. The RAL contingent liabilities result from open contract obligations not yet identified and booked in the Statement of financial performance, as charges resulting from these obligations do not belong to the accounting period of 2015.

Two Level1 Commitments for the SESAR2020 for Exploratory Research (EUR 20.6 million) and Industrial Research (EUR 51.5 million) have been committed by the end of 2015. Without any payments against them yet, the full amounts appear as RAL as contingent liabilities.

Operating lease contains non-cancellable minimum lease payments (rentals and charges due after 31/12/2015 with a new 9 years fixed-term rental agreement for the SJU offices in force since 01/03/2016 until 28/02/2025), of which:

- i) Not later than one year: EUR 461.802;
- ii) Later than one year and not later than five years: EUR 2.437.679;
- iii) Later than five years: EUR 1.812.988.

Note 18: Contingent Assets

On the basis of the overall commitment undertaken by the Founding Members and by the other Members in respect to the funding and implementation of the SESAR Programmes and in consideration of the resources already provided to this end, the following Contingent assets are reported:

1. In accordance with Council Regulation (EC) 219/2007 as last amended by the Council Regulation (EC) 721/2014, the maximum EU contribution shall be EUR 700.000.000 of which EUR 350.000.000 shall be paid from the budget appropriation allocated to the theme “Transport (including aeronautics)” of the Specific Programme Cooperation of the Seventh Framework Programme for research and technological development and EUR 350.000.000 from the budget of the Framework programme on Trans-European-Network for the period 2007-2013. The EU contribution shall be paid in accordance with Article 54(2)(b) of Council Regulation (EC, Euratom) 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Union. Legal commitments have been signed for a total amount of EUR 700.000.000, duly accounted for in each year’s budgetary accounting;
2. The Eurocontrol Final Council took a decision on 8 February 2008 to commit EUR 700.000.000 to contribute to the SJU. As of the end 2015, a total of EUR 500.812.755 contribution has been duly accounted for in each year, of which EUR 152.426.302 of 2014 and 2015 contributions are still to be recognized;
3. Selected Members had originally signed agreements for an amount of EUR 1.218.705.527 as contribution in kind and in cash to which corresponds an expected co-financing of EUR 594.490.499. Following the Reallocation 2013 and IBAFO III, the total amount of the in kind contributions expected from the Members is EUR 1.140.427.863 to which corresponds an expected co-financing of EUR 556.122.000. Their commitment becomes a legal commitment upon the budget commitment made by the SJU in its budgetary accounts. At year end the latter amounts to EUR 556.122.000 implying the full legal commitment by the selected members, which is duly accounted for in each year budgetary accounting. The reduction of the Members cash and in kind contributions is the result of the re-focusing of the Programme on the Priority Strategic Business Needs derived from the European ATM Master Plan and it does not affect the achievement of the overall Programme results.

4. On 16 June 2014, the Council adopted Council Regulation (EU) 721/2014 which extended the legal duration of the SJU until 2024 to pursue the Research and Innovation (R&I) in view of delivering the necessary technologies and operational procedures to ensure the execution and completion of the European ATM Master Plan. On 19 December 2014, the SJU signed a new General Agreement with the EC, entrusting the SJU with max. EUR 585.000.000 from the European Union Horizon 2020 Programme. Matching amounts are expected to be committed by Eurocontrol (max. 500.000.000) and the Other Members (together max. 500.000.000), once the new Membership Agreements are in place.

Note 19: Staff expenses

These expenses include all staff related costs such as salaries, social security, insurances, secondments and other staff costs:

Item	2015	2014
Salaries	2.820.123	2.723.592
Allowances	796.693	729.051
Contribution Social Security&Pensions	142.794	131.245
Seconded National Experts (SNEs)	108.156	69.181
Secondments Members	69.498	273.802
Other staff costs	168.048	63.675
TOTAL	4.105.312	3.990.546

The “Secondments Members” include EUR -18.940 negative adjustments for 2014 accrued expenses related to secondments from Eurocontrol and other Members.

Note 20: Other administrative expenses

These expenses include running costs of the SJU such as IT expenses, rents, interim and administrative external support, PR, mission costs and miscellaneous administrative expenses:

Item	2015	2014
IT related expenses	1.128.787	928.911
Office rental, utilities and related services	742.462	717.774
Mission expenses	264.677	275.295
Interim support and external services	646.320	365.848
PR & Marketing expenses	274.140	338.545
Office supplies & Maintenance	181.094	169.642
Adm. Experts and related expenditure	15.918	28.017
Miscellaneous administrative expenses	48.158	34.998
TOTAL	3.301.556	2.859.030

“IT related expenses” include the IT-services from Eurocontrol for the amount of EUR 850.390 in 2015 (EUR 981.920 in 2014).

Note 21: Other Operational expenses

These expenses comprise all Programme related activities that were performed in 2015 (estimated works achieved) and expenses related to contracts for Industrial support, Legal, Financial & Management support, Experts, launch of specific technical activities and the Programme Support Office (PSO) of Eurocontrol:

Item	2015	2014
<u>1. Members related work achieved (in kind contribution to the core Programme)</u>	<u>164.303.073</u>	<u>163.514.880</u>
AIRBUS	22.348.745	17.181.181
ALENIA	4.085.911	5.901.707
DFS	11.328.366	11.925.524
DSNA	11.179.912	8.568.977
ENAI	6.738.167	7.882.789
ENAV	7.349.443	8.867.361
FREQUENTIS	3.445.040	4.152.194
HONEYWELL	6.578.252	6.281.317
INDRA	25.012.023	26.507.352
NATMIG	3.925.287	4.561.076
NATS	7.708.844	8.149.619
NORACON	5.847.021	7.120.862
SEAC	1.757.156	2.869.229
SELEX	12.237.366	8.971.785
THALES	34.761.540	34.573.907
<u>2. EUROCONTROL related work achieved</u>	<u>84.506.722</u>	<u>74.828.738</u>
of which as In kind contribution	71.924.456	63.221.463
Contributions to the core Programme	70.208.140	61.644.979
Programme Support Office (PSO)	1.716.317	1.576.484
of which Contributions considered cash in accordance with Annexe 2 of the Eurocontrol/SJU agreement	12.582.266	11.607.275
WP11 (Flight&Wing / Meteorological Info)	4.257.000	2.683.854
WPE (Long term research)	4.698.500	5.783.465
WPG (Airspace Users, Military and Staff Associations)	3.626.765	3.139.957
<u>3. Non-Members related work achieved</u>	<u>28.283.262</u>	<u>18.558.191</u>
Demonstration activities	14.619.315	8.357.056
Industrial support contract	6.109.246	6.091.218
Datalink/VDL studies	2.473.500	0
Programme Support Contracts	1.972.679	2.310.595
Associate Partners SJU	1.359.279	1.042.391
Cyber Security studies	630.000	0
Other contracts	593.508	402.513
Experts	277.122	186.946
ACI contracts	248.612	167.473
TOTAL	277.093.057	256.901.810

founding members



Avenue de Cortenbergh 100 | B -1000 Bruxelles
www.sesarju.eu

Note 22: Non-operating activities

Financial operations revenues

This amount comprises all non-reimbursable interests received on cash and cash equivalents in 2015 by the SJU as well as interests received on late payments of contributions.

Financial operations expenses

This amount comprises bank charges and exchange rate differences.

Other non-operational income

This amount comprises insurance reimbursements and open positions with other EU agencies.

1.3 Significant Accounting Policies

In this section, the SJU provides a description of the policies, principles, methods and assumptions underlying the annual general accounts.

1.3.1 Legal provisions

The main sources of principles are the accounting provisions applicable under the SJU's Financial Rules, first adopted by the Administrative Board of the SJU on 14 December 2010 in accordance with Article 4a of the SJU Regulation and in its current version of June 2015. The accounts are drawn up in accordance with the accounting rules adopted by the Accounting Officer of the European Commission.

1.3.2 Accounting principles

The objectives of the financial statements are to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. In the particular case of the SJU, considering its nature and activities, the objectives are to provide information for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

The annual general accounts shall present a true and fair view of the financial position of the SJU and supply clear and comprehensible information to describe the nature and range of its activities, explain how it is financed and supply definitive information on its operations, in such a manner that allows comparisons between financial years.

The accounting system of the European Institutions and bodies comprises general accounts and budget accounts. These accounts are kept in euro on the basis of the calendar year.

The budget accounts (Part 2 of this report) give a detailed picture of the implementation of the budget. As already mentioned, they are based on the modified cash accounting principle. The annual 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.

The accounting policies listed and described in this document are derived from the EU Accounting Rules and constitute the basis of the general accounts (accrual accounting). They apply to all SJU transactions but the list is not necessarily exhaustive. The fact that a principle is not mentioned does not mean that it is considered inapplicable.

Article 94 of the SJU Financial Rules makes reference to generally accepted accounting principles to be applied in drawing up the financial statements, e.g.:

- going concern basis;
- prudence;
- consistent accounting methods;
- comparability of information;
- materiality;
- no netting;
- reality over appearance;
- accrual-based accounting.

1.3.3 Currency and basis for conversion

The financial statements are presented in euro, which is the SJU's functional and reporting currency. Foreign currency transactions are converted into euro using the exchange rates prevailing at the dates of the transactions.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are converted into euro on the basis of the exchange rates applicable on 31 December 2015.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

1.3.4 Significant changes in 2015

The SESAR1-Programme execution continued during the course of 2015. Following the dissemination of Release 4 results, the delivery process continued with the execution of Release 5. This constitutes the last scheduled release under SESAR1.

However, the SJU not only undertook those activities and outputs required to continue to successfully deliver SESAR1, but also began to plan those activities needed to transition to SESAR2020 and to launch and execute exploratory research & industrial research and innovation projects within the framework of SESAR2020. A call for renewed membership for SESAR2020 was launched, as was a first call for Exploratory Research projects under SESAR2020. The first call for projects under the Industrial Research and Validation (IRV) and Very Large Demonstration (VLD) phases of SESAR2020 was also published in Q4.

Also of particular note during the year was the campaign for the update of the ATM Master Plan ensuring that this new edition covers the entire lifecycle of SESAR, and therefore the priorities set for SESAR2020. A SESAR vision for 2035+ was also developed, setting aspirational performance ambitions and a high-level, preliminary business view. This exercise demonstrated the potentially crucial contribution of the "SES technological pillar" to achieve the SES high-level goals.

Another important achievement during the year was the adoption of the SESAR multi-annual work programme in July 2015 that presented the activities for the period 2016-2019 and provided a further outlook to 2021.

During this reporting period, the SJU also continued to analyse and adapt its technical, legal and financial procedures to ensure compliance with Horizon 2020's legal framework.

Finally, during 2015 the SJU put into operation the new organisational structure, with the following new positions: 1 Chief ATM, 1 Head of Corporate Quality & Planning, 1 Airport & ATC Systems Engineer, 1 Performance Analysis Expert, 1 Administrative Assistant and 1 ATM Operations Expert. In June 2015, the Administration Board authorised through the MSPP 2016-2018 the reinforcement of the legal and financial capabilities of SESAR through the recruitment of two additional contractual agents for a 2 year period in order to support the transition from SESAR1 to SESAR2020.

1.3.5 Accounting policies related to the statement of financial performance

Members' contributions

The Members' contributions are recorded as increase in net assets once assessed, validated and recognized (see section 1.3.6 below).

Other revenues

The other revenues are interests yielded on the cash contributions and are therefore classified as financial revenues.

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser.

Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

Expenditure

Exchange expenses arising from the purchase of goods are recognised when the supplies are delivered and accepted by the SJU. They are valued according to the historic cost convention.

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

Expenditure related to the SESAR Programme activities

The SJU assesses and recognizes the SESAR Programme expenses – eligible costs – claimed by its Members for the realization of the SESAR1 Programme activities in accordance with the provisions of the Multilateral Framework Agreement (MFA), in particular those provisions governing the acceptance of deliverables and reports, and those governing the principle of eligibility of costs. As for SESAR2020, the new Membership agreements and programme documents will contain similar provisions taking into account the particular aspects of the Horizon 2020 rules and regulations.

Where during a certain year the Members incur eligible costs that would be recognized in the following year(s) as in-kind contributions, the SJU accounts for these costs as presented by the Members or, in their absence, as estimated by the SJU, in the statement of financial performance of the year. At the same time, the SJU accounts for the estimated liability for the possible payment of the co-financing, for the remaining amount, “contributions from Members to be validated”.

1.3.6 Accounting policies related to the balance sheet

Net Assets

The way in which the SJU operates, with the focus on budgetary rules and principles, has a major impact on the presentation of the financial statements and analysis of them.

With particular regard to the Net Assets, there is no initial capital, primarily because the SJU Regulation does not contain provisions obliging the Founding Members and the other Members to endow the SJU with capital, as would be the case for a private enterprise. Similarly, the financial performance cannot be measured by the same performance criteria as for a private enterprise. The SJU's objective is not to maximise profit. These examples show that interpreting the financial statements calls for a certain measure of prudence, especially with solvency analysis.

The Net Assets are defined as assets of the entity after deducting all its liabilities.

The SJU Regulation provides for the Members to contribute to the SJU in cash or through in-kind contributions. These contributions constitute the resources of the SJU to achieve the SESAR Programmes as defined in the SJU Work Programmes over the period of the existence of the SJU.

In accordance with EC Accounting Rule 1 the SJU accounts for its Members' cash and in-kind contributions as Net Assets of the SJU.

Furthermore, with regard to the specific case of the in-kind contributions, the in-kind contributions to the SJU are considered of "equal" value as the cash contributions and thus treated similarly.

The amount of Members' Contributions included in the Net Assets consists of

- the cash contributions received from the SJU Members;
- the value of the in kind contributions recognized by the SJU in relation to the activities realized by its Members during the year, with the exclusion of the deliverables not accepted by the SJU. These contributions are valued in accordance with the criteria established in the SJU Financial Rules, the Membership Agreements and the eligibility rules of the underlying EU funding programmes (FP7/TEN-T or HORIZON2020), and they shall consist in man-hours, services, the use of tangible and intangible assets and of special facilities and/or equipment (including associated services) provided by the Members to the SJU in order to achieve the Programmes, subject to the results of any audit activity carried out by the SJU.

Eligible costs sustained by the Members during a certain year for which the acceptance process of the Interim Financial Statements is not completed before the submission of the Annual Accounts, are accounted for as

- accrued expenditure in the Statement of financial performance,
- the amount of the co-financing the SJU is expected to pay at the moment of the acceptance of the deliverables and of the relative Interim Financial Statements (for SESAR1 max. 50% of the accrued expenditure), and
- as "contributions from Members to be validated" in the liabilities for the remaining difference.

It should be noted that the cash contributions referred to are received from the Founding Members to allow the SJU to partly co-finance the operational activities realized by its other Members, in order to achieve together the SESAR Programmes.

Intangible fixed assets

Intangible fixed assets are valued at their acquisition price, with the exception of assets acquired free of charge that are valued at their market value. Tangible and intangible fixed assets are valued at their historic cost converted into euro at the rate applying when they were purchased. The book value of a fixed asset is equal to its acquisition price or production cost, plus or minus revaluations, depreciation and other amounts written off.

In 2012, as a result of the complete implementation and enter into effect of ABAC Assets, the application for the management of tangible and intangible assets provided by the European Commission, the SJU had to align the depreciation rates to those applied by the Commission. These new depreciation rates better reflect the contribution of intangible fixed assets to the activities of the SJU and were applied since the date of acquisition of the assets.

The impact of the implementation of the new rates is provided in the specific notes (see depreciation rates below).

With regard to software and developments made under the contract with Eurocontrol that provides these services within the context of the agreement signed with the SJU on 12 June 2009, the costs related to acquisition of licenses and developments realized by Eurocontrol or its subcontractors for the SJU are treated as intangible fixed assets on the assumption that the SJU retain the economical possession of the assets during the period of its existence.

With regard to the results of the SESAR1 Programme, a need of the assets' activation for any possible intangible assets that would be owned by the SJU is not likely. Where this would be nevertheless the case, intangible fixed assets resulting from the Programme would be subject to the

rules of Article 18 of the SJU Regulation, as translated in Article 15 of the MFA concerning IPRs, in particular Background and Foreground Information, ownership and access rights.

From an accounting point of view, the SJU has established the necessary systems to track the eligible costs related to each contractual deliverable of its Members and the relative assessment and acceptance processes, in ABAC/SAP and detailed per Member, project and nature of cost. The system integration has been brought at the possible level, with the overall limitation of not being in the position to automatically upload electronic data to ABAC/SAP due to reasons outside the control of the SJU. This allows the SJU to be in the position to determine the value of the assets that would need to be “activated” in any moment of its life.

The SJU will further revise this approach on a yearly basis, considering the deliverables received, assessed and eventually accepted by the SJU, especially in view of any Horizon 2020 rules applicable for future activities in this respect.

Tangible fixed assets

All property and equipment are stated at historical cost less depreciation and impairment. Historic cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the SJU and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Depreciation rates

Type of asset	Straight line depreciation rate
Intangible assets	25%
Buildings	4%
Works for the set-up of the SJU premises	Pro-rata temporis on the duration of the existence of the SJU ²
Plant, machinery and equipment	10% to 25%
Furniture	10% to 25%
Fixtures and fittings	12.5% to 33%
Computer hardware	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of financial performance.

Leases

² For all existing assets under this category the duration of the existence of the SJU was established at 31/12/2016, i.e. the date before the extension of the SJU until 2024. Following the extension of the SJU's lease contract in 2015, any new acquisitions shall apply the end of the rental contract on 28/02/2025 as maximum duration of existence.

Leases of tangible assets, where the SJU has substantially all the risks and rewards of ownership, are classified as financial leases. Financial leases are classified at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The rental obligations, net of finance charges, are included in other long-term liabilities. The interest element of the finance cost is charged to the statement of financial performance over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The assets acquired under financial leases are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Receivables

Receivables are carried at original invoice amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the SJU will not be able to collect all amounts due according to the original terms. The amount of the write-down is recognised in the statement of financial performance statement.

Cash & cash equivalents

Cash and cash equivalents are carried in the balance sheet at their equivalent euro value. They include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

1.3.7 Accounting policies related to the cash-flow table

Cash flow information is used to provide a basis for assessing the ability of the Joint Undertaking to generate cash and cash equivalents, and its needs to utilise those cash flows.

The cash flow statement is prepared using the indirect method. This means that the net surplus or deficit for the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals and accruals of past or future operating cash receipts or payments, and items of revenue or expenses associated with investing cash flows.

1.3.8 Use of estimates

In accordance with generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management. Significant estimates include, but are not limited to, amounts for employment benefits, provisions for future charges, financial risk on

accounts receivables, accrued income and charges, contingent assets and liabilities, and degree of impairment of fixed assets. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

1.3.9 Voting rights

In accordance with the SJU Statutes, Members of the SJU shall have a number of votes, in the Administrative Board, in proportion to their contribution to the SJU.

The voting rights allocated to each Member in the Administrative Board shall be in proportion to the value of each Member's total net contribution in respect of the total SJU received contributions.

The Members' total net contribution corresponds to the total value of their contributions to the SJU in one or both of the following forms:

- cash contribution paid to the Joint Undertaking;
- in kind contribution, in line with Article 12(5) of the Statutes, net of non-eligible costs and net of any co-financing received directly or indirectly from the SJU.

In any event, the minimum percentage of votes allocated to the Founding Members of the SESAR SJU and to the civil users of airspace as per the SJU Statutes shall be guaranteed. With regard to the European Union and Eurocontrol, the initial number of votes shall be in proportion to the committed contribution to the Joint Undertaking.

The calculation of the number of votes pertaining to a contribution shall be based on the contribution that has the lowest par value, which shall have at least one vote.

The initial voting rights allocated to each Member shall be adjusted annually at the first Administrative Board meeting held. For each financial year, the voting rights shall be adjusted to take into account the effective contribution of each Member, in terms of commitment or execution, for the financial year in question compared to the initial stated contribution which originated the allocation of the initial voting rights.

By the end of 2014, in front of the two Founding Members commitments of EUR 700.000.000 each³, the other Members committed an amount net of co-financing of EUR 584.305.863 million⁴ (gross amount EUR 1.140.427.863), related to the allocation of activities as awarded by the SJU Administrative Board on 24 March 2009 (IBAFO I), on 14 December 2009 (IBAFO II) and following the Reallocation 2013 and IBAFO III⁵. On 26 June 2014, the Administrative Board last amended the voting rights decision as follows:

<u>Members</u>	<u>Total Net Contribution EUR</u>	<u>of which</u>		<u>Voting rights</u>
		<u>Total Net in Kind</u>	<u>cash</u>	
European Union	700.000.000	0	700.000.000	32,23%
Eurocontrol	670.174.405	505.174.405	165.000.000	30,86%
Airspace Users	0	0	0	10,00%

³ The European Union paid in total EUR 522.136.174, of which EUR 82.582.275 in 2015, and Eurocontrol paid EUR 111.865.391, of which EUR 14.859.510 in 2015.

⁴ Including EUR 27.824.088 in terms of 5% cash contribution.

⁵ It should be noted that the Reallocation and BAFO III entered into force at the date of the decision of the ADB and the contract amendments were signed subsequently.

ENAIRE	32.647.023	31.092.403	1.554.620	1,50%
DFS	37.747.400	35.949.905	1.797.495	1,74%
DSNA	35.365.590	33.681.514	1.684.076	1,63%
ENAV	37.571.359	35.782.247	1.789.112	1,73%
NATS	33.835.093	32.223.898	1.611.195	1,56%
NORACON	32.687.488	31.130.941	1.556.547	1,51%
SEAC	8.726.743	8.311.184	415.559	0,40%
FREQUENTIS	16.429.337	15.646.988	782.349	0,76%
INDRA	62.558.708	59.579.722	2.978.986	2,88%
NATMIG	20.792.074	19.801.975	990.099	0,96%
SELEX	46.228.472	44.027.116	2.201.356	2,13%
THALES	121.276.975	115.501.881	5.775.094	5,58%
AIRBUS	57.135.108	54.414.389	2.720.719	2,63%
ALENIA	19.919.548	18.970.998	948.550	0,92%
HONEYWELL	21.384.945	20.366.614	1.018.331	0,98%
Total	1.954.480.268	1.061.656.180	892.824.088	100,00%

1.3.10 Events subsequent to the end of the period

In accordance with the MFA Article 10.4, the Members of the SJU involved in the SESAR1 Programme activities are required to submit their Interim Financial Statements (IFS), together with a Certificate on the Interim Financial Statements where necessary within 120 days from the end of each Financial Year.

By the finalization of these Final Annual Accounts 2015, the SJU had received Interim Financial Statements from seven Members related to the year 2015.

2 Reports on implementation of the budget of the Joint Undertaking

2.1 General remarks

2.1.1 Establishing the budget and budget structure

The budgetary accounts are kept in accordance with the SJU Financial Rules. The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the implementation of the SJU Administrative Board's Decision.

Every year, the SJU estimates its revenue and expenditure for the following year. It sends to the Commission a provisional draft estimate of its revenue and expenditure and the general guidelines underlying that estimate no later than 31 January each year. As part of the procedure for adoption of the budget, the Commission sends the SJU's statement of estimates to the European Parliament and the Council and proposes the amount of the contribution for the SJU and the number of staff it considers the SJU needs. Based on this, the SJU prepares the draft budget for the following year and submits it no later than 30 September to the Administrative Board for adoption. The budget becomes definitive after final adoption by the Board and the task of executing the budget is the responsibility of the SJU Executive Director.

The budget of the SJU consists of a statement of revenue and a statement of expenditure with administrative and operational appropriations for commitments and payments. Following the extension of the SJU until 2024 and in view of the establishment of the next SESAR Programme in parallel to the existing first Programme until the end of 2016, the Administrative Board introduced in 2014 the presentation of the Budget in two separate sections:

Section 1 ("SESAR1"):

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

Section 2 ("SESAR2020"):

Revenues, Commitments and Payments related to the second SESAR Programme 2014-2024 under HORIZON- 2020 funding are presented here. With the call for Final Membership under the SESAR2020 Programme still on-going by the end of 2015, and in the absence of a renewed Eurocontrol/SJU agreement, it should be noted that Section 2 of the 2015 Budget was still exclusive of any Running Costs and that no detailed provisions for the Contributions of Members other than the European Union were available. For the same reason, no In-kind Contributions in relation to SESAR2020 had been included into Annex I and II of the Budget yet.

2.1.2 Budget principles

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

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

"For the SJU the principle of equilibrium shall apply for the totality of the foreseen period for the development phase. That means that the total budget revenue of the foreseen lifetime of the SJU

shall be in balance with the total budget expenditure of the same period. However, at no point of the existence of the SJU must cumulative commitment appropriations exceed the cumulative amount of revenue appropriations.”

2.1.3 Staff establishment plan

The SJU Staff Establishment Plan constitutes the document -adopted by the Administrative Board- defining the total number of positions by grade necessary to ensure the sound operational and financial management of the organization. These positions are filled by personnel recruited under the following types of contracts:

- Temporary Agents (TAs) contracts, for position requesting a long-term duration of the contract within the limit of the existence of the SJU such as for the Chief Administration Affairs, the Chief ATM as well as some administrative functions such as the Head of Finance and Budget, Legal officers, etc.
- Contractual Agents (CAs) contracts for some administrative support functions, where the TAs recruitment did not prove to be effective or for short term needs,
- Secondments of personnel of the SJU Members to the SJU in accordance with Article 8 of the SJU Statutes, especially where specific highly specialized and technical skills in the SESAR Programme domain are requested for the position,
- Seconded National Experts (SNEs) where Member States' experience is required.

Human Resources	2015	
	Authorised under the EU Budget	Actually filled as of 31/12/2015
Establishment plan posts:		
AD	33	32
AST	6	6
Total Establishment plan posts	39	38
<i>Of which:</i>		
- Temporary Agents	39	35
- Secondment from SJU Members *	0	1
- Contract Agents *	0	2
Seconded National Experts	3	3
Total staff	42	41

(*) These staff members are not additional to the 39 posts included in the Staff Establishment Plan approved by the Administrative Board of the SESAR Joint Undertaking, but they are contractual forms used by the SJU to fill in specific positions taking into consideration the needs and expertise requested. The same is applicable for the staff seconded by the Members to the SJU, in accordance with Article 8 of the SJU Statutes.

At the end of 2015, out of the 39 positions approved by the SJU Administrative Board in the SJU Staff Establishment Plan, 35 positions were covered by Temporary Agents, 2 positions by Contract Agents and one position by personnel seconded to the SJU by one of its Members. Out of the three positions approved for Seconded National Experts all were filled.

2.2 Budgetary implementation reports

2.2.1 Section 1 – SESAR1 Programme 2007-2016 (FP7/TEN-T)

2.2.1.1 Budget Result

<i>all figures in EUR</i>	2015	2014
<u>REVENUE RECEIVED FOR THE YEAR</u>		
Contribution from the European Union	82.582.275	94.753.384
Contribution from Eurocontrol	14.859.510	14.279.914
Contributions from other Members	4.246.362	4.246.362
Other sources of contribution and revenue	50.031	(37.077)
TOTAL REVENUE (1)	101.738.178	113.242.583
<u>TOTAL PAYMENTS MADE FOR THE YEAR</u>		
Staff Expenditure	(4.927.129)	(5.146.061)
Administrative Expenditure	(2.446.657)	(2.474.909)
Operating Expenditure	(105.402.187)	(89.708.026)
TOTAL EXPENDITURE (2)	(112.775.973)	(97.328.996)
<i>BUDGET RESULT of the year (3)=(1)-(2)</i>	<i>(11.037.795)</i>	<i>15.913.587</i>
Total Budget Result previous year (4)	21.436.603	5.523.016
<i>NEW TOTAL BUDGET RESULT (5)=(3)+(4)</i>	<i>10.398.808</i>	<i>21.436.603</i>
<u>COMMITMENTS STILL TO BE PAID (6)</u> <i>(Carry Forwards from year Title 1&2 only)</i>	<i>(3.027.976)</i>	<i>(2.973.065)</i>
TOTAL BUDGET OUTTURN (7)=(5)+(6)	7.370.832	18.463.538

2.2.1.2 Revenue

The final Budget, i.e. the Revised Budget approved by the Administrative Board on 12 December 2015 to take into account all transfers for SESAR1, included revenue appropriations for EUR 126.601.112, of which EUR 21.436.603 as Budget Result from the previous year. In 2015, the SJU cashed-in actual revenues of EUR 123.174.781 of which EUR 82.582.275 from the European Union, EUR 14.859.510 from Eurocontrol and EUR 4.246.362 as cash contributions of the other Members.

<i>all figures in EUR</i>	1	2	3=2/1	4	5	6=5/4	7	8
Type of revenue	Commitment appropriations	Actual Revenues established	% of budget	Payment appropriations	Actual Revenues received	% of budget	Outstanding (from 2015 only)	Outstanding (Total)
Contribution from the European Union	0	0	0,0%	82.800.000	82.582.275	99,7%	217.725	177.863.826
Contribution from Eurocontrol	20.558.736	20.558.736	100,0%	18.018.148	14.859.510	82,5%	3.158.638	15.522.619
Contributions from other Members	4.246.361	4.246.362	100,0%	4.246.361	4.246.362	100,0%		
Other sources of contribution and revenue	100.000	47.839	47,8%	100.000	50.031	50,0%		0
Budget surplus previous year	14.533.412	14.533.412	100,0%	21.436.603	21.436.603	100,0%		
TOTAL REVENUE	39.438.509	39.386.349	99,9%	126.601.112	123.174.781	97,3%	3.376.363	193.386.445

2.2.1.3 Expenditure

In terms of expenditure, of EUR 30.229.774 for commitment appropriations budgeted, EUR 30.177.117 (99.8%) were committed by 31.12.2015. In terms of payments, of EUR 126.601.112 budgeted for payment appropriations, EUR 112.775.973 (89.1%) were paid in 2015.

<i>all figures in EUR</i>	1	2	3=2/1	4	5	6 = 4 + 5	7	8=7/6	9	10
Type of expenditure	Final Commitment appropriations	Commitments	% of budget	Budget 2015	from 2014*	Total	Payments	% of budget	Commitments still to be paid (2015 Carry Forwards only)	Commitments still to be paid (Total)
Staff Expenditure	5.980.000	5.954.705	99,6%	5.980.000	132.730	6.112.730	4.927.129	80,6%	654.618	751.208
Administrative Expenditure	3.258.500	3.231.138	99,2%	3.258.500		3.258.500	2.446.655	75,1%	2.373.358	2.614.034
Operating Expenditure	20.991.274	20.991.274	100,0%	117.362.612		117.362.612	105.402.189	89,8%	14.549.343	172.884.213
1. Studies/Development conducted by the SJU	20.991.274	20.991.274	100,0%	49.219.222		49.219.222	38.437.801	78,2%	14.549.343	52.896.895
2. Studies/Development conducted by Eurocontrol										
3. Studies/Development conducted by other Members	0	0		68.143.390		68.143.390	66.964.388	98,3%		119.987.318
TOTAL EXPENDITURE	30.229.774	30.177.117	99,8%	126.601.112		126.733.842	112.775.973	89,0%	17.577.319	176.249.455
TOTAL REVENUE		39.386.349					123.174.781			
BUDGET SURPLUS		9.209.232					10.398.808			

* only amounts needed in 2015 (if any)

2.2.1.4 Revenue In-Kind (Annex I of the Budget)

<i>all figures in EUR</i>	1	2	3=2/1
<u>Type of revenue</u>	<u>Commitment appropriations</u>	<u>Actual Revenues established</u>	<u>% of budget</u>
Contribution from the European Union	0	0	
Contribution from Eurocontrol to be recognized	63.835.000	70.773.000	110,9%
Contributions from other Members to be recognized	0	0	
Other sources of contribution and revenue	0	0	
Budget surplus previous year	0	0	
TOTAL REVENUE	63.835.000	70.773.000	110,9%

2.2.1.5 Expenses In-Kind (Annex I of the Budget)

<i>all figures in EUR</i>	1	2	3=2/1
<u>Type of expenditure</u>	<u>Commitment appropriations (Final budget)</u>	<u>Actual Commitments</u>	<u>% of budget</u>
Staff Expenditure	0	0	
Administrative Expenditure*	0		
Operating Expenditure	63.835.000	70.773.000	110,9%
1. Studies/Development conducted by the SJU**	0		
2. Studies/Development conducted by Eurocontrol**	63.835.000	70.773.000	110,9%
3. Studies/Development conducted by other Members	0	0	
TOTAL EXPENDITURE	63.835.000	70.773.000	110,9%
TOTAL REVENUE		70.773.000	
BUDGET SURPLUS		0	

2.2.1.6 Evolution of the budget and implementation rates

Statement of Revenue

<i>all figures in EUR</i>		COMMITMENTS (Entitlements)				
<u>Type of revenue</u>	<u>Initial appropri.</u>	<u>Transfers/ Modification s</u>	<u>FINAL appropri.</u>	<u>Final Implementa tion</u>	<u>Implementa tion rate on Initial appr.</u>	<u>Implementa tion rate on FINAL appr.</u>
	1	2	3=1+2	4	5=4/1	6=4/3
European Union Contribution	0	0	0	0		
Contribution from Eurocontrol	20.558.736	0	20.558.736	20.558.736	100,0%	100,0%
Contributions from other Members	4.246.361	0	4.246.361	4.246.362	100,0%	100,0%
Other Revenue	100.000	0	100.000	47.839	47,8%	47,8%
Budget Surplus previous year	14.455.667	77.745	14.533.412	14.533.412	100,5%	100,0%
TOTAL	39.360.764	77.745	39.438.509	39.386.349	100,1%	99,9%

<i>all figures in EUR</i>		PAYMENTS (Revenue)				
<u>Type of revenue</u>	<u>Initial appropri.</u>	<u>Transfers/ Modification s</u>	<u>FINAL appropri.</u>	<u>Final Implementa tion</u>	<u>Implementa tion rate on Initial appr.</u>	<u>Implementa tion rate on FINAL appr.</u>
	1	2	3=1+2	4	5=4/1	6=4/3
European Union Contribution	82.800.000	0	82.800.000	82.582.275	99,7%	99,7%
Contribution from Eurocontrol	18.018.148	0	18.018.148	14.859.510	82,5%	82,5%
Contributions from other Members	4.246.361	0	4.246.361	4.246.362	100,0%	100,0%
Other Revenue	100.000	0	100.000	50.031	50,0%	50,0%
Budget Surplus previous year	0	21.436.603	21.436.603	21.436.603		100,0%
TOTAL	105.164.509	21.436.603	126.601.112	123.174.781	117,1%	97,3%

Initial appropriations as adopted by SJU Administrative Board on 11 December 2014.

Final appropriations as adopted by SJU Administrative Board on 15 December 2015.

Statement of Expenditure

<i>all figures in EUR</i>			COMMITMENTS			
<u>Type of expenditure</u>	<u>Initial</u> <u>appropri.</u>	<u>Transfers/</u> <u>Modification</u>	<u>FINAL</u> <u>appropri.</u>	<u>Final</u> <u>Implementa</u> <u>tion</u>	<u>Implementa</u> <u>tion rate on</u> <u>Initial appr.</u>	<u>Implementa</u> <u>tion rate on</u> <u>FINAL appr.</u>
	1	2	3=1+2	4	5=4/1	6=4/3
Staff Expenditure	5.980.000	0	5.980.000	5.954.705	99,6%	99,6%
Administrative Expenditure	3.278.000	-19.500	3.258.500	3.231.138	98,6%	99,2%
Operating Expenditure	20.971.774	19.500	20.991.274	20.991.274	100,1%	100,0%
TOTAL	30.229.774	0	30.229.774	30.177.117	99,8%	99,8%

<i>all figures in EUR</i>			PAYMENTS			
<u>Type of expenditure</u>	<u>Initial</u> <u>appropri.</u>	<u>Transfers/</u> <u>Modification</u>	<u>FINAL</u> <u>appropri.</u>	<u>Final</u> <u>Implementa</u> <u>tion</u>	<u>Implementa</u> <u>tion rate on</u> <u>Initial appr.</u>	<u>Implementa</u> <u>tion rate on</u> <u>FINAL appr.</u>
	1	2	3=1+2	4	5=4/1	6=4/3
Staff Expenditure	5.980.000	132.730	6.112.730	4.927.129	82,4%	80,6%
Administrative Expenditure	3.278.000	-19.500	3.258.500	2.446.657	74,6%	75,1%
Operating Expenditure	95.906.509	21.456.103	117.362.612	105.402.187	109,9%	89,8%
TOTAL	105.164.509	21.569.333	126.733.842	112.775.973	107,2%	89,0%

Initial appropriations as adopted by SJU Administrative Board on 11 December 2014.

Final appropriations as adopted by SJU Administrative Board on 15 December 2015.

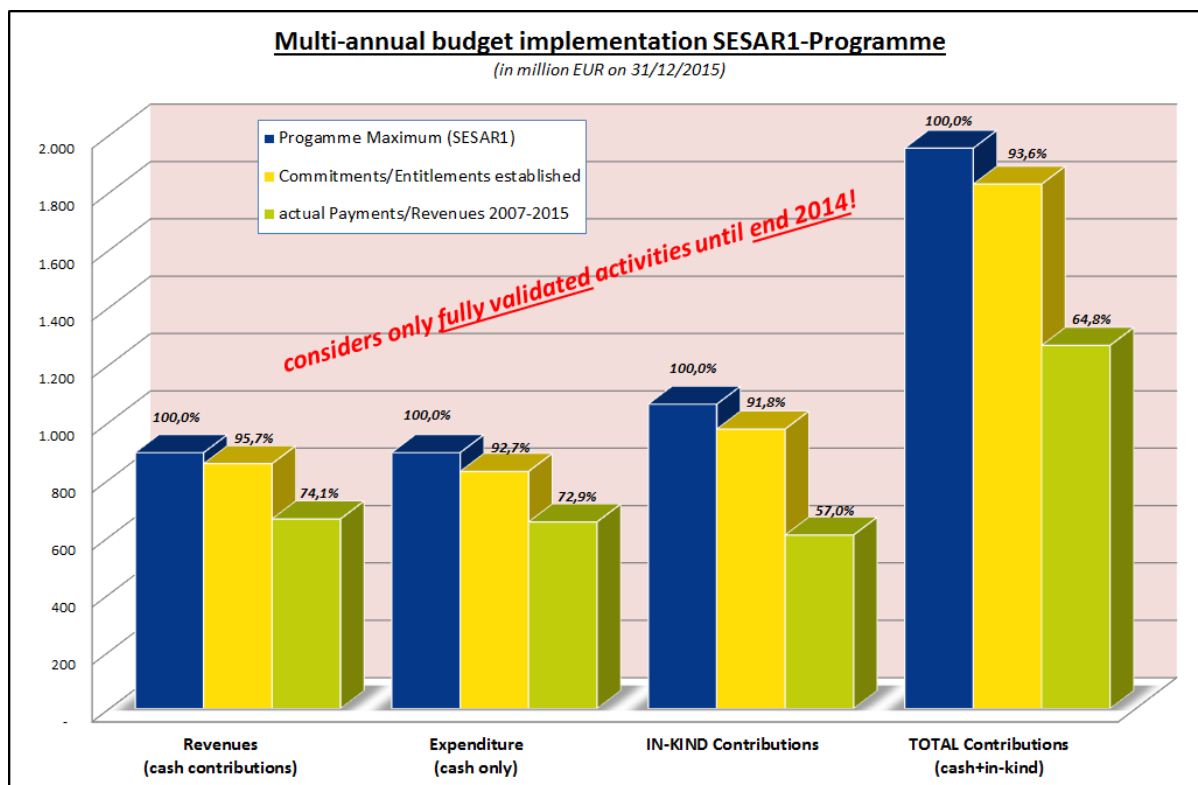
2.2.1.7 Multi-annual budget implementation

Multi-annual Revenue & Contributions in-kind

all figures in million EUR													1	2	3	4=2-3
I. CASH CONTRIBUTIONS	SESAR 1 Programme Maximum (MFA amend. 4)	Total Entitlements ("Commitments")	Revenues/Contributions actually received ("Payments")									Open Entitlements still to be received				
			2007/8	2009	2010	2011	2012	2013	2014	2015	Total 2007- 2015					
EUROPEAN UNION CONTRIBUTION (Title 1)	700,0	700,0	110,8	27,7	41,0	18,0	69,7	77,5	94,8	82,6	522,1	177,9				
CONTRIBUTION FROM EUROCONTROL (Title 2)	165,0	127,4	10,0	9,0	11,6	11,2	33,2	7,7	14,3	14,9	111,9	15,5				
CONTRIBUTION FROM OTHER MEMBERS (Title 3)	27,8	25,5			3,6	4,6	4,5	4,3	4,3	4,3	25,5	0,0				
OTHER REVENUE (Title 4)	0,0	1,4	0,1	2,1	(0,6)	0,2	0,1	0,2	(0,1)	0,1	2,1	n/a				
Total CASH Contributions	892,8	854,3	120,9	38,8	55,6	34,0	107,5	89,6	113,3	101,9	661,5	193,4				
Cumulative Budget implementation rates (of Prog. Max.):			95,7%								74,1%					
II. IN-KIND CONTRIBUTIONS IKC (validated by the SJU)																
IKC from EUROCONTROL	505,2	413,6		0,3	11,3	27,4	63,6		69,8	64,2	236,6	177,0				
IKC from OTHER MEMBERS	556,5	561,4			2,5	43,7	75,6	76,4	81,4	89,1	368,7	192,7				
Total IN-KIND Contributions	1061,7	975,0	0,0	0,3	13,8	71,1	139,2	76,4	151,2	153,3	605,3	369,7				
Cumulative Budget implementation rates (of Prog. Max.):			91,8%								57,0%					
III. TOTAL CONTRIBUTIONS (I.+II.)	1.954,5	1.829,3	120,9	39,1	69,4	105,1	246,7	166,0	264,5	255,2	1.266,8	563,1				
Cumulative Budget implementation rates (of Prog. Max.):			93,6%								64,8%					

Multi-annual Expenditure & Budget Result

all figures in million EUR															1	2	3	4=2+3	5	6=4+5
I. Expenditure Budget Titles:	SESAR 1 Programme Maximum (MFA amend. 4)	COMMITMENTS			PAYMENTS										Open Commit- ments (RAL)					
		Commitm- ents of the budget year	Cancellati- ons of Commitm- ents carried forward	Final Commitm- ents	2007/8	2009	2010	2011	2012	2013	2014	2015	Total 2007- 2015							
Running Costs (Titles 1 & 2)	97,8	64,6	(6,0)	58,6	(3,7)	(5,4)	(7,2)	(7,6)	(8,0)	(8,3)	(7,6)	(7,4)	(55,2)	3,4						
Operational Expenditure Non-Members (Title 3.1)	231,9	217,4	(11,7)	205,7	(1,7)	(8,4)	(15,9)	(18,5)	(24,0)	(21,8)	(24,1)	(38,4)	(152,8)	52,9						
Operational Expenditure 'Early projects' (Title 3.2)	7,0	7,0		7,0			(6,3)	(0,7)					(7,0)	0,0						
Operational Expenditure Members (Title 3.3)	556,1	556,1	0,0	556,1	(54,1)	(55,6)	(48,8)	(75,2)	(69,9)	(65,6)	(66,9)		(436,1)	120,0						
TOTAL Expenditure :	892,8	845,1	(17,7)	827,4	(5,4)	(67,9)	(85,0)	(75,6)	(107,2)	(100,0)	(97,3)	(112,7)	(651,1)	176,3						
Cumulative Budget implementation rates (of Prog. Max.):				92,7%										72,9%						
II. Budget Results																				
Cash Contributions (see Multi-annual revenues)	892,8	854,3	0,0	854,3	120,9	38,8	55,6	34,0	107,5	89,6	113,3	101,9	661,5	193,4						
Budget Result (Revenues / Expenditure)	0,0	9,2	17,7	26,9	115,5	(29,1)	(29,4)	(41,6)	0,3	(10,4)	16,0	(10,9)	10,4	17,1						



At the end of 2015, 93.6% of the EUR 1954 million maximum contractual Budget envelopes established for the SESAR1-Programme were implemented in terms of entitlements established with all SJU Members. On the other hand, 64.8% (EUR 1266 million) were actually already received or fully validated as in kind contributions at the same time. **Please note that this figure does not take into account activities already performed during 2015 (or before in few cases) which will only be validated during 2016.** This is due to the contractually fixed time-lag for submission, assessment and acceptance of Members' cost claims for previous years' activities, as already explained in Part I of this document.

For the Cash Budget only, out of EUR 892.8 million 95.7% have been established as entitlements and 92.7% have been committed as expenditure. Actual revenues received made up 74.1% and actual payments effected by 31/12/2015 amounted to EUR 651.1 million (=72.9% of the total budget).

For more details on how to account for Member's Contributions please refer to Note 15 to the Financial Statements (Part 1.3.5. of this document) and to the Accounting policies related to the balance sheet (Part 1.3.6. of this document - 'Net assets').

2.2.1.8 Notes to the budgetary implementation reports

2.2.1.8.1 Note B.1: Contribution from the European Union

End of 2013, the European Union had already committed the full EUR 700.000.000 contribution foreseen. Actual revenues received by the SJU from these commitments amounted to EUR 82.582.275 during 2015 (EUR 46.826.075 from FP7 and EUR 35.756.200 from TEN-T). At the end of 2015, the cumulative European Union commitments and revenue movements are described here below:

	Budget appropriations	Actual commitments	Actual revenues	Outstanding
FP7 funds	350.000.000	350.000.000	235.214.564	114.785.436
TEN-T funds	350.000.000	350.000.000	286.921.610	63.078.390
TOTAL EU	700.000.000	700.000.000	522.136.174	177.863.826

Note B.2: Contribution from Eurocontrol

During 2015, Eurocontrol a) realized the Programme activities and b) provided the SJU with the services described here below, under the agreement between the SJU and Eurocontrol of 12 June 2009.

- a) Maximum entitlements ('**Revenue Commitments**') of EUR 91.3 million established for cash received and activities performed during 2015 but still to be accepted/validated, of which:
- EUR 20.5 million for cash contributions in accordance with Annex 2 of the aforementioned *Eurocontrol/SJU agreement*,
 - EUR 70.8 million for in kind contributions (section 2.2.4 - annex I of the Budget).
- b) **Actual Revenues** received/validated during 2015 for EUR 79.0 million, of which:
- *Cash contributions*:
 - o EUR 2.000.000, representing a payment related to the contribution of EUR 55 million to co-finance Work Packages C, 7, 13 and 16. In accordance with the letter supporting the transfer agreed by Eurocontrol with the SJU, the amounts received could be used to finance on a temporary basis also other Work Packages, providing the assurance that at the end the funds will be only used to co-finance the Work Packages identified in the Agreement;
 - *Contributions considered cash in accordance with Annex 2 of the aforementioned Eurocontrol/SJU agreement realized in 2014 for a total of 12.859.510 EUR*:
 - o EUR 96.209 in terms of staff seconded to the SJU;
 - o EUR 1.004.161 related to IT and other administrative services;
 - o EUR 5.783.784 related to contracts let by Eurocontrol on behalf of the SJU related to WPE;
 - o EUR 2.683.874 related to contracts let by Eurocontrol on behalf of the SJU related to WP11;
 - o EUR 3.291.482 related to contracts let by Eurocontrol on behalf of the SJU related to Airspace Users, Professional Staff Associations and Military experts.
 - *In kind contributions (recognized as Net assets in General Accounts)⁶ for a total of EUR 64.152.528:*

⁶ Due to their nature, in kind contributions are not recorded in the budgetary accounts as cash (revenues/ payments), but they are only established as maximum entitlements/commitments in Annex I of the Budget. The actual amounts validated in the subsequent year(s) are finally recorded as Net Assets in the General Accounts (see also see also Note 15 in Part I).

- EUR 1.815.570 related to PSO for 2013. In 2008, Eurocontrol established a Unit – the Project Support Office (PSO) – hosted by the SJU in order to provide the necessary support in the management of the SESAR Programme. PSO provides programme management support to the SJU in strict coordination with the other SJU Teams. The number of staff to be part of this Office by the end of 2015 is 19 persons. The PSO staff is covered by an agreement between Eurocontrol and the SJU. The PSO staff assigned to the SJU for the execution of this Agreement shall remain subject to the Eurocontrol's staff regulations and rules. Furthermore, the PSO Manager is placed under the hierarchical authority of Director SESAR at Eurocontrol but reports functionally to the SJU Executive Director. The PSO staff is placed under the sole authority of the PSO Manager. The PSO Manager determines, in coordination with the SJU Executive Director, the tasks the PSO Staff carries out. Taking into consideration the agreement governing the PSO, the costs of the PSO are part of the in-kind contribution of Eurocontrol to the SJU and are not part of the running costs of the SJU;
- EUR 62.336.958 to the Programme activities realized by Eurocontrol during 2013.

<u>Revenue Entitlements established</u>	2008 <u>actual</u>	2009 <u>actual</u>	2010 <u>actual</u>	2011 <u>actual</u>	2012 <u>actual</u>	2013 <u>actual</u>	2014 <u>actual</u>	2015 <u>actual</u>	2008 - 2015 <u>Total</u>
Cash (Budget Acc.)	10,0	9,0	2,9	8,1	30,0	0,0	2,0	2,0	64,0
Cash services (Budget Acc.)		9,4	3,3	12,9	11,7	6,4	1,2	18,5	63,4
In Kind (Budget Acc. Annex I)		8,1	52,3	69,8	74,8	70,6	67,2	70,8	413,6
Total	10,0	26,5	58,5	90,8	116,5	77,0	70,4	91,3	541,0

<u>Contributions recognized</u>	2008 <u>actual</u>	2009 <u>actual</u>	2010 <u>actual</u>	2011 <u>actual</u>	2012 <u>actual</u>	2013 <u>actual</u>	2014 <u>actual</u>	2015 <u>actual</u>	2008 - 2015 <u>Total</u>
Cash (Budget Acc.&Net Assets)	10,0	9,0	2,9	8,1	30,0	0,0	2,0	2,0	64,0
Cash services (Budget Acc.&Net Assets)		0,7	8,1	3,0	3,3	7,7	12,3	12,8	47,9
In kind (Net Assets)		0,3	11,3	27,4	63,6	0,0	69,8	64,2	236,6
Total	10,0	10,0	22,3	38,5	96,9	7,7	84,1	79,0	348,5

Outstanding									192,5
--------------------	--	--	--	--	--	--	--	--	--------------

- c) Contributions from previous years' activities still to be validated and accepted by the SJU (re-accrued for in the General Accounts, see also Note 14 in Part I):
- EUR 67.6 million for in-kind contributions related to Programme activities performed in 2014 (validation about to be finalised).

Note B.3: Contribution from other Members

In accordance with the decisions of 24 March and 12 June 2009 of the Administrative Board to award the activities to the SJU Members for a gross amount of EUR 1.188.981.000 in terms of in-kind contributions and EUR 594.490.499 as co-financing, during 2013 the SJU went through a Reallocation and IBAFO III processes which resulted in a change of the total amount of the Members in kind contributions as of 1 January 2014. The Members' in-kind contributions are now amounting to a gross amount of EUR 1.112.603.775 to which EUR 556.122.000 corresponds in terms of maximum co-financing, leading to maximum net in-kind Contributions of EUR 555.481.775. The total maximum co-financing has been committed by the SJU by year end 2013. The Annual Cash Contributions to the SJU Running Costs from other Members were fully cashed in during 2015 and amounted to EUR 4.246.362 as planned.

Note B.4: Other sources of contribution and revenue

The revenues include mainly interest yielded on the cash contributions paid to the SJU. Since the change of the Financial Regulation applicable and the signature of the new delegation agreement with the EU end of 2014, these interests do not have to be paid back to the EC any longer.

Note B.5: Staff expenditure

This Article of the budget includes all staff related costs such as salaries, social security, taxes, insurances, mission costs, recruitment, secondments and interim support:

<i>all figures in EUR</i>	1	2	3=2/1	4	5	6 = 4 + 5	7	8=7/6
<u>Staff expenditure</u>	<u>Final</u> <u>Commitment</u> <u>appropriations</u>	<u>Commitments</u>			<u>Payment appropriations</u>		<u>Payments</u>	
			<u>% of</u> <u>budget</u>	<u>Budget 2015</u>	<u>from 2014 *</u>	<u>Total</u>		<u>% of</u> <u>budget</u>
Staff Expenditure as per Staff Est.Plan	4.320.000	4.320.000	100,0%	4.320.000		4.320.000	3.763.597	87,1%
Contract Agents, Interim Staff	620.000	620.000	100,0%	620.000		620.000	420.426	67,8%
Secondments From Members	165.000	165.000	100,0%	165.000	132.730	297.730	297.730	100,0%
Seconded National Experts	180.000	180.000	100,0%	180.000		180.000	108.156	60,1%
Mission Costs	500.000	500.000	100,0%	500.000		500.000	255.896	51,2%
Other Staff Expenditure	195.000	169.705	87,0%	195.000		195.000	81.324	41,7%
TOTAL	5.980.000	5.954.705	99,6%	5.980.000		6.112.730	4.927.129	80,6%

* only amounts needed in 2015 (if any)

The amount of the cumulative carry forward related to the Staff Expenditure, EUR 751.208 (see table 2.2.3), is due mostly to the cost of the *Secondments from Members* and *Mission* for which the SJU will receive the relative invoices/supporting documents during 2016 together with the IFS 2015.

Note B.6: Administrative expenditure

Administrative expenditures include the administrative costs such as office supplies (printing, copiers, translation, publications, consumable office material), utilities (water, electricity, telecommunications

costs), office rental and associated charges, legal, financial and fiscal expertise for administrative needs and all insurances not related to staff as well as expenses incurred for the activities of the Administrative Board⁷.

This post furthermore includes the procurement, rental and maintenance of IT equipment, furniture and other technical facilities. The IT infrastructure including on-site and remote support is provided mainly by Eurocontrol as part of its services to the SJU:

<i>all figures in EUR</i>	1	2	3=2/1	4	5	6 = 4 + 5	7	8=7/6
<u>Administrative Expenditure</u>	<u>Final Commitment appropriations</u>	<u>Commitments</u>		<u>Payment appropriations</u>			<u>Payments</u>	
			<u>% of budget</u>	<u>Budget 2015</u>	<u>from 2014 *</u>	<u>Total</u>		<u>% of budget</u>
Rental of Buildings and Associated Costs	950.000	950.000	100,0%	950.000		950.000	651.909	68,6%
Movable Property And Associated Costs	128.000	128.000	100,0%	128.000		128.000	21.545	16,8%
PR and Events	330.000	330.000	100,0%	330.000		330.000	166.597	50,5%
Postage and Telecommunications	175.500	175.500	100,0%	175.500		175.500	105.595	60,2%
Administrative Board Expenditure	20.000	10.000	50,0%	20.000		20.000	1.216	6,1%
Current Administrative Expenditure	291.000	291.000	100,0%	291.000		291.000	234.939	80,7%
IT Expenditure And Technical Facilities	1.270.000	1.270.000	100,0%	1.270.000		1.270.000	1.202.457	94,7%
Administrative Support Services	94.000	76.638	81,5%	94.000		94.000	62.399	66,4%
TOTAL	3.258.500	3.231.138	99,2%	3.258.500		3.258.500	2.446.657	75,1%

* only amounts needed in 2015 (if any)

The amount of the cumulative carry forward related to the Administrative Expenditure, EUR 2.614.034 (see table 2.2.3), is due mostly to the cost of the *IT Expenditure and Facility provided* by Eurocontrol that will be invoiced in 2016.

Note B.7: Studies and development conducted by the Joint Undertaking

This article of the budget contains programme related activities directly managed by the SJU as specified in the Annual Budget and the Annual Work Programme for the most important items.

⁷ Expenses referred to in Article 14 of the Administrative Board's rule of procedure and other costs directly linked to the activities of the Board.

<i>all figures in EUR</i>	1	2	3=2/1	4	5	6=5/4	7
<u>Studies/Development by SJU</u>	<u>Final Commitment Appropriations</u>	<u>Commitments</u>	<u>% of budget</u>	<u>Final Payment Appropriations</u>	<u>Payments</u>	<u>% of budget</u>	<u>Total open Commitments (RAL)</u>
ACAS	0			392.800	0	0,0%	250.000
Ad Hoc Studies	1.000.000	1.000.000	100,0%	1.250.000	0	0,0%	750.000
Airports Expertise (ACI)	0			348.098	0	0,0%	292.800
Airspace Users (ECTL)*	3.500.000	3.500.000	100,0%	3.500.000	2.771.448	79,2%	1.769.892
Associates of the SJU	0			1.246.913	424.495	34,0%	8.743.430
ATMPP Statagic Performance Partnership	0			42.465	42.465	100,0%	14.577
Cyber Security	0			630.000	630.000	100,0%	0
Datalink VDL**	0			1.724.000	1.724.000	100,0%	1.499.000
Definition Phase RPAS	0			1.000.000	0	0,0%	211.250
Demonstration Activities ('12)	0			2.121.851	2.121.851	100,0%	1.686.478
Demonstration Activities ('13)	0			1.098.124	447.771	40,8%	1.941.626
Demonstration Activities ('14)	0			13.135.311	12.027.767	91,6%	14.927.264
DMS/Technical support for SESAR2020**	0	0		1.000.000	504.490	50,4%	495.510
Independent Experts	319.500	319.500	100,0%	319.500	273.965	85,7%	242.369
Industrial support	0			6.109.246	6.109.246	100,0%	0
Military and Professional Staff Associations	630.000	630.000	100,0%	620.000	520.034	83,9%	793.471
NSA Advisory Group	0			198.500	7.733	3,9%	174.117
Programme Audit Support	200.000	200.000	100,0%	809.656	179.678	22,2%	636.756
Programme Legal Support	100.000	100.000	100,0%	161.600	0	0,0%	100.000
Programme Strategy Advice	750.000	750.000	100,0%	1.036.650	1.036.650	100,0%	1.191.175
Programme Support	998.360	998.360	100,0%	1.520.360	1.110.552	73,0%	390.185
Scientific Committee	46.678	46.678	100,0%	75.000	37.998	50,7%	74.129
WP11	8.710.506	8.710.506	100,0%	4.312.148	2.683.874	62,2%	15.465.790
WPE	4.736.230	4.736.230	100,0%	6.567.000	5.783.784	88,1%	1.247.076
TOTAL	20.991.274	20.991.274	100,0%	49.219.222	38.437.801	78,1%	52.896.895

(*) In accordance with the SJU/Eurocontrol agreements, these are considered Eurocontrol cash contribution.

(**) In accordance with ADB(D)05-2014 of 26 June 2014.

Initial Commitment and Payment Appropriations were revised during 2015 and re-allocated amongst the different items of this budget line in accordance with the cash forecasts and operational needs.

The remaining open commitments at 31/12/2015 ('RAL') were carried forward to 2016 and relate to multi-annual contracts ending at 31/12/2016 or earlier.

Note B.8: Studies and development conducted by the Members

This position covers the commitments for Co-Financing to the 15 Members of the SJU broken down by Member and Project. During 2014, EUR 66.964.387 were paid as Co-financing, net of any clearing of Pre-Financing:

<i>all figures in EUR</i>			
<u>Payments to SJU Members</u>	<u>Net Payments 2014</u>	<u>Net Payments 2015</u>	<u>Total open Commitments (RAL)</u>
AENA	260.065	6.402.860	8.380.481
AIRBUS	6.263.323	5.730.319	10.882.878
ALENIA	137.917	5.142.061	4.917.937
DFS	3.989.910	5.008.974	7.498.214
DSNA	8.900.719	3.860.243	6.791.305
ENAV	3.603.806	3.728.796	8.743.721
FREQUENTIS	850.470	1.459.090	3.129.298
HONEYWELL	2.327.264	2.917.241	4.786.473
INDRA	7.731.832	11.064.011	8.936.959
NATMIG	5.881.209	2.283.672	4.185.993
NATS	3.013.139	0	13.884.408
NORACON	3.140.555	4.668.939	8.921.498
SEAC	51.188	2.373.392	2.797.348
SELEX	4.157.600	1.952.247	8.805.423
THALES	15.279.954	10.372.541	17.325.282
TOTAL	65.588.951	66.964.387	119.987.218
Final Payment Appropriations	80.159.065	68.143.390	
Implementation rate	81,8%	98,3%	

The remaining open commitments at 31/12/2015 ('RAL') were carried forward to 2016 and relate to the 15 individual Membership Agreements ('MAS') and the Multilateral Framework Agreement ('MFA') established with all Members for SESAR1-Programme and all ending at 31/12/2016.

2.2.2 Section 2 – SESAR2020 Programme 2014-2024 (Horizon 2020)

2.2.2.1 Budget Result, Revenue and Expenditure

<i>all figures in EUR</i>	1	2	3=2/1	4	5	6=5/4
	<u>Commitment appropriations</u>	<u>Actual Revenues established</u>	<u>% of budget</u>	<u>Payment appropriations</u>	<u>Actual Revenues received</u>	<u>% of budget</u>
1. Revenue SESAR2020						
Contribution from the European Union (Horizon 2020 Programme)	51.470.000	51.470.000	100,0%	10.300.000	0	0,0%
TOTAL REVENUE	51.470.000	51.470.000	100,0%	10.300.000	0	0,0%
	<u>Commitment approp.</u>	<u>Commitments</u>		<u>Payment appropriations</u>	<u>Payments</u>	
2. Expenditure SESAR2020						
Operating Expenditure	51.470.000	51.470.000	100,0%	10.300.000	0	0,0%
1. Studies/Development conducted by the SJU				10.300.000	0	0,0%
2. Studies/Development conducted by Eurocontrol						
3. Studies/Development conducted by other Members	51.470.000	51.470.000	100,0%			
TOTAL EXPENDITURE	51.470.000	51.470.000	100,0%	10.300.000	0	0,0%
BUDGET RESULT (SESAR2020 only)		0			0	

Following the first Annual Financial Implementation Agreement with the EC in 2014 of EUR 20.6 million for the launch of the first Exploratory Research call, a second Annual Financial Implementation Agreement under Horizon 2020 for EUR 51.5 million (incl. 2.9% of EFTA Contributions) was signed in 2015. As planned, these entitlements allowed the SJU entering into a global Level-1 commitment of the same amount for activities to be performed by the SJU Members under the SESAR 2020-Programme. In this respects, the call for Final Membership Applications was opened in November 2015, followed by a first call for proposals under 28 topics of Industrial Research and Very large Scale Demonstration (Wave 1) on 1 December 2015, open to all candidate members. The global commitment was carried forward to 2016 to be used for the award of individual grants once the proposals have been received and evaluated.

In terms of cash, the 2015 Budget for S2020 also foresaw revenues and payment appropriations of EUR 10.3 million for Pre-Financing payments under the first Exploratory Research call launched in 2015. However, in order to keep the cash balance at year end low, the SJU had requested the Commission in November 2015 to transfer these funds only in January 2016 where they started to be used for the first Pre-Financing payments.

2.2.2.2 Multi-annual budget implementation

With the call for Final Membership under the SESAR2020-Programme still on-going, and in the absence of a renewed Eurocontrol/SJU agreement, it is not possible at this stage to show a detailed multi-annual budget or report on its implementation other than for the EUR 585 million contributions of the European Union as fixed in the 2014 amendment of the SJU Regulation⁸:

all figures in million EUR													1	2	3	4=2-3
I. CASH CONTRIBUTIONS	SESAR2020 Programme Maximum (MFA amend. 4)	Total Entitlements ('Commitments')	Revenues/Contributions actually received ('Payments')										Open Entitlements still to be received			
			2014	2015	2016	2017	2018	2019	2020	2021-24	Total 2014- 2024					
EUROPEAN UNION CONTRIBUTION (Title 1)	585,0	72,1										0,0	72,1			
CONTRIBUTION FROM EUROCONTROL (Title 2)	pm	0,0										0,0	pm			
CONTRIBUTION FROM OTHER MEMBERS (Title 3)	pm	0,0										0,0	pm			
OTHER REVENUE (Title 4)	pm	0,0										0,0	pm			
Total CASH Contributions	585,0	72,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	72,1			
Cumulative Budget implementation rates (of Prog. Max.):			12,3%										0,0%			

The regulation furthermore states that the overall cost of the SESAR2020 activities are estimated at EUR 1585 million, including EUR 85 million for exploratory research, EUR 1200 million for applied research and pre-industrial development, and EUR 300 million for large-scale demonstrations. The exact split between these activities and how the contributions of together EUR 1000 million are allocated between Eurocontrol and the Other Members will be fixed and published as soon as the Membership calls are finalized.

⁸ Ref.: COUNCIL REGULATION (EU) No 721/2014 of 16 June 2014

2.3 Reconciliation between budgetary and financial accounts

all figures in EUR		2015
NET EXPENSES FOR ACTIVITIES OF THE YEAR (SFP)		(284.755.942)
<u>1. Adjustment for items not included in the budgetary result but included in the economic result</u>		
Increase/(Decrease) of unpaid invoices at year end but booked in charges	+	9.928.386
Increase/(Decrease) of cumulative Depreciation of intangible and tangible fixed assets	+	275.961
Increase/(Decrease) of Provisions/Liabilities/Contributions to be validated	-	(12.272.073)
Decrease/(Increase) of Recovery orders issued during year not cashed in by year end	+	5.540
Increase/(Decrease) of Debts towards EU-Institutions	-	(15.440)
Subtotal 1		(2.077.626)
<u>2. Adjustment for items included in the budgetary result but not included in the economic result</u>		
Increase/(Decrease) of Asset acquisitions	-	(113.479)
Decrease/(Increase) of Pre-financing	+	20.424.127
Increase/(Decrease) of Members' Contributions	+	254.989.747
Decrease/(Increase) of Deferred charges (Prepaid expenses of next year)	+	505.244
Subtotal 2		275.805.639
<u>3. Reconciliation items between Budget and General Accounts (Payments)</u>		
Cash outs in banks but not in Budgetary reports (+)	+	17.966
Cash ins in Budgetary reports but not in Banks (+)	+	0
Cash ins in banks but not in Budgetary reports (-)	-	(25.182)
Cash outs in Budgetary reports but not in Banks (-)	-	(6.891)
Remaining reconciliation items not identified	+/-	4.242
Subtotal 3		(9.866)
BUDGET RESULT OF THE YEAR		(11.037.795)
Balance Budget Outturn Account 2015	+	21.436.603
Payment appropriations carried over to 2016 (RAL)	-	(3.027.976)
BUDGET OUTTURN BALANCE		7.370.832

