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European Research Council
Executive Agency

Established by the European Commission

FINAL ANNUAL ACCOUNTS OF THE EUROPEAN RESEARCH COUNCIL EXECUTIVE AGENCY

Financial Statements

Reports on the implementation of the Budget

Financial Year 2025

Table of Contents

CERTIFICATE AND STATEMENT OF THE DIRECTOR

CERTIFICATE

I acknowledge my responsibility for the preparation and presentation of the final annual accounts of the European Research Council Executive Agency in accordance with Article 30.1 (b) of the Standard Financial Regulation for the Executive Agencies ('SFR')[1] and Article 252 of the Financial Regulation ('FR')[2]. I hereby certify that the final annual accounts of the European Research Council Executive Agency for the year 2025 have been prepared in accordance with Title VI of the SFR, Title XIII of the FR, and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all institutions and union bodies.

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

Brussels,

Qualified electronic signature by: CLAIRE HÉLÈNE LOUISE LEVACHER
Date 2026-06-05 09:52:48 UTC

Claire Levacher
Accounting Officer

STATEMENT OF THE DIRECTOR

I, the undersigned, Laurence Moreau, Director of the European Research Council Executive Agency, in my capacity as Authorising Officer,

- state that I have reasonable assurance that the resources assigned to the activities described in the final annual accounts have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. This reasonable assurance is based on my own judgment and on the information at my disposal,

- confirm that I am not aware of anything not reported in the annual accounts, which could harm the interests of the European Research Council Executive Agency.

Brussels,

Laurence Moreau
Director

Qualified electronic signature by: LAURENCE JEANNE MARIE PAULE MOREAU
Date 2026-06-05 09:59:47 UTC

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1 Commission Regulation (EC) n°1653/2004 of the Council of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) n° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, amended by Commission Regulation (EC) n°1821/2005 of 08 November 2005 and Commission Regulation (EC) n° 651/2008 of 09 July 2008.

2 Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) (OJ-L /26.09.2024, p.1).

INTRODUCTION

LEGAL BASIS

The accounts of the European Research Council Executive Agency are kept in accordance with:

- The Commission Regulation (EC) n°1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) n° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, amended by Commission Regulation (EC) n°1821/2005 of 08 November 2005 and Commission Regulation (EC) n° 651/2008 of 09 July 2008.

- The accounting rules, methods and guidelines as adopted and provided by the Accountant of the Commission in December 2004 and last updated in December 2025.

- The Commission Regulation (EC) No 2909/2000 of 29 December 2000 on the accounting management of the European Communities' non-financial fixed assets.

- The communication from the Commission C(2023) 7161 final of 27 October 2023 on special provisions on inventory management for property of the European Commission.

- The Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast).

BACKGROUND INFORMATION

The European Research Council (ERC) consists of a Scientific Council and a Dedicated Implementation Structure, the European Research Council Executive Agency (ERCEA).

The Scientific Council defines the scientific funding strategy and methodologies, whereas the Dedicated Implementation Structure implements and applies this strategy and methodologies in the management and operations of the ERC activities.

The ERCEA is the first European funding body set up to support investigator-driven frontier research following the relevant regulation and decisions:

- The Commission Implementing Decision (EU) 2021/173/EU of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU; The ERCEA succeeded the Executive Agency established by Commission Implementing Decision C(2013)9048 of 17 Decembre 2013 establishing the European Research Executive Agency and repealing decision 2008/37/EC (2013/779/EU) and operated in accordance with Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, including budget implementation.

- The Commission Decision C(2021)950 of 12 February 2021 delegating powers to the European Research Council Executive Agency with a view to the performance of tasks linked to the implementation of Union programmes in the field of frontier research comprising, in particular, implementation of appropriations entered in the general budget of the Union.

- The Commission Decision C(2021)3402 of 12 May 2021 establishing the European Research Council for Horizon Europe – the Framework Programme for Research and innovation and repealing Decision C(2013)8915.

- The Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013.

- The Council Decision (EU) 2021/764 of 10 May 2021 establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing Decision 2013/743/EU.

Under the 2021-2027 Multiannual Financial Framework, the Agency continues to manage the legacy of the following part of the Horizon 2020 Specific Programme – The Framework Programme for Research and Innovation (2014-2020): Part I ‘Excellent science’: ‘Strengthening frontier research through the activities of the European Research Council’. Further to the adoption of the Commission Decision establishing and delegating powers to the ERCEA, the ERCEA also implements the programme Horizon Europe: Pillar I: the European Research Council (ERC).

The ERC complements other funding activities in Europe such as those of the national research funding agencies.

Its main aim is to stimulate scientific excellence by supporting and encouraging the very best, truly creative scientists, scholars and engineers to be adventurous and take risks in their research. The scientists are encouraged to go beyond established frontiers of knowledge and the boundaries of disciplines.

Being 'investigator-driven', or 'bottom-up', in nature, the ERC approach allows researchers to identify new opportunities and directions in any field of research, rather than being led by priorities set by politicians. This approach ensures that funds are channelled into new and promising areas of research with a greater degree of flexibility.

ERC grants are awarded through open competition to projects headed by starting (StG), consolidating (CoG) or established researchers (AdG) as well as group of researchers (SyG), irrespective of their origins, who are working or moving to work in Europe - the sole criterion for selection is scientific excellence. The aim of the three first type of grants is to recognise the best ideas and retain and confer status and visibility to the best brains in Europe, while also attracting talents from abroad. The aim of Synergy grant (SyG) scheme is to promote substantial advances at the frontiers of knowledge, to cross-fertilize scientific fields and to encourage new productive lines of enquiry and new methods and techniques including unconventional approaches and investigations at the interface between established disciplines. Finally, the Proof of Concept grant (PoC) aims to bridge the gap between research and social or commercial innovation.

The implementation by the ERCEA of the operational budget, covering mainly the evaluation and grants management, from the general budget of the Union is delegated to the Director of the ERCEA, who thereby assumes the role of Authorising Officer by delegation. The operational budget (in 2025 EUR million 2.710,22[3]) is implemented under direct management. The related accounts are included in the European Commission annual accounts. The discharge in respect of the implementation of the operational appropriations is covered by the general discharge given to the Commission.

The ERCEA has its own legal personality. As a corollary, the Agency has its own operating budget. The budget covers its operating expenditure, mainly staff expenditure, office related costs, IT related costs and other services. Its revenue consists mainly of an EU annual subsidy (in 2025, EUR million 72,4). The ERCEA's Director is the Authorising Officer for this budget. She implements it under direct management. This operating budget is subject to a separate discharge by the Parliament.

The annual accounts (financial statements and reports on the implementation of the budget of the ERCEA) covered by this document relate to the operating budget.

External Audit

The European Court of Auditors is required to scrutinise the ERCEA's accounts in line with the requirements of Article 287 of the Treaty on the Functioning of the European Union[4].

Discharge

The European Parliament is the discharge authority within the EU. This means that, following the audit and finalisation of the annual accounts, it falls to the Council to recommend and then to the European Parliament to give a discharge to the ERCEA for a given financial year.

[3] Commission Implementing Decision C(2025)2916 of 16 May 2025 amending Commission Implementing Decision C(2024) 4450 final adopting the 2025 work programme in the framework of the specific programme implementing Horizon Europe - the framework programme for research and innovation (2021-2027) in relation to the component 'European Research Council' under Pillar I 'Excellent Science'

[4] Art. 65 of the Commission Regulation (EC) n° 1653/2004 of 21 December 2004 on a standard regulation for the executive agencies pursuant to Council Regulation (EC) n° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes. The reference to Article 248 of the EC Treaty in the mentioned article of the Standard Regulation for EAs needs to be read as being made to the Article 287 of the Treaty on the Functioning of the European Union.

FINANCIAL STATEMENTS

Financial Year 2025

BALANCE SHEET

in EUR	Note	31.12.2025	31.12.2024
NON-CURRENT ASSETS		**291.137,82**	**594.038,00**
Intangible assets	2.1.	**23.547,90**	**57.999,00**
Property, Plant and Equipment	2.2.	**267.589,92**	**536.039,00**
Land and buildings		0,00	0,00
Plant and equipment		833,91	1.269,00
Computer hardware		141.041,28	300.497,00
Furniture and vehicles		28.717,33	37.369,00
Other fixtures and fittings		96.997,40	196.904,00
CURRENT ASSETS		**3.770.543,14**	**3.360.769,84**
Exchange Receivables	2.3.	**3.769.540,14**	**2.044.522,43**
Current receivables		10.313,44	0,09
Sundry receivables		38.479,25	28.909,20
Sundry receivables from consolidated entities		1.438.497,11	0,00
Accrued income		255.750,00	96.506,39
Deferred charges		2.026.500,34	1.919.106,75
Non-exchange Recoverables		**1.003,00**	**35.417,00**
Non-exchange current recoverables		1.003,00	
Accrued income		0,00	35.417,00
Cash and cash equivalents	2.4.	**0,00**	**1.280.830,41**
TOTAL ASSETS		**4.061.680,96**	**3.954.807,84**
NON CURRENT LIABILITIES			
CURRENT LIABILITIES		**2.587.138,56**	**2.616.888,05**
Provisions for risks and liabilities	2.5.	**0,00**	**17.000,00**
Payables	2.6.	**2.587.138,56**	**2.599.888,05**
Current payables		50.000,00	6.115,00
Sundry payables		22.043,77	0,00
Accrued charges and deferred income		2.192.625,67	2.290.236,14
Accounts payable to consolidated EU entities	2.7.	322.469,12	303.536,91
TOTAL LIABILITIES		**2.587.138,56**	**2.616.888,05**
NET ASSETS		**1.474.542,40**	**1.337.919,79**
Accumulated surplus/deficit		**1.337.919,79**	**2.868.912,79**
Economic result of the year		**136.622,61**	**(1.530.993,00)**

STATEMENT OF FINANCIAL PERFORMANCE

in EUR	Note	2025	2024
OPERATING REVENUE	3.1.	**72.520.761,00**	**65.820.984,55**
Non-exchange revenue		**72.108.382,65**	**65.392.988,45**
European Union Contribution	3.1.1.	72.108.049,65	65.392.988,45
Other non-exchange revenue		333,00	0,00
Exchange revenue	3.1.2.	**412.378,35**	**427.996,10**
OPERATING EXPENSES	3.2.	**(72.382.986,21)**	**(67.351.975,17)**
Staff expenses	3.2.1.	(60.631.523,74)	(55.102.740,31)
Fixed assets related expenses	3.2.2.	(302.900,18)	(300.212,57)
Building expenses for office premises	3.2.3.	(4.857.504,96)	(4.914.875,65)
Administrative, IT and other expenses	3.2.4.	(4.668.951,44)	(4.918.070,00)
Business advisory services	3.2.5.	(1.922.105,80)	(2.116.076,64)
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		**137.774,79**	**(1.530.990,62)**
Financial revenue			
Financial expenses	3.3.	(1.152,27)	(2,38)
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		**(1.152,27)**	**(2,38)**
Extraordinary gains			
Extraordinary losses			
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS			
ECONOMIC RESULT OF THE YEAR		**136.622,52**	**(1.530.993,00)**

The Statement of Financial Performance follows the structure of the Financial Statements introduced by the new financial and accounting system (SUMMA) used as from 1 January 2025. Certain prior year expenses have been re-classified, where necessary, for comparative purposes (see also note 3.2. Operating Expenses for further details). These re-classifications have no impact on total expenses or net results of 2024.

CASH FLOW STATEMENT

in EUR	Note	2025	2024
Economic result of the year		**136.622,61**	**(1.530.993,00)**
Operating activities			
Amortisation		34.451,10	34.451,00
Depreciation		268.449,08	265.761,57
(Increase)/decrease in exchange receivables and non-exchange recoverables		(1.690.603,71)	929.919,51
Increase/(decrease) in provisions		(17.000,00)	17.000,00
Increase/(decrease) in payables		84.860,98	(939.262,50)
Increase/(decrease) in accrued charges and deferred income		(97.610,47)	(451.447,78)
Net cash-flow from operating activities	4.1.	**(1.417.453,01)**	**(143.578,20)**
Investing activities			
(Increase)/Decrease in intangible assets and property, plant and equipment		0,00	(141.516,87)
Net cash-flow from investing activities	4.2.	**0,00**	**(141.516,87)**
Net cash-flow		**(1.280.830,40)**	**(1.816.088,07)**
Net increase/(decrease) in cash and cash equivalents		(1.280.830,41)	(1.816.088,06)
Cash and cash equivalents at the beginning of the year		**1.280.830,41**	3.096.918,47
Cash and cash equivalents at year-end		**0,00**	**1.280.830,41**

STATEMENT OF CHANGES IN NET ASSETS

in EUR	Accumulated Surplus/Deficit	Economic result of the year	Net Assets (Total)
Balance at 31 December 2024	**2.868.912,79**	**(1.530.993,00)**	**1.337.919,79**
Changes in accounting policies			
Balance at 1 January 2025	**2.868.912,79**	**(1.530.993,00)**	**1.337.919,79**
Allocation of the economic result of previous year	(1.530.993,00)		
Economic result of the year		136.622,61	
Balance at 31 December 2025	**1.337.919,79**	**136.622,61**	**1.474.542,40**

NOTES TO THE FINANCIAL STATEMENTS

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

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Legal basis and Accounting rules

In accordance with the legal basis described above the following annual accounts together with the reports on implementation of the budget of the ERCEA have been drawn up.

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

The accounting system of the ERCEA comprises general accounts and budget accounts. These accounts are kept in Euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle [5].The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

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

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

Article 53 of the Standard Financial Regulation for the executive agencies[6] sets out the accounting principles to be applied in drawing up the financial statements: going concern basis, prudence, consistent accounting methods, comparability of information, materiality, no netting, reality over appearance, and accrual-based accounting.

Going-concern principle

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

[5] This differs from cash-based accounting because of elements such as carry-overs.

[6] Commission Regulation (EC) n°1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes amended by Commission Regulation (EC) n° 1821/2005 of 08 November 2005 and Commission Regulation (EC) n° 651/2008 of 09 July 2008.

Principle of prudence

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

Principle of consistent accounting methods

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

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

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

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

Principle of comparability of information

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

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

Principle of materiality

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

Transactions may be aggregated where:

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

Principle of no netting

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

Principle of reality over appearance

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

Accrual-based accounting principle

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

Exception to the accounting principles

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

In parallel, the overall considerations (or accounting principles) to be followed when preparing the financial statements are also laid down in EU Accounting Rule 2 and are the same as those described in IPSAS 1 that is: fair presentation, accrual basis, going-concern basis, consistency of presentation, aggregation, offsetting and comparative information.

1.3. Basis of preparation

1.3.1. Currency and basis for conversion

Functional and reporting currency

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

Transactions and balances

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

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

Chart of Accounts

The chart of Accounts used by the ERCEA follows the structure of the chart of Accounts of the European Commission (PCUE).

Use of estimates

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

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

1.4. Balance Sheet

Assets are resources controlled by the ERCEA as a result of past events and from which future economic benefits or service potential are expected to flow.

1.4.1. Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful life. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

Currently, the ERCEA uses 25% amortisation rate for its intangible assets.

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life (EU Accounting Rule 6).

Internally developed intangible assets are capitalised when the relevant criteria of the EU Accounting rules are met. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

1.4.2. Property, plant and equipment

All property, plant and equipment are identifiable non-monetary assets with physical substance. Tangible fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the ERCEA and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life (EU Accounting Rule 7).

The depreciation is calculated using the straight-line method with the following rates and *pro-rata temporis* from the month of purchase of the asset:

Type of asset	Straight line depreciation rate
Leasehold improvement (works, fitting out)	10%
Plant and equipment	12% - 25%
Computer hardware	25%
Furniture	10% - 25%
Telecommunication and audio-visual equipment	25%

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

1.4.3. Impairment of non-financial assets

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

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

1.4.4. Financial assets

The ERCEA has as financial assets its exchange receivables and cash and cash equivalents. At initial recognition, they are classified in the category at amortised cost as the management model is to hold these non-derivative financial assets in order to collect the contractual cash flows.

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

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method.

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

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

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

1.4.5. Exchange Receivables and non-exchange recoverables

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

Receivables from exchange transactions are financial assets and are measured at amortized costs.

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

1.4.6. Cash and cash equivalents

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

1.4.7. Provisions

Provisions are recognised when the ERCEA has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date.

1.4.8. Financial liabilities

The ERCEA has as financial liabilities its payables. They are classified as current liabilities, except for maturities more than 12 months after the balance sheet date. See note 1.4.9 below for more information.

1.4.9. Payables

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

A significant amount of the payables of the ERCEA are related to the purchase of goods or services. Those are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the ERCEA.

1.4.10. Accrued and deferred income and charges

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

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

At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.5. Statement of financial performance

1.5.1. Revenue

Non-exchange revenue makes up the vast majority of the ERCEA's revenue and includes mainly EU subsidy.

Exchange revenue is the revenue from the sale of goods and services. It 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.

Interest income consists of received bank interest.

1.5.2. Expenses

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

Non-exchange expenses relate to transfers to beneficiaries and can be of 3 types mainly: entitlements, transfers under agreement and discretionary grants, contributions and donations

Transfers to beneficiaries are recognised as expenses when (i.e. in the accounting period during which) the event giving rise to the transfer occurred under the condition that:

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

- all eligibility criteria have been met by the beneficiary for the transfer to be made.

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

1.6. Contingent Assets and Liabilities

1.6.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the ERCEA. It is not recognised because the amount of the obligation cannot be measured with sufficient reliability. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.6.2. Contingent liabilities

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

1.7. Consolidation

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

2. NOTES TO THE BALANCE SHEET

NON-CURRENT ASSETS

The ERCEA uses ABAC Assets as inventory application, which is an integrated part of the ABAC platform. The non-current intangible and tangible (property, plant and equipment) assets are called also fixed assets.

2.1. Intangible fixed assets

To be entered in the financial inventory in the balance sheet they must be controlled by the ERCEA and generate future economic benefits for the Agency. Moreover, the assets should have a purchase price above €700.

The ERCEA's individual threshold for capitalisation of internally generated intangible assets is €200.000,00 (see § 7. Changes in accounting policies).

The intangible fixed assets at the ERCEA consist of computer software and the development cost of the intangible assets under construction.

EUR

Intangible fixed assets	Internally generated Computer Software and other Computer Software	Intangible assets under construction	Total
Gross carrying amounts 01.01.2025	**1.939.818,09**		**1.939.818,09**
Additions			
Disposals			
Transfer between headings			
Other changes			
Gross carrying amounts 31.12.2025	**1.939.818,09**		**1.939.818,09**
Accumulated amortization and impairment 01.01.2025	**(1.881.819,09)**		**(1.881.819,09)**
Amortization	(34.451,10)		(34.451,10)
Disposals			
Accumulated amortization and impairment 31.12.2025	**(1.916.270,19)**		**(1.916.270,19)**
Net carrying amounts 31.12.2025	**23.547,90**		**23.547,90**

At year-end 2025, the internally generated intangible assets consist mainly of IT tools for the management of the Agency's operational programmes and the administrative management of the Agency, as detailed in the table below:

EUR

Intangible assets	Acquisition value	Cumulative depreciation	Net value
Internally developed assets by ERCEA	1.851.439,99	(1.829.633,59)	21.806,40
Other intangible assets	88.378,10	(86.636,60)	1.741,50
Total net amount 31.12.2024	**1.939.818,09**	**(1.916.270,19)**	**23.547,90**

2.2. Property, plant and equipment

Tangible (fixed) assets at the ERCEA consist of leasehold improvements (fitting out), technical equipment, furniture, kitchen and cafeteria equipment, computer hardware, telecommunication and audio-visual equipment.

As a general rule, the Agency books as fixed tangible assets only items whose purchase price is above €700. Items with lower value are treated as expenses of the year and are registered in the physical inventory when the value is between €250[7] and €700.

Details of the property, plant and equipment's depreciation can be found in the table below (in EUR):

Tangible fixed assets	Buildings	Plant and Equipment	Furniture and vehicles	Computer hardware	Other Fixtures and Fittings	Total
Gross carrying amounts 01.01.2025	**6.155,41**	**3.793,80**	**374.674,40**	**748.785,97**	**8.260.046,51**	**9.393.456,09**
Additions						
Disposals			(515,20)			(515,20)
Others						
Gross carrying amounts 31.12.2025	**6.155,41**	**3.793,80**	**374.159,20**	**748.785,97**	**8.260.046,51**	**9.392.940,89**
Accumulated depreciation and impairment 01.01.2025	**(6.155,41)**	**(2.524,80)**	**(337.305,40)**	**(448.288,97)**	**(8.063.142,51)**	**(8.857.417,09)**
Depreciation		(435,09)	(8.651,67)	(159.455,72)	(99.906,60)	(268.449,08)
Disposals			515,20			515,20
Others						
Accumulated depreciation and impairment 31.12.2025	**(6.155,41)**	**(2.959,89)**	**(345.441,87)**	**(607.744,69)**	**(8.163.049,11)**	**(9.125.350,97)**
Net carrying amounts 31.12.2025	**0,00**	**833,91**	**28.717,33**	**141.041,28**	**96.997,40**	**267.589,92**

The heading "other fixtures and fittings" represents the largest amount of the tangible assets. It corresponds to:

Description	Note	Gross carrying amounts 31.12.2025	Accumulated amortization and impairment 31.12.2025	Net carrying amounts 31.12.2025
Fitting out of the building COV2	1	5.876.386,47	(5.876.386,47)	0,00
Canteen	2	650.144,86	(650.144,86)	0,00
Audio visual equipment	3	1.545.607,55	(1.448.610,15)	96.997,40
Open space 20th floor	4	128.873,77	(128.873,77)	0,00
Other	5	59.033,86	(59.033,86)	0,00
Total		**8.260.046,51**	**(8.163.049,11)**	**96.997,40**

7 New threshold applied retroactively as from 24/09/2025

1. The fitting out of the building COV2 (€5.876.386,47) is represented by the works made for the initial fitting out of the building occupied by the Agency (COV) through a 15-year duration usufruct contract (€5.543.448,65) and the value of subsequent works for the fitting out (€332.937,82). The works have been capitalized over a useful life of 10 years.

2. The amount for the canteen, created in 2012 for the benefit of the staff of the different organisations established in the building where the Agency has its premises, corresponds to the participation of the Agency to the canteen building costs (€650.144,86). The delivery of the canteen took place in January 2013 and it started to be used beginning February 2013. The works have been capitalized over a useful life of 10 years starting from February 2013.

3. The telecommunication and audio-visual equipment capitalized under this heading represent an amount of €1.545.607,55. It is depreciated over a useful life of 4 years. This includes the installation of telecommunication and audio-visual equipment on the 7th floor of the COVE Building for the evaluation facilities and the equipment of some meeting rooms or offices in the COV2 building.

4. The costs for an amount equal to €128.873,77 relates to the works carried out to create an open space for offices, replacing the former cafeteria on the 20th floor of the COV2 building. The delivery of the open space took place in May 2017. The costs were depreciated over the remaining duration of the initial usufruct contract (September 2023).

5. The other fittings are mainly:

   - The participation for an amount equal to €16.427,44 of the creation of a new cafeteria on the 1st floor of the COV2 building for the benefit of the staff of the different organisations established in this building. The delivery of the cafeteria took place in May 2017. The costs have been fully depreciated end of 2018 considering the closing of the cafeteria end of October 2018.

   - The fitting out of the 7th floor of COVE building through the SLA with OIB for an amount equal to €38.892,65. The delivery of the works took place on 1 September 2018. The costs were depreciated over the remaining duration of the initial COV2 usufruct contract (September 2023).

CURRENT ASSETS

2.3. Exchange receivables and non-exchange recoverables

in EUR	2025	2024
Current receivables	10.313,44	0,09
Sundry receivables	38.479,25	28.909,20
Sundry receivables from consolidated entities	1.438.497,11	0,00
Accrued income	255.750,00	96.506,39
Deferred charges	2.026.500,34	1.919.106,75
Exchange receivables	**3.769.540,14**	**2.044.522,43**
Non-exchange current recoverables	1.003,00	0,00
Accrued income	0,00	35.417,00
Non-exchange recoverables	**1.003,00**	**35.417,00**

The current receivables (€10.313,44) relate to the recovery of the 2025 differential allowances to be paid by PMO.

Like in 2024, there is no due receivables, and no provision was made during the year.

Sundry receivables amount to €38.479,25. They consist mainly of monthly salary regularisations between staff members and the Agency.

Since January 2025, ERCEA treasury was integrated into the Commission's treasury system. As a result, the ERCEA does not have its own bank account. The subsidy received from DG Research and Innovation is booked on inter-company accounts (liaison accounts). All payments authorised and validated by the Agency, as well as receipts, are processed via the Commission's treasury and registered on these inter-company accounts. The amount of €1.438.497,11 corresponds to the balance available on the liaison accounts and is considered as an amount receivable from the Commission.

The exchange and non-exchange accrued income (€255.750,00 in comparison to €131.923,39 in 2024) are detailed below:

In EUR	2025	2024
Bank interests for Q4 2024	-	7.063,89
Compensatory interests related to Municipality taxes on office spaces (COV2 building)	-	31.525,76
Municipality taxes on office space for the 2019, 2020 and 2021 fiscal years to be reimbursed to the ERCEA by OIB for the 7th floor of COVE building	-	89.442,50
Compensatory interests related to Municipality taxes on office spaces (COVE building) to be reimbursed to the ERCEA by OIB	-	3.891,24
Property management costs related to 2024 fiscal year overpaid to the bare owner of the COV2 building	237.000,00	-
Legal costs incurred by the Agency in the context of legal proceeding to be paid by the applicant	18.750,00	-
Total	**255.750,00**	**131.923,39**

The explanation with regards to the Municipality taxes is detailed hereunder:

- The Municipality of Saint-Josse-ten-Noode amended its office tax regulation and extended the concept of taxpayer, based on which, the Municipality invoiced its tax on office space for the fiscal years 2019, 2020 and 2021 to the bare owner of the Covent Garden building.

- Based on Art. 17.2 of the usufruct contract signed by the ERCEA and the one signed with OIB, the bare owner claimed in December 2021 from the ERCEA and OIB the reimbursement of the taxes paid to the Municipality. OIB re-invoiced to the Agency the taxes related to 7th floor of the COVE building rented by the Agency to OIB.

- The ERCEA paid in 2022 the taxes to the bare owner for the COV2 building for €803.554,65 and to OIB for 7th floor of the COVE building for €89.442,50. The payments were done 'without any prejudicial recognition and with reservation of rights' given that the bare owner undertook in 2021 legal proceedings to dispute the tax for the fiscal year 2019.

- The Brussel Court of first instance ('*Tribunal de première instance francophone de Bruxelles*') ordered in March 2023 the annulment of the tax for the fiscal year 2019 charged by the Municipality and condemned it to the repayment of the amounts unduly collected as well as to the payment of '*intérêts moratoires*' (compensatory interests).

- On 18 July 2023, the Saint-Josse-Ten-Noode Municipality decided:
    - not to appeal the decision regarding the tax assessment of the fiscal year 2019;
    - to accept that the ruling serves as a basis for the subsequent years (2020 to 2021);
    - to reimburse the owner for the taxes paid for 2019, 2020 and 2021, including compensatory interests.

- The bare owner reimbursed on 19 January 2024 the Agency through a single payment of €803.554,65 for the taxes related to the COV2 building for the fiscal years 2019, 2020 and 2021.

- With respect to the COVE building, since the debit note issued by the OIB to the bare owner remained unpaid as of 31 December 2024, the ERCEA had not yet issued the debit note to OIB. As a result, the amount of €89.442,50 was recognised as accrued income at year end 2024. ERCEA recovered this amount on 4 July and 17 December 2025.

- The legal assessment on the recovery of the compensatory interests has led to the decision to recover the compensatory interests. As the repayment by the Municipality to the bare owner and by the bare owner to OIB was not yet been made, the ERCEA had not yet issued the debit note to the bare owner and OIB for the compensatory interests as of 31 December 2024. Therefore, the estimated compensatory interests amounted to about €31.525,76 vis-à-vis the bare owner and €3.891,24 vis-à-vis OIB were recognised as accrued income at year end 2024. The ERCEA recovered these amounts in 2025 vis-à-vis the bare owner for €31.525,76 on 17 November 2025 and vis-à-vis OIB for €5.068,41 on 4 July and 17 December 2025. Thus, €1.177,17 were recognised as revenue in 2025 (see 3.1.2 Exchange revenue).

The balance of the deferred charges (€2.026.500,34) corresponds mainly to:

- deferred charges related to the rent of the building where the ERCEA has established its headquarters, each yearly instalment starting at the end of September (€1.805.295,26);

- deferred charges related to maintenance of IT or audio-visual equipment or licences expenses (€115.378,16);

- deferred charges related to communication costs (€33.746,88).

2.4. Cash and cash equivalents

In EUR	2025	2024
Bank account	-	1.280.830,41

The bank account was held with ING Belgium SA, as a result of the procedure ERCEA/CAO/PN/2019/32. It runs from 1 January 2020 until 12 December 2024, with an amendment extending the end day to 31 January 2025. From 1 January 2025, ERCEA treasury is managed by the European Commission treasury services under a Service Level Agreement (see 2.3 Exchange receivables and non-exchange receivables). The remaining funds for €1.280.830,41 were transferred to the designated European Commission bank account on 2 and 21 January 2025 before the closure of the bank account on 29 January 2025.

CURRENT LIABILITIES

2.5. Provision

By ruling of 16 October 2024, the General Court has ordered the ERCEA to pay half of the litigation costs incurred by the opposite party in Court case against the ERCEA (T-388/22). The estimated liability was to pay approximately €17.000. Further to some exchanges with the other party, the ERCEA finally paid €3.220,50 to the opposite party's lawyer.

2.6. Payables

The accounts payables on 31 December 2025 comprise outstanding unpaid invoices and claims from suppliers and other public bodies.

In EUR	2025	2024
Current payables	50.000,00	6.115,00
Sundry payables	22.043,77	0,00
Accrued charges and deferred income	2.192.625,67	2.290.236,14
Accounts payable to consolidated EU entities (see 2.7)	322.469,12	303.536,91
Total	**2.587.138,56**	**2.599.888,05**

The current payables in 2025 correspond to the outstanding commercial invoices (€50.000,00) with suppliers of goods and services (against €6.115,00 in 2024).

The sundry payables amount to €22.043,77. They consist mainly for €18.820,34 of monthly salary regularisations between the Agency and other balances linked to payroll paid to staff on behalf of the Commission and other institutions to be recuperated by the Agency.

Accrued charges are expenses related to goods or services provided to the Agency that have been incurred but not yet paid. The estimated amount of €2.192.625,67 to accrue as charges is composed of:

- €409.225,83 for invoices for goods or services delivered but not yet invoiced (IT consultants, interim workers, etc. against €399.508,22 in 2024).

- €306.705,31 for goods or services delivered in 2025 by other agencies and/or by the Commission's Directorates General in the frame of the Service level Agreements signed with the Agency (against €408.653,27 in 2024).

- the calculated amount of holiday compensation staff (€1.360.264,10 in 2025 against €1.365.990,45 in 2024). According to the EU Staff Regulations, Annex V: Leave, Article 4, Commission Decision on leave (C(2013) 9051 final), if the person at the time of leaving the service has not used up their annual leave, they shall be paid compensation equal to one thirtieth of their monthly remuneration for each leave's day due to them.

- the staff entitlements for 2025 but paid in 2026 (€116.430,43 against €115.913,00 in 2024).

2.7. Accounts payable to consolidated EU entities

In EUR	**2025**	**2024**
Repayable positive budgetary result (RTD)	322.469,12	303.536,91
TOTAL	**322.469,12**	**303.536,91**

The amount of €322.469,12 consists mainly of the part of the 2025 subsidy to be reimbursed to the Commission as a result of 2025 budgetary management (See reports on the implementation of the budget point 2. Budget result).

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

3.1. Revenue

Revenues consist mainly of the Union contribution (subsidy) received from the European Commission.

3.1.1. Union contribution

In EUR	2025	2024
Union contribution	72.430.518,77[8]	65.696.525,36
Subsidy to be reimbursed – budgetary outturn	(322.469,12)	(303.536,91)
Total	**72.108.049,65**	**65.392.988,45**

The EU subsidy amount is the part of the EC subsidy, incremented by the recovery of costs from previous years, justified by the expenditure supported during the exercise, the outstanding payment obligations of the Agency (called RAL or *Reste à Liquider*), and adjusted by the Budgetary result of the previous year - See reports on the implementation of the budget.

This method of revenue determination is cash-principle based as it is drawn from the budget outturn, while for the expenditure, accrual principles applied (hence the RAL taken into account). The amount of the subsidy so defined is €72.102.049,65.

3.1.2. Exchange revenue

In EUR	2025	2024
Miscellaneous recoveries	395.184,12	191.068,62
Liquidation of provision (see § 2.5 Provision)	17.000,00	-
Bank interests and exchange rate gains	197,23	236.708,18
Total	**412.378,35**	**427.996,10**

The miscellaneous recoveries correspond to:

In EUR	2025	2024
Municipality taxes to be reimbursed (see § 2.3.)	1.177,17	35.417,00
Invoicing to executive and regulatory agencies, joint undertaking entities and DG ECFIN of the provision of IT services for Speedwell and Bluebell tools based on Service Level agreement signed with them	123.250,00	153.000,00
Recovery of amounts overpaid for the services provided to the Agency by DGs through Service Level Agreements	15.006,95	2.651,62
Property management costs related to 2024 fiscal year overpaid to the bare owner of the COV2 building	237.000,00	-
Legal costs incurred by the Agency in the context of legal proceeding to be paid by the applicant	18.750,00	-
Total	**395.184,12**	**191,068,62**

8 Funded by the European Commission from voted credits VOBU (€66.320.418,78), EFTA (€1.812.325,00) and third countries contributions (€4.297.774,99)

3.2. Operating Expenses

In 2025, with the introduction of the new financial and accounting systems SUMMA, it was decided that all expenses with consolidated entities would be recorded by the nature of the expenses (staff, building, IT, etc), in the same manner as other operating expenses, rather than being recorded under a single account entitled "Expenses with consolidated entities".

To ensure comparability of expenses between the two financial years, the expenses presented in 2024 under the category / account "Expenses with consolidated entities" (building expenses with consolidated entities (€1.771.926,82) and other expenses with consolidated entities (€4.778.823,58)) were reclassified across the other expenses categories / accounts based on their nature.

In addition, the costs related to the historical archives costs that were presented in 2024 under the category other expenses were reclassified to the expense category Building expenses, the Other operating lease from Building expenses to Other expenses and some staff related costs under the SLA OIB from Other expenses to staff expenses.

The changes are reflected in the below table:

2024 - In EUR	Expenses by nature	Expenses with consolidated entities	Total Expenses by nature
Staff expenses			
Salaries, allowances, social and pension contributions	52.862.504,05		52.862.504,05
Allowances for SNE	1.057.303,67		1.057.303,67
Staff perquisities and social activities	386.431,78	796.500,81	1.182.932,59
	54.306.239,50	**796.500,81**	**55.102.740,31**
Fixed assets related expenses			
Amortization intangible fixed assets	34.451,00	0,00	34.451,00
Depreciation of tangible fixed assets	265.761,57	0,00	265.761,57
	300.212,57	**0,00**	**300.212,57**
Building expenses for office premises			
Land & Building operating lease	2.358.174,39		2.358.174,39
Maintenance and security – buildings	669.720,00	1.866.391,19	2.536.111,19
Insurance Building	20.590,07		20.590,07
	3.048.484,46	**1.866.391,19**	**4.914.875,65**
Administrative, IT and other expenses			
Training	440.373,21	190.251,95	630.625,16
Recruitment costs	3.302,06		3.302,06
Missions	264.721,58		264.721,58
IT related expenses	847.425,98	2.658.651,91	3.506.077,89
Office Supplies & maintenance	191.697,08	13.457,33	205.154,41
Communications & publications	13.745,00	90.530,76	104.275,76
Events and conferences	0,00	184.740,31	184.740,31
Others	7.304,89	11.148,88	18.453,77
Exchange rate losses	719,06		719,06
	1.769.288,86	**3.148.781,14**	**4.918.070,00**
Business advisory services			
Consultancy non-IT	1.304.238,35	739.077,26	2.043.315,61
External experts – mission costs	45.844,36	0,00	45.844,36
Legal Expenses	26.916,67	0,00	26.916,67
	1.376.999,38	**739.077,26**	**2.116.076,64**
		6.550.750,40	

3.2.1. Staff expenses

Staff expenses (€60.631.523,74 against €54.306.239,50 in 2024) contain personnel related expenses:

	2025	2024
Salaries, allowances, social and pension contributions and an accrual for untaken holidays and other staff costs	58.271.998,76	52.862.504,05
Allowances for SNEs	1.103.358,82	1.057.303,67
Employer's contribution to staff perquisites	1.256.166,16	1.182.932,59
Total	**60.631.523,74**	**55.102.740,31**

Compared to last year, staff costs have increased by approximately €6,3 million (+11,6%). This is mainly explained by the indexation (+3%), the seniority progression, the reclassifications and the increase of the number of positions occupied (+20 totalling, 564 in 2025, including 15 SNE compared to 544 in 2024, including 14 SNE).

All salary calculations are externalized to the Office for administration and payment of individual entitlements (also known as the Paymaster's Office –PMO[9]) which is a central office of the European Commission. These calculations add up as staff expenses and are included with the same title in the Statement of financial performance of the Agency.

The Agency is only responsible for the communication to the PMO of reliable information allowing the calculation of the staff costs. It is also responsible to check that this information has been correctly handled in the monthly payroll report used for accounting payroll costs. It is not responsible for the calculation of the payroll costs performed by PMO.

3.2.2 Fixed assets related expenses

The fixed assets related expenses relate to the amortisation and depreciation charges of the Agency's intangible and tangible assets, respectively €34.451,10 and €268.449,08 (in comparison to €34.451,00 and €265.761,57 in 2024).

3.2.3 Building expenses for office premises

The building expenses for office premises correspond mainly to:

[9] The PMO's mission is to manage the financial rights of permanent, temporary and contractual staff working at the Commission, to calculate and to pay their salaries and other financial entitlements. The PMO provides these services to other EU institutions and agencies as well. The PMO is also responsible for managing the health insurance fund of the Institutions, together with processing and paying the claims of reimbursement from staff members. The PMO also manages the pension fund and pays the pensions of retired staff members. PMO is also audited by the European Court of Auditors.

In EUR	2025	2024
Rental of the building (COV2) occupied by the Agency. The ERCEA signed on 12 September 2023 the extension of the initial usufruct contract for the rental of 6 floors of the Covent Garden Building (COV2) from 24 September 2023 until 31 December 2028 (see also § 5.3. Other significant disclosures).	2.445.002,83	2.358.174,39
According to the article 3.4 of this extension, the property management role is carried out by the bare owner as from OIB's departure. The related costs for 2025 were paid on a provisional basis	883.470,00	788.638,93
Renting of the 7th floor of the COVE building as from mid-2019	435.720,81	414.822,15
Building expenses in the frame of the Service level Agreements signed by the Agency with the Commission's Directorates General. Mainly: - DG HR (caretaking costs, technical and security controls of the building, badges to the staff, etc.) - OIB (cleaning, etc.)	1.062.311,32	1.332.650,11
Building Insurance	31.000,00	20.590,07
Building expenses for office premises	**4.857.504,96**	**4.914.875,65**

3.2.4 Administrative, IT and other expenses

The Administrative, IT and other expenses contain:

In EUR	2025	2024
Training (a)	423.478,03	630.625,16
Recruitment costs	6.309,81	3.302,06
Missions	290.108,02	264.721,58
IT related expenses (b)	3.311.301,52	3.506.077,89
Office Supplies & maintenance	224.991,49	205.154,41
Communications & publications	117.965,95	104.275,76
Events and conferences	283.577,57	184.740,31
Others	10.754,30	18.453,77
Exchange rate losses	464,75	719,06
Total expenses	**4.668.951,44**	**4.918.070,00**

(a) The decrease of the training costs is mainly due to the organisation in June 2024 of the 15 years celebration away day for the ERCEA staff for €161.135,63.

(b) In 2025, 4 IT consultants were present during the year (€438.429,84 in comparison to €713.832,97 in 2024).

3.2.5 Business advisory services

The Business advisory services include mainly:

In EUR	2025	2024
Consultancy non-IT (interim staff, trainees, staff related services…)	1.870.653,40	2.043.315,61
External experts – mission costs	32.143,40	45.844,36
Legal Expenses	19.309,00	26.916,67
Business advisory services	**1.922.105,80**	**2.116.076,64**

3.3. Financial Expenses

The financial expenses correspond mainly to the late payments interests for €1.152,18.

4. NOTES TO THE CASH-FLOW STATEMENT

Cash flow information is used to provide a basis for assessing the ability of the ERCEA 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 statement of financial performance of the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cash flows.

Cash flows arising from transactions in a foreign currency are recorded in the EU's reporting currency (euro), by applying to the foreign currency amount the exchange rate between the euro and the foreign currency at the date of the cash flow.

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

4.1. Operating activities

Operating activities are the activities of the EU that are not investing activities. These are the majority of the activities performed.

4.2. Investing activities

Investing activities are the acquisition and disposal of intangible assets and property, plant and equipment and of other investments, which are not included in cash equivalents. The objective is to show the real investments made by the ERCEA.

5. CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

5.1. Contingent Assets

There are no contingent assets in the 2025 annual accounts.

5.2. Contingent Liabilities

There are no contingent liabilities in the 2025 annual accounts.

5.3. Other significant disclosures

5.3.1. Outstanding commitments not yet expensed (Carry-overs)

In EUR	2025	2024
Automatic carry-overs	1.220.996,88	1.024.135,49
Accrued expenses	(765.931,14)	(809.301,49)
Outstanding commitments not yet expensed	**455.065,74**	**214.834,00**

The amount disclosed above is the budgetary RAL (*Reste à Liquider*) less related amounts that have been included as expenses in the 2025 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made.

5.3.2. Significant legal commitments

In EUR	2025	2024
Future commitments on existing contracts	5.032.490,88	8.909.781,90

The ERCEA signed on 12 September 2023 an extension of the usufruct contract (amendment n°2) for the rental of 6 floors, parking and archives space of the Covent Garden Building (COV2) at place Rogier – 1210 Saint Josse from 24 September 2023 until 31 December 2028 with a possible termination on 31 December 2027.

Article 3.4. of the amendment indicates that the bare owner of the building carries out the role of the property management as from OIB's departure. Therefore, the property management costs are paid by the ERCEA to the bare owner through an annual provision, a regulation being done every year based on the actual costs.

The future charges for the building amount to €5.032.490,88 and are broken down by maturity as follows:

Description	Minimum lease payments			Total of minimum lease payments
	<1yr	1-5 yrs	>5 yrs	
building - usufruct contract - rental	2.551.506,59	714.044,29		3.265.550,88
building - usufruct contract – property management costs	883.470,00	883.470,00		1.766.940,00
Total	**3.434.976,59**	**1.597.514,29**	**0,00**	**5.032.490,88**

6. FINANCIAL RISK MANAGEMENT

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

Market risk is the risk that the fair value or future cash-flows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the ERCEA has neither significant interest rate risk nor other price risk).

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

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

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

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

The financial instruments held by the ERCEA are presented in the below table (in EUR):

in EUR	2025	2024
Financial assets		
Current receivables	10.313,44	28.909,20
Sundry receivables	38.479,25	0,09
Sundry receivables from consolidated entities	1.438.497,11	0,00
Accrued income	255.750,00	89.442,50
Cash and cash equivalents	0,00	1.280.830,41
Total financial assets	**1.743.039,80**	**1.399.182,20**
Financial liabilities		
Current payables	50.000,00	6.115,00
Sundry payables	22.043,77	0,00
Accounts payable to consolidated EU entities	322.469,12	303.536,91
Total financial liabilities	**394.512,89**	**309.651,91**
Total net financial instruments	**1.348.526,91**	**1.089.530,29**

Currency risk

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

Interest rate risk

The ERCEA does not have any bonds thus it is not exposed to the interest rate risk.

Credit risk

The analysis of the age of exchange receivables is as follows:

31 December 2025	Not past due	Past due 0-30 days	Past due 31-90 days	Past due 91 days - 1 year	Past due > 1year	Total
Receivables gross carrying amount	1.743.039,80					1.743.039,80
Impairment (-)						0,00
Net receivables	1.743.039,80	0,00	0,00	0,00	0,00	1.743.039,80

With consolidated entities:
- €1.438.497,11 concerns the liaison account with the Commission,
- €10.313,44 relates to a recovery of allowances vis-à-vis PMO.

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

With Staff:
- €38.479,25 concerns receivables from staff, the amount is mainly recovered by deduction from the monthly salary;
- €18.750,00 relates to accrued income with a staff member in an EU institution

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

With third parties:
- € 237.000,00 relates to accrued income with a third party.

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

Liquidity risk

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

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

The table below provides detail on the contractual maturity:

At 31 December 2025 - in EUR	On demand	< 3 months	3 – 12 months	1 – 2 years	2 – 5 years	Total
Assets						
Current receivables		10.313,44				10.313,44
Sundry receivables		31.429,91	7.049,34			38.479,25
Sundry receivables from consolidated entities	1.438.497,11					1.438.497,11
Accrued income		255.750,00				255.750,00
Cash and cash equivalents						0,00
Total financial assets	**1.438.497,11**	**297.493,35**	**7.049,34**	**0,00**	**0,00**	**1.743.039,80**
Liabilities						
Current payables		50.000,00				50.000,00
Sundry payables		22.043,77				22.043,77
Accounts payable to consolidated EU entities	322.469,12					322.469,12
Total financial liabilities	**322.469,12**	**72.043,77**	**0,00**	**0,00**	**0,00**	**394.512,89**
Cumulative liquidity surplus/ (gap)	**1.116.027,99**	**225.449,58**	**7.049,34**	**0,00**	**0,00**	**1.348.526,91**

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

7. CHANGES IN ACCOUNTING POLICIES

Application of new and amended European Union Accounting Rules (EAR)

New EAR which are effective for annual periods beginning on or after 1 January 2025

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

New EAR adopted but not yet effective at 31 December 2025

EAR 8 (revised 2025)

On 15 April 2025 the Accounting Officer of the European Commission adopted the revised EAR 8 'Leases', which is effective for accounting periods beginning on or after 1 January 2027. The revised EAR 8 has been updated in line with IPSAS 43 'Leases' (including the amendment 'Concessionary Leases and Other Arrangements Conveying Rights over Assets'). The main change as compared to the current EAR 8 is the introduction of a right-of-use recognition and measurement model, which requires lessees to recognise all leases, including concessionary leases, on the balance sheet, unless the short-term or low-value exemption applies. The current distinction of leases as either operating leases or finance leases, with only the latter recognised on the balance sheet, will no longer be applicable. For lessors, the revised EAR 8 largely carries forward the existing accounting requirements, with additional guidance and clarifications. Consequently, the initial application of the revised EAR 8 is expected to result in more leases being recognised on the balance sheet, with a corresponding increase in right-of-use assets and lease liabilities. The impact of the revised EAR 8, including on concessionary leases and other relevant arrangements, will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

EAR 1 (revised 2025)

On 15 April 2025 the Accounting Officer of the European Commission adopted the amended EAR 1 'Financial Statements', which is effective for accounting periods beginning on or after 1 January 2027. The objective of the amendment is to ensure a consistent classification of all borrowings within financing activities. Under the current EAR 1 borrowings related to leases, the acquisition of property, plant and equipment, and back-to-back operations are classified within operating activities. Under the revised EAR 1, financing activities will include all activities that result in changes on the size and composition of borrowings, without the above exceptions. Consequently, the initial application of the revised EAR 1 is expected to result in cash flows relating to the principle portion of lease liabilities to be classified within financing activities rather than operating activities. The impact of the revised EAR 1 will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

Application of new threshold for capitalisation of internally generated intangible assets

As mentioned in point 2.1, considering the size of its administrative budget, the ERCEA has changed its threshold for the capitalisation of the internally generated intangible assets from €100.000,00 to €200.000,00. This revised threshold is applied prospectively as from 1 January 2025, with no retrospective adjustment to prior periods, in accordance with the applicable European Commission accounting rules. The application of this new threshold is expected to result in a limited financial impact on the balance sheet.

8. RELATED PARTY DISCLOSURES

Related Parties

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

Key Management Entitlements

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

Highest grade description	Grade	Number of persons of this grade
Director, Head of Department	AD14	3
Head of Department	AD13	1

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

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

9. EVENTS AFTER THE BALANCE SHEET DATE

At the date of the signature of these accounts no material issues had come or were reported to the Accounting Officer of the ERCEA that would require separate disclosure under that section.

REPORTS ON THE IMPLEMENTATION OF THE BUDGET OF THE EUROPEAN RESEARCH COUNCIL EXECUTIVE AGENCY

Financial Year 2025

1. Introduction

1.1. ERCEA budget and its implementation

Budget	. € 73 647 109
Commitments	. 99,9 % of implementation of commitments appropriations of the current year . 1,7 % of appropriations to be carried-over to 2026
Payments	. 98,0 % of implementation of payments appropriations of the current year . 83,7 % of implementation on appropriations carried-over from 2024

1.2. Budgetary structure and principles

1.2.1. Budgetary structure

The budgetary accounts are kept in accordance with the Financial Regulation applicable to the general budget of the EU and in accordance with the Standard Financial Regulation for the executive agencies.

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

Every year, the ERCEA estimates its revenue and expenditure for the year and draws up a draft budget, which it sends to the Commission. The Commission then incorporates the ERCEA's budget in the general budget and sends it to the Budgetary Authority. Based on this draft budget, the Council draws its position, which is then the subject of negotiations between the two arms of the Budgetary Authority. The President of the Parliament declares that the joint draft has been finally adopted, thus making the budget enforceable.

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

The expenditure appropriations are split into commitment and payment appropriations:

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

The main source of expenditure appropriations is:

- the budget for the current year, which corresponds to the adopted budget for the current year and amending and transfer budgets (fund source VOBU);
- the expenditure appropriations from the internal assigned revenue of the current year (fund source IAR2/2);
- and the non-differentiated payment appropriations which may be carried forward automatically for one financial year only (fund source VOBU previous budget periods).

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

The 2025 budget is distributed in the following budget titles:

EUR'000

Budget Title	2025 commitments appropriations (VOBU 2024)	2025 commitments appropriations (IAR2/2 2024 2025)	Payments appropriations carried-over from 2024 (VOBU 2024)	Total 2025 budget
Title I - Staff expenditure	62.915.198	47.766	329.718	**63.292.682**
Title 2 - Infrastructure and operating expenditure	8.262.642	4.154	278.675	**8.545.471**
Title 3 - Programme support expenditure	1.321.883	71.331	415.743	**1.808.957**
Total	**72.499.724**	**123.250**	**1.024.135**	**73.647.109**

The main sources of revenue appropriations are:

- the appropriations voted for the current budget year (initial adopted budget and its subsequent amending budgets and transfers) (fund source VOBU);
- the internal assigned revenue of the current year (fund source IARCA).

1.2.2. Budgetary principles

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

Principle of unity and budgetary accuracy

The budget shall be the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the Agency.

Principle of annuality

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

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

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

Principle of equilibrium

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

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

The Agency may not raise loans.

Principle of unit of account

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

Principle of universality

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

Principle of specification

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

Principle of sound financial management

Budget appropriations shall be used in accordance with the principle of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness.

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

The principle of efficiency is concerned with the best relationship between resources employed and results achieved.

The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

Principle of transparency

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

2. Budget result

2.1. Calculation of the budget result

The budgetary outturn account was prepared in accordance with the requirements of the Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) (art 250: Budget implementation reports), and in accordance with the requirements of the Standard Financial Regulation for the executive agencies, Article 56.

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

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

- the net balance of cancellations of payment appropriations carried over from previous year and any payments,
- the balance of exchange-rate gains and losses recorded during the year.

Payment appropriations carried over include automatic carry-overs only. The cancellation of unused payment appropriations carried over from the previous year shows the cancellations on appropriations carried over automatically.

2.2. Budget outturn table

EUR '000

	Title	2025	2024
Revenue		**72.702.209,19**	**66.885.465,50**
of Which			
Contribution from EU	2	72.430.518,77	65.696.525,36
ICPA, EuroMed and Others	9	104.782,45	806.206,27
Other	9	166.907,97	382.733,87
Expenditure		**(71.340.709,32)**	**(65.777.041,77)**
of Which			
Staff expenditure	1	(62.480.648,00)	(56.913.862,86)
Administrative expenditure	2	(8.106.714,51)	(7.792.655,48)
Operational expenditure	3	(753.346,81)	(1.070.523,43)
Payment appropriat. carried over to the following year		**(1.149.676,92)**	**(1.005.733,19)**
of Which			
Staff expenditure	1	(421.962,72)	(329.717,59)
Administrative expenditure	2	(159.350,83)	(278.674,97)
Operational expenditure	3	(568.363,37)	(397.340,63)
Cancellation of unused appropr. carried over from year n-1		**163.844,92**	**200.915,20**
Evolution of assigned revenue (B)-(A)		**(52.928,23)**	**430,93**
Unused appropriations at the end of current year (A)		71.330,53	18.402,30
Unused appropriations at the end of Previous year (B)		18.402,30	18.833,23
Exchange rate differences		**(270,52)**	**(499,76)**
Budget Result		**322.469,12**	**303.536,91**

The budget result for 2025 amounts to €322.469,12 and is comprised of:

- €76.402,98 – unused appropriations of the current year,
- €167.101,46 – unused payment appropriations carried forward from 2024,
- €79.235,19 – other income,
- €(270,52) – exchange rate differences.

3. Reconciliation of the economic result with the budget result

In EUR	2025	2024
Statement of Financial Performance (economic result)	**136.622,61**	**(1.530.993,00)**
Adjustments for accrual items (items included in the Statement of Financial Performance but not in the Budgetary Outturn)		
Adjustments for accrual cut-off (reversal previous year)	(2.291.204,94)	(2.759.167,79)
Adjustments for accrual cut-off (cut-off current year)	2.192.625,67	2.291.204,94
Unpaid invoices at year end but booked in charges	50.000,00	4.975,00
Depreciation of intangible and tangible assets	302.900,18	300.212,57
Provisions	(17.000,00)	17.000,00
Recovery Orders issued in the year on revenue accounts and not yet cashed		
Pre-financing received in previous year and cleared in the year		
Payments made from carry overs of payment appropriations	857.034,03	1.817.084,42
Adjustments for deferred charges (cut-off)	(2.159.501,90)	(1.884.321,42)
Adjustments for deferred charges previous year (reversal)	1.993.093,15	2.810.549,62
Others	(7.112,25)	7.112,85
Adjustments for budgetary items (items included in the Budgetary Outturn but not in the Statement of Financial Performance)		
Asset acquisitions (less unpaid amounts)		(144.790,48)
New pre-financing received in the year and remaining open as at 31.12	322.469,12	303.536,91
Budgetary recovery orders issued before the year and cashed in the year		
Payment appropriations carried over to next year	(1.221.007,45)	(1.024.135,49)
Cancellation of unused carried over payment appropriations from previous year	167.101,46	217.748,43
Adjustment for carry over from the previous year of appropriations available at 31.12 arising from assigned revenue		2.000,00
Payments on open invoices from previous year booked in charges	(4.975,00)	(124.479,66)
Other	1.424,45	
Total	**322.469,13**	**303.536,90**
Budgetary result (+ for surplus)	**322.469,12**	**303.536,91**
Unexplained discrepancy	**0,01**	**0,01**

The financial statements of the year are prepared on the basis of accrual accounting principles by which transactions are recorded in the period to which they incurred. The result for the year using the accrual basis is indicated in the Statement of Financial Performance. However, the budget result is based on modified cash accounting rules. In the latter, only payments made and revenue cashed in the period as well as carry-over of appropriations are recorded. The economic result and the budget result both cover the same underlying transactions; therefore, it is a useful control to ensure that they are reconcilable.

The actual budgetary revenue for a financial year corresponds to the revenue collected from entitlements established in the course of the year and amounts collected from entitlements established in previous years. Therefore, the entitlements established in the current year but not yet collected are to be deducted from the economic result for reconciliation purposes as they do not form part of budgetary revenue. On the contrary, the entitlements established in previous years and collected in current year must be added to the economic result for reconciliation purposes.

The net accrued expenses mainly consist of accruals made for year-end cut-off purposes. While accrued expenses are not considered as budgetary expenditure, payments made in the current year relating to invoices registered in prior years are part of current year's budgetary expenditure.

Besides the payments made against the year's appropriations, the appropriations for that year that are carried to the next year also need to be taken into account in calculating the budget result for the year. The same applies for the budgetary payments made in the current year from carry-overs and the cancellation of unused payment appropriations.

The movement in provisions relates to year-end estimates made in the accrual accounts that do not impact the budgetary accounts. Other reconciling amounts comprise different elements such as asset depreciation, asset acquisitions, capital lease payments and financial participations for which the budgetary and accrual accounting treatments differ.

4. Budget revenue

EUR'000

Commitment Item Desc			Income appropriations		Entitlements established			Revenue				Out-standing
Title		Item	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
			1	2	3	4	5=3+4	6	7	8	9=8/2	10=5-8
2	2 0 0 0	Subsidy from the Commission	72.430.518,77	72.430.518,77	72.430.518,77	0,00	72.430.518,77	72.430.518,77	0,00	72.430.518,77	100%	0,00
9	9 1 0 0	Recuperation of expenses	59.196,87	59.196,87	104.782,45	0,00	104.782,45	104.782,45	0,00	104.782,45	177%	0,00
9	9 2 0 0	Miscellaneous revenue	133.258,36	133.258,36	166.907,97	0,00	166.907,97	166.907,97	0,00	166.907,97	125%	0,00
			72.622.974,00	**72.622.974,00**	**72.702.209,19**	**0,00**	**72.702.209,19**	**72.702.209,19**	**0,00**	**72.702.209,19**	**100%**	**0,00**

The balancing subsidy paid by DG RTD in 2025 amounts to €72.430.518,77 out of which, from DG RTD budgetary appropriations:

- €66.320.418,78 from voted appropriations,
- €1.812.325,00 from EFTA appropriations,
- €4.297.774,99 from third-country appropriations.

The other revenues received (€271.690,42, income budget lines 910 and 920) consist mainly of:

- The reimbursement by the bare owner of €31.525,76 for the compensatory interests related to the Municipality taxes and by OIB of €94.510,91 for the Municipality taxes paid for 2019, 2020 and 2021 related to the COV2 building and the compensatory interests.

- The invoicing to different entities (executive and regulatory agencies, joint undertaking and DG ECFIN) of the provision of the following services for the year 2025 based on Service Level Agreement signed with them: access and usage to/of Speedwell and Bluebell (IT tools) and related support services, according to the "Software as a Service" (SAAS) (€123.250, as internal assigned revenue).

- the bank interests for €7.063,89 for the fourth quarter of 2024.

- the recovery of amounts overpaid to the Commission for the services provided to the Agency by DGs through Service level Agreements (€15.006,95).

5. Budget expenditure

5.1. Overview of commitment and payment appropriations

Overview of commitment appropriations

EUR’000

BREAKDOWN AND CHANGES IN COMMITMENT APPROPRIATIONS						
EUR '000	Budget appropriations				Additional appropriations	Total appropr. available
Budget title	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Assigned revenue	
	1	2	3	4=1+2+3	5	6=4+5
Title 1 - Staff expenditure	62 510 926	336 942	67 330	62 915 198	47 766	**62 962 964**
Title 2 - Infrastructure and operating expenditure	8 455 495	(168 323)	(24 530)	8 262 642	4 154	**8 266 796**
Title 3 - Programme support expenditure	1 575 000	(210 317)	(42 800)	1 321 883	71 331	**1 393 214**
TOTAL	**72 541 421**	**(41 697)**	**0**	**72 499 724**	**123 250**	**72 622 974**

On the basis of the draft budget presented to the Budgetary Authority, the ERCEA Steering Committee adopted on 13 December 2024 the ERCEA initial annual budget for 2025 for €72.541.421,00.

In view of optimizing the administrative budget execution, the Agency has proceeded to two amendments and to three transfers between items, chapters and budget lines.

Two transfers were authorised by the Director on 17 June 2025 and on 22 December 2025 and one transfer was adopted by the Steering Committee on 16 December 2025, while two amendments were adopted by the Steering Committee.

The first amendment to the budget 2025 (€+521.126,00) was adopted by the Steering Committee on 16 September 2025. It consists of the reinforcement of the voted budget (VOBU funds source) for €328.670,77, the miscellaneous revenues received by the ERCEA for €69.205,23 and the inscription of the expenditure appropriations from the internal assigned revenue of the current year (IAR2/2 funds source) for €123.250,00.

The second amendment to the budget 2025 (€-439.573,00) was adopted by the Steering Committee on 1 December 2025. It consists of a decrease of the subsidy under VOBU fund source.

The final adopted administrative budget for 2025 amounts to €72.622.974.

The table hereafter gives the details of the commitment appropriations of the initial annual budget and its subsequent amendments and transfers:

Item		Budget appropriations				Additional appropriations			Total appropr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1 1 1 1	Temporary Agents	26.109.386,00	(307.151,85)	17.000,00	25.819.234,15	0,00	47.765,86	47.765,86	25.867.000,01
1 1 1 2	Contract Agents	32.020.000,00	388.000,00	22.800,00	32.430.800,00	0,00	0,00	0,00	32.430.800,00
1 1 2 1	Seconded National Experts	1.060.000,00	44.000,00	0,00	1.104.000,00	0,00	0,00	0,00	1.104.000,00
1 1 2 2	Interims & Trainees	1.070.000,00	0,00	0,00	1.070.000,00	0,00	0,00	0,00	1.070.000,00
Total Chapter 1 1		**60.259.386,00**	**124.848,15**	**39.800,00**	**60.424.034,15**	**0,00**	**47.765,86**	**47.765,86**	**60.471.800,01**
1 2 1 1	Recruitment entering and leaving the service transfer costs	71.000,00	(63.000,00)	0,00	8.000,00	0,00	0,00	0,00	8.000,00
1 2 2 1	Restaurant Canteen	98.000,00	(98.000,00)	0,00	0,00	0,00	0,00	0,00	0,00
1 2 3 1	Medical Service	107.070,00	17.315,00	4.590,00	128.975,00	0,00	0,00	0,00	128.975,00
1 2 4 1	Training	517.000,00	0,00	1.500,00	518.500,00	0,00	0,00	0,00	518.500,00
1 2 5 1	Mobility and Public Transportation	53.500,00	8.000,00	43.995,00	105.495,00	0,00	0,00	0,00	105.495,00
1 2 6 1	Social service and other interventions	884.585,00	304.057,00	(12.745,00)	1.175.897,00	0,00	0,00	0,00	1.175.897,00
1 2 7 1	External services (PMO)	501.385,00	42.722,00	(9.810,00)	534.297,00	0,00	0,00	0,00	534.297,00
1 2 8 1	Internal meetings events and reception	19.000,00	1.000,00	0,00	20.000,00	0,00	0,00	0,00	20.000,00
Total Chapter 1 2		**2.251.540,00**	**212.094,00**	**27.530,00**	**2.491.164,00**	**0,00**	**0,00**	**0,00**	**2.491.164,00**
2 1 1 1	Rental of building and associated costs	5.278.200,00	(337.584,00)	(14.000,00)	4.926.616,00	0,00	0,00	0,00	4.926.616,00
Total Chapter 2 1		**5.278.200,00**	**(337.584,00)**	**(14.000,00)**	**4.926.616,00**	**0,00**	**0,00**	**0,00**	**4.926.616,00**
2 2 1 1	Hardware software and linked expenses	215.000,00	(12.245,00)	(500,00)	202.255,00	0,00	0,00	0,00	202.255,00
2 2 2 1	ICT services	2.666.795,00	210.334,38	(5.150,00)	2.871.979,38	0,00	4.153,61	4.153,61	2.876.132,99
Total Chapter 2 2		**2.881.795,00**	**198.089,38**	**(5.650,00)**	**3.074.234,38**	**0,00**	**4.153,61**	**4.153,61**	**3.078.387,99**
2 3 1 1	Furniture Material and Technical installations	164.500,00	(42.484,00)	(2.429,00)	119.587,00	0,00	0,00	0,00	119.587,00
2 3 2 1	Works of handling and removal of services	9.000,00	(6.500,00)	0,00	2.500,00	0,00	0,00	0,00	2.500,00
2 3 3 1	Paper mill office supplies	18.000,00	(2.000,00)	(2.261,00)	13.739,00	0,00	0,00	0,00	13.739,00
2 3 4 1	Correspondence stamping and carriage costs	42.000,00	61.255,00	(1.500,00)	101.755,00	0,00	0,00	0,00	101.755,00
2 3 5 1	Acquisition of information	12.000,00	(5.099,00)	0,00	6.901,00	0,00	0,00	0,00	6.901,00
2 3 6 1	Other current expenses (financial legal insurance)	50.000,00	(34.000,00)	1.310,00	17.310,00	0,00	0,00	0,00	17.310,00
Total Chapter 2 3		**295.500,00**	**(28.828,00)**	**(4.880,00)**	**261.792,00**	**0,00**	**0,00**	**0,00**	**261.792,00**
3 1 1 1	Expert studies representation and external meeting	342.000,00	(47.399,00)	0,00	294.601,00	0,00	0,00	0,00	294.601,00
3 1 2 1	Missions and related costs	350.000,00	(30.000,00)	(5.500,00)	314.500,00	0,00	0,00	0,00	314.500,00
3 1 4 1	Expenses of Information Publications and Communication	263.000,00	(43.087,00)	(35.000,00)	184.913,00	0,00	0,00	0,00	184.913,00
3 1 5 1	Expenses of translation	20.000,00	(18.500,00)	0,00	1.500,00	0,00	0,00	0,00	1.500,00
3 1 7 1	Operational related IT costs	600.000,00	(71.330,54)	(2.300,00)	526.369,46	0,00	71.330,53	71.330,53	597.699,99
Total Chapter 3 1		**1.575.000,00**	**(210.316,54)**	**(42.800,00)**	**1.321.883,46**	**0,00**	**71.330,53**	**71.330,53**	**1.393.213,99**
GRAND TOTAL		**72.541.421,00**	**(41.697,01)**	**0,00**	**72.499.723,99**	**0,00**	**123.250,00**	**123.250,00**	**72.622.973,99**

Overview of payment appropriations

EUR'000

BREAKDOWN AND CHANGES IN PAYMENT APPROPRIATIONS								
EUR '000	Budget appropriations				Additional appropriations			Total appropr. available
Budget title	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
Title 1 - Staff expenditure	62 510 926	336 942	67 330	62 915 198	329 718	47 766	377 483	**63 292 682**
Title 2 - Infrastructure and operating expenditure	8 455 495	(168 323)	(24 530)	8 262 642	278 675	4 154	282 829	**8 545 471**
Title 3 - Programme support expenditure	1 575 000	(210 317)	(42 800)	1 321 883	415 743	71 331	487 073	**1 808 957**
TOTAL	**72 541 421**	**(41 697)**	**0**	**72 499 724**	**1 024 135**	**123 250**	**1 147 385**	**73 647 109**

The payment appropriations for 2025 comprise:

- the payment appropriations from the adopted budget equal to the commitment appropriations (non- differentiated appropriations) (VOBU fund source) for €72.499.723,99;
- the payments appropriations from the internal assigned revenue of the current year (IAR2/2 fund source) for €123.250,00;
- the payment appropriations carried-forward from 2024 to 2025 for €1.024.135,49 to cover the payment of services/goods delivered in 2024 but not invoiced at the end of December 2024 or to be delivered in 2025.

The table hereafter gives the details of the payment appropriations of the initial annual budget and its subsequent amendment and transfers:

Item		Budget appropriations				Additional appropriations			Total appropr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1 1 1 1	Temporary Agents	26.109.386,00	(307.151,85)	17.000,00	25.819.234,15	0,00	47.765,86	47.765,86	25.867.000,01
1 1 1 2	Contract Agents	32.020.000,00	388.000,00	22.800,00	32.430.800,00	0,00	0,00	0,00	32.430.800,00
1 1 2 1	Seconded National Experts	1.060.000,00	44.000,00	0,00	1.104.000,00	0,00	0,00	0,00	1.104.000,00
1 1 2 2	Interims & Trainees	1.070.000,00	0,00	0,00	1.070.000,00	156.400,20	0,00	156.400,20	1.226.400,20
Total Chapter 1 1		**60.259.386,00**	**124.848,15**	**39.800,00**	**60.424.034,15**	**156.400,20**	**47.765,86**	**204.166,06**	**60.628.200,21**
1 2 1 1	Recruitment entering and leaving the service transfer costs	71.000,00	(63.000,00)	0,00	8.000,00	0,00	0,00	0,00	8.000,00
1 2 2 1	Restaurant Canteen	98.000,00	(98.000,00)	0,00	0,00	25.752,73	0,00	25.752,73	25.752,73
1 2 3 1	Medical Service	107.070,00	17.315,00	4.590,00	128.975,00	37.807,00	0,00	37.807,00	166.782,00
1 2 4 1	Training	517.000,00	0,00	1.500,00	518.500,00	76.959,48	0,00	76.959,48	595.459,48
1 2 5 1	Mobility and Public Transportation	53.500,00	8.000,00	43.995,00	105.495,00	16.861,42	0,00	16.861,42	122.356,42
1 2 6 1	Social service and other interventions	884.585,00	304.057,00	(12.745,00)	1.175.897,00	2.911,92	0,00	2.911,92	1.178.808,92
1 2 7 1	External services (PMO)	501.385,00	42.722,00	(9.810,00)	534.297,00	9.846,17	0,00	9.846,17	544.143,17
1 2 8 1	Internal meetings events and reception	19.000,00	1.000,00	0,00	20.000,00	3.178,67	0,00	3.178,67	23.178,67
Total Chapter 1 2		**2.251.540,00**	**212.094,00**	**27.530,00**	**2.491.164,00**	**173.317,39**	**0,00**	**173.317,39**	**2.664.481,39**
2 1 1 1	Rental of building and associated costs	5.278.200,00	(337.584,00)	(14.000,00)	4.926.616,00	192.992,64	0,00	192.992,64	5.119.608,64
Total Chapter 2 1		**5.278.200,00**	**(337.584,00)**	**(14.000,00)**	**4.926.616,00**	**192.992,64**	**0,00**	**192.992,64**	**5.119.608,64**
2 2 1 1	Hardware software and linked expenses	215.000,00	(12.245,00)	(500,00)	202.255,00	0,00	0,00	0,00	202.255,00
2 2 2 1	ICT services	2.666.795,00	210.334,38	(5.150,00)	2.871.979,38	8.000,00	4.153,61	12.153,61	2.884.132,99
Total Chapter 2 2		**2.881.795,00**	**198.089,38**	**(5.650,00)**	**3.074.234,38**	**8.000,00**	**4.153,61**	**12.153,61**	**3.086.387,99**
2 3 1 1	Furniture Material and Technical installations	164.500,00	(42.484,00)	(2.429,00)	119.587,00	19.457,55	0,00	19.457,55	139.044,55
2 3 2 1	Works of handling and removal of services	9.000,00	(6.500,00)	0,00	2.500,00	3.611,28	0,00	3.611,28	6.111,28
2 3 3 1	Paper mill office supplies	18.000,00	(2.000,00)	(2.261,00)	13.739,00	11.000,00	0,00	11.000,00	24.739,00
2 3 4 1	Correspondence stamping and carriage costs	42.000,00	61.255,00	(1.500,00)	101.755,00	15.613,50	0,00	15.613,50	117.368,50
2 3 5 1	Acquisition of information	12.000,00	(5.099,00)	0,00	6.901,00	0,00	0,00	0,00	6.901,00
2 3 6 1	Other current expenses (financial legal insurance)	50.000,00	(34.000,00)	1.310,00	17.310,00	28.000,00	0,00	28.000,00	45.310,00
Total Chapter 2 3		**295.500,00**	**(28.828,00)**	**(4.880,00)**	**261.792,00**	**77.682,33**	**0,00**	**77.682,33**	**339.474,33**
3 1 1 1	Expert studies representation and external meeting	342.000,00	(47.399,00)	0,00	294.601,00	11.192,00	0,00	11.192,00	305.793,00
3 1 2 1	Missions and related costs	350.000,00	(30.000,00)	(5.500,00)	314.500,00	37.249,76	0,00	37.249,76	351.749,76
3 1 4 1	Expenses of Information Publications and Communication	263.000,00	(43.087,00)	(35.000,00)	184.913,00	149.583,21	0,00	149.583,21	334.496,21
3 1 5 1	Expenses of translation	20.000,00	(18.500,00)	0,00	1.500,00	0,00	0,00	0,00	1.500,00
3 1 7 1	Operational related IT costs	600.000,00	(71.330,54)	(2.300,00)	526.369,46	217.717,96	71.330,53	289.048,49	815.417,95
Total Chapter 3 1		**1.575.000,00**	**(210.316,54)**	**(42.800,00)**	**1.321.883,46**	**415.742,93**	**71.330,53**	**487.073,46**	**1.808.956,92**
		72.541.421,00	**(41.697,01)**	**0,00**	**72.499.723,99**	**1.024.135,49**	**123.250,00**	**1.147.385,49**	**73.647.109,48**

5.2. Implementation of commitment and payment appropriations

Implementation of commitment appropriations

EUR’000

IMPLEMENTATION OF COMMITMENT APPROPRIATIONS									
EUR '000	Total approp. available	Commitments made				Appropriations carried over to 2025	Appropriations lapsing		
Budget title		from final adopt. budget	from assign. revenue	Total	%	Assign. revenue	from final adopt. budget	from assign. revenue	Total
	1	2	3	4=2+3	5=4/1	6	7	8	9=7+8
Title 1 - Staff expenditure	62 962 964	62 854 845	47 766	62 902 611	99,9 %	0	60 353	0	**60 353**
Title 2 - Infrastructure and operating expenditure	8 266 796	8 261 912	4 154	8 266 065	100,0 %	0	731	0	**731**
Title 3 - Programme support expenditure	1 393 214	1 306 564	71 320	1 377 884	98,9 %	11	15 319	3 257	**18 576**
TOTAL	**72 622 974**	**72 423 321**	**123 239**	**72 546 560**	**99,9 %**	**11**	**76 403**	**3 257**	**79 660**

The execution of commitments appropriations amounts to €72.546.560,44 from adopted budget (fund sources VOBU) and internal assigned revenue (funds source IAR2/2).

The implementation of the final budget commitment appropriations, from adopted budget (fund source VOBU) and internal assigned revenue (fund source IAR2/2), is at a level of 99,9% like in 2024.

The appropriations lapsing from the final adopted budget (fund source VOBU and IAR2/2) totalled €79.659,52 which represents 0,1% of the budget (0,07% in 2024).

An amount of €10,57 of the commitment appropriations from the internal assigned revenue (fund source IAR2/2) was not used in 2025.

As regards Title 1 - Staff expenditure, 144 temporary agents, 405 contracts agents, 15 Seconded National Experts (in total 564 agents against 544 in 2024), were employed. Compared to last year, staff costs have increased by approximately €5.7 million (+9.9%). This is mainly explained by the indexation (+3%), seniority progression and reclassifications and the increase of the number of positions occupied (+20).

The breakdown by type of expenditure shows that the total staff expenditure (excluding the interim agents and trainees) accounts for about 81,9% of total commitments made (in comparison to 80,3% in 2024).

94,4% of the amount committed covers the remuneration, allowances and charges of the staff (interim agents and trainees excluded). 3,9% of the committed amount is related to professional development and social expenditure. The remaining balance concerns the interim agents and trainees costs (1,7%).

As regards Title 2 - Infrastructure and operating expenditure, the main post is the rental and charges of the building (chapter 21) which is 59,6% of the amount committed under this title (61,5% in 2024). Building charges come from the services provided by DG HR (caretaking costs, technical and security controls of the building, badges to the staff, etc.), by OIB (maintenance, cleaning, renting of the 7th floor of the COVE building) and by the bare owner of the COV building as property manager as from OIB's departure. The rest consists mainly of the purchases of IT equipment and IT services (37,2% against 35,2% in 2024).

The Title 3 - Programme support expenditure, that represents 1,9% of the total commitments (2,2% in 2024), consists mainly in the IT consultants costs with 43,4% (43,0% in 2024), the rest consists of external experts meetings, the missions and the communication budget.

The below budgetary table depicts the details of the Agency's budget implementation of the commitment appropriations in 2025.

		Total approp. available	Commitments made					Appropriations carried over to			Appropriations Lapsing 2025			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	from final adopted budget	Assign. revenue	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1 1 1 1	Temporary Agents	25.867.000,01	25.817.697,95	0,00	47.765,86	25.865.463,81	99,99%	0,00	0,00	0,00	1.536,20	0,00	0,00	1.536,20
1 1 1 2	Contract Agents	32.430.800,00	32.428.088,07	0,00	0,00	32.428.088,07	99,99%	0,00	0,00	0,00	2.711,93	0,00	0,00	2.711,93
1 1 2 1	Seconded National Experts	1.104.000,00	1.103.358,82	0,00	0,00	1.103.358,82	99,94%	0,00	0,00	0,00	641,18	0,00	0,00	641,18
1 1 2 2	Interims & Trainees	1.070.000,00	1.058.000,00	0,00	0,00	1.058.000,00	98,88%	0,00	0,00	0,00	12.000,00	0,00	0,00	12.000,00
Total Chapter 1 1		**60.471.800,01**	**60.407.144,84**	**0,00**	**47.765,86**	**60.454.910,70**	**99,97%**	**0,00**	**0,00**	**0,00**	**16.889,31**	**0,00**	**0,00**	**16.889,31**
1 2 1 1	Recruitment entering and leaving the service transfer cost	8.000,00	6.321,01	0,00	0,00	6.321,01	79,01%	0,00	0,00	0,00	1.678,99	0,00	0,00	1.678,99
1 2 2 1	Restaurant Canteen	0,00	0,00	0,00	0,00	0,00	#DIV/0!	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1 2 3 1	Medical Service	128.975,00	128.975,00	0,00	0,00	128.975,00	100,00%	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1 2 4 1	Training	518.500,00	518.500,00	0,00	0,00	518.500,00	100,00%	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1 2 5 1	Mobility and Public Transportation	105.495,00	105.482,86	0,00	0,00	105.482,86	99,99%	0,00	0,00	0,00	12,14	0,00	0,00	12,14
1 2 6 1	Social service and other interventions	1.175.897,00	1.135.804,05	0,00	0,00	1.135.804,05	96,59%	0,00	0,00	0,00	40.092,95	0,00	0,00	40.092,95
1 2 7 1	External services (PMO)	534.297,00	534.296,01	0,00	0,00	534.296,01	100,00%	0,00	0,00	0,00	0,99	0,00	0,00	0,99
1 2 8 1	Internal meetings events and reception	20.000,00	18.321,09	0,00	0,00	18.321,09	91,61%	0,00	0,00	0,00	1.678,91	0,00	0,00	1.678,91
Total Chapter 1 2		**2.491.164,00**	**2.447.700,02**	**0,00**	**0,00**	**2.447.700,02**	**98,26%**	**0,00**	**0,00**	**0,00**	**43.463,98**	**0,00**	**0,00**	**43.463,98**
2 1 1 1	Rental of building and associated costs	4.926.616,00	4.925.943,74	0,00	0,00	4.925.943,74	99,99%	0,00	0,00	0,00	672,26	0,00	0,00	672,26
Total Chapter 2 1		**4.926.616,00**	**4.925.943,74**	**0,00**	**0,00**	**4.925.943,74**	**99,99%**	**0,00**	**0,00**	**0,00**	**672,26**	**0,00**	**0,00**	**672,26**
2 2 1 1	Hardware software and linked expenses	202.255,00	202.204,18	0,00	0,00	202.204,18	99,97%	0,00	0,00	0,00	50,82	0,00	0,00	50,82
2 2 2 1	ICT services	2.876.132,99	2.871.972,05	0,00	4.153,61	2.876.125,66	100,00%	0,00	0,00	0,00	7,33	0,00	0,00	7,33
Total Chapter 2 2		**3.078.387,99**	**3.074.176,23**	**0,00**	**4.153,61**	**3.078.329,84**	**100,00%**	**0,00**	**0,00**	**0,00**	**58,15**	**0,00**	**0,00**	**58,15**
2 3 1 1	Furniture Material and Technical installations	119.587,00	119.586,90	0,00	0,00	119.586,90	100,00%	0,00	0,00	0,00	0,10	0,00	0,00	0,10
2 3 2 1	Works of handling and removal of services	2.500,00	2.500,00	0,00	0,00	2.500,00	100,00%	0,00	0,00	0,00	0,00	0,00	0,00	0,00
2 3 3 1	Paper mill office supplies	13.739,00	13.739,00	0,00	0,00	13.739,00	100,00%	0,00	0,00	0,00	0,00	0,00	0,00	0,00
2 3 4 1	Correspondence stamping and carriage costs	101.755,00	101.755,00	0,00	0,00	101.755,00	100,00%	0,00	0,00	0,00	0,00	0,00	0,00	0,00
2 3 5 1	Acquisition of information	6.901,00	6.900,96	0,00	0,00	6.900,96	100,00%	0,00	0,00	0,00	0,04	0,00	0,00	0,04
2 3 6 1	Other current expenses (financial legal insurance)	17.310,00	17.309,90	0,00	0,00	17.309,90	100,00%	0,00	0,00	0,00	0,10	0,00	0,00	0,10
Total Chapter 2 3		**261.792,00**	**261.791,76**	**0,00**	**0,00**	**261.791,76**	**100,00%**	**0,00**	**0,00**	**0,00**	**0,24**	**0,00**	**0,00**	**0,24**
3 1 1 1	Expert studies representation and external meeting	294.601,00	293.642,15	0,00	0,00	293.642,15	99,67%	0,00	0,00	0,00	958,85	0,00	0,00	958,85
3 1 2 1	Missions and related costs	314.500,00	306.941,20	0,00	0,00	306.941,20	97,60%	0,00	0,00	0,00	7.558,80	0,00	0,00	7.558,80
3 1 4 1	Expenses of Information Publications and Communicatio	184.913,00	179.622,41	0,00	0,00	179.622,41	97,14%	0,00	0,00	0,00	5.290,59	0,00	0,00	5.290,59
3 1 5 1	Expenses of translation	1.500,00	0,00	0,00	0,00	0,00	0,00%	0,00	0,00	0,00	1.500,00	0,00	0,00	1.500,00
3 1 7 1	Operational related IT costs	597.699,99	526.358,66	0,00	71.319,96	597.678,62	100,00%	0,00	10,57	10,57	10,80	0,00	3.256,54	3.267,34
Total Chapter 3 1		**1.393.213,99**	**1.306.564,42**	**0,00**	**71.319,96**	**1.377.884,38**	**98,90%**	**0,00**	**10,57**	**10,57**	**15.319,04**	**0,00**	**3.256,54**	**18.575,58**
Sum:		**72.622.973,99**	**72.423.321,01**	**0,00**	**123.239,43**	**72.546.560,44**	**99,89%**	**0,00**	**10,57**	**10,57**	**76.402,98**	**0,00**	**3.256,54**	**79.659,52**

Implementation of payment appropriations

EUR'000

IMPLEMENTATION OF PAYMENTS APPROPRIATIONS													
EUR '000	Total approp. Available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
Budget title		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assig. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Title 1 - Staff expenditure	63 292 682	62 432 882	297 604	47 766	62 778 252	99,2 %	421 963	0	421 963	60 353	32 113	0	**92 467**
Title 2 - Infrastructure and operating expenditure	8 545 471	8 102 561	173 737	4 154	8 280 452	96,9 %	159 351	0	159 351	731	104 938	0	**105 668**
Title 3 - Programme support expenditure	1 808 957	738 201	370 547	15 146	1 123 893	62,1 %	568 363	71 331	639 694	15 319	26 794	3 257	**45 370**
TOTAL	**73 647 109**	**71 273 644**	**841 888**	**67 065**	**72 182 598**	**98,0 %**	**1 149 677**	**71 331**	**1 221 007**	**76 403**	**163 845**	**3 257**	**243 504**

The execution of payments appropriations amounts to €72.182.597,59 (fund sources VOBU and IAR2/2).

The implementation of the final budget payment appropriations, from adopted budget (fund source VOBU, budget period 2024 and 2025) and from internal assigned revenue (fund source IAR2/2) is at a level of 98,01% (98,1% in 2024). The implementation of the final budget payment appropriations of the current year 2025 (fund sources VOBU and IAR2/2) is at a level of 98,2% (98,8% in 2024).

The appropriations for the budget period 2024 amounted to €1.024.135,49 (1,5% of the budget). Out of this amount, €857.034,03 have been paid (83,7%, to be compared to 89,3% in 2024).

1,7% (€1.221.007,45) of the payment appropriations of the current year 2025 (fund source VOBU and IAR2/2) are carried forward to 2025 to cover the payment of services/goods delivered in 2025 but not invoiced at the end of December 2025 or to be delivered in 2026 (1,5% - €1.024.135,49 in 2024).

The payment appropriations lapsing from the final adopted budget (fund source VOBU and IAR2/2) totalled €76.402,98 which represents 0,1% of the budget like in 2024.

The payment appropriations lapsing from the budget period 2024 (fund source VOBU and IAR2/2) totalled €167.101,46.

The below budgetary table depicts the details of the Agency's budget implementation of the payment appropriations in 2025.

Item	Total approp. available	Payment Made					Appropriations carried over to 2026			Appropriations Lapsing 2025			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1 1 1 1 Temporary Agents	25.867.000,01	25.817.697,95	0,00	47.765,86	25.865.463,81	99,99%	0,00	0,00	0,00	1.536,20	0,00	0,00	1.536,20
1 1 1 2 Contract Agents	32.430.800,00	32.428.088,07	0,00	0,00	32.428.088,07	99,99%	0,00	0,00	0,00	2.711,93	0,00	0,00	2.711,93
1 1 2 1 Seconded National Experts	1.104.000,00	1.103.358,82	0,00	0,00	1.103.358,82	99,94%	0,00	0,00	0,00	641,18	0,00	0,00	641,18
1 1 2 2 Interims & Trainees	1.226.400,20	881.729,74	149.742,91	0,00	1.031.472,65	84,11%	176.270,26	0,00	176.270,26	12.000,00	6.657,29	0,00	18.657,29
Total Chapter 1 1	**60.628.200,21**	**60.230.874,58**	**149.742,91**	**47.765,86**	**60.428.383,35**	**99,67%**	**176.270,26**	**0,00**	**176.270,26**	**16.889,31**	**6.657,29**	**0,00**	**23.546,60**
1 2 1 1 Recruitment entering and leaving the service transfer cost	8.000,00	5.709,81	0,00	0,00	5.709,81	71,37%	611,20	0,00	611,20	1.678,99	0,00	0,00	1.678,99
1 2 2 1 Restaurant Canteen	25.752,73	0,00	21.112,25	0,00	21.112,25	81,98%	0,00	0,00	0,00	0,00	4.640,48	0,00	4.640,48
1 2 3 1 Medical Service	166.782,00	65.893,00	26.624,14	0,00	92.517,14	55,47%	63.082,00	0,00	63.082,00	0,00	11.182,86	0,00	11.182,86
1 2 4 1 Training	595.459,48	379.133,45	69.291,51	0,00	448.424,96	75,31%	139.366,55	0,00	139.366,55	0,00	7.667,97	0,00	7.667,97
1 2 5 1 Mobility and Public Transportation	122.356,42	88.671,43	16.861,14	0,00	105.532,57	86,25%	16.811,43	0,00	16.811,43	12,14	0,28	0,00	12,42
1 2 6 1 Social service and other interventions	1.178.808,92	1.125.463,67	2.911,92	0,00	1.128.375,59	95,72%	10.340,38	0,00	10.340,38	40.092,95	0,00	0,00	40.092,95
1 2 7 1 External services (PMO)	544.143,17	522.385,11	9.846,17	0,00	532.231,28	97,81%	11.910,90	0,00	11.910,90	0,99	0,00	0,00	0,99
1 2 8 1 Internal meetings events and reception	23.178,67	14.751,09	1.214,30	0,00	15.965,39	68,88%	3.570,00	0,00	3.570,00	1.678,91	1.964,37	0,00	3.643,28
Total Chapter 1 2	**2.664.481,39**	**2.202.007,56**	**147.861,43**	**0,00**	**2.349.868,99**	**88,19%**	**245.692,46**	**0,00**	**245.692,46**	**43.463,98**	**25.455,96**	**0,00**	**68.919,94**
2 1 1 1 Rental of building and associated costs	5.119.608,64	4.831.814,25	119.776,45	0,00	4.951.590,70	96,72%	94.129,49	0,00	94.129,49	672,26	73.216,19	0,00	73.888,45
Total Chapter 2 1	**5.119.608,64**	**4.831.814,25**	**119.776,45**	**0,00**	**4.951.590,70**	**96,72%**	**94.129,49**	**0,00**	**94.129,49**	**672,26**	**73.216,19**	**0,00**	**73.888,45**
2 2 1 1 Hardware software and linked expenses	202.255,00	167.696,28	0,00	0,00	167.696,28	82,91%	34.507,90	0,00	34.507,90	50,82	0,00	0,00	50,82
2 2 2 1 ICT services	2.884.132,99	2.863.286,29	3.324,67	4.153,61	2.870.764,57	99,54%	8.685,76	0,00	8.685,76	7,33	4.675,33	0,00	4.682,66
Total Chapter 2 2	**3.086.387,99**	**3.030.982,57**	**3.324,67**	**4.153,61**	**3.038.460,85**	**98,45%**	**43.193,66**	**0,00**	**43.193,66**	**58,15**	**4.675,33**	**0,00**	**4.733,48**
2 3 1 1 Furniture Material and Technical installations	139.044,55	108.869,48	19.456,68	0,00	128.326,16	92,29%	10.717,42	0,00	10.717,42	0,10	0,87	0,00	0,97
2 3 2 1 Works of handling and removal of services	6.111,28	1.829,58	2.646,20	0,00	4.475,78	73,24%	670,42	0,00	670,42	0,00	965,08	0,00	965,08
2 3 3 1 Paper mill office supplies	24.739,00	4.807,04	10.919,89	0,00	15.726,93	63,57%	8.931,96	0,00	8.931,96	0,00	80,11	0,00	80,11
2 3 4 1 Correspondence stamping and carriage costs	117.368,50	100.048,02	15.613,50	0,00	115.661,52	98,55%	1.706,98	0,00	1.706,98	0,00	0,00	0,00	0,00
2 3 5 1 Acquisition of information	6.901,00	6.900,96	0,00	0,00	6.900,96	100,00%	0,00	0,00	0,00	0,04	0,00	0,00	0,04
2 3 6 1 Other current expenses (financial legal insurance)	45.310,00	17.309,00	2.000,00	0,00	19.309,00	42,62%	0,90	0,00	0,90	0,10	26.000,00	0,00	26.000,10
Total Chapter 2 3	**339.474,33**	**239.764,08**	**50.636,27**	**0,00**	**290.400,35**	**85,54%**	**22.027,68**	**0,00**	**22.027,68**	**0,24**	**27.046,06**	**0,00**	**27.046,30**
3 1 1 1 Expert studies representation and external meeting	305.793,00	156.479,92	2.323,77	0,00	158.803,69	51,93%	137.162,23	0,00	137.162,23	958,85	8.868,23	0,00	9.827,08
3 1 2 1 Missions and related costs	351.749,76	254.994,49	20.094,91	0,00	275.089,40	78,21%	51.946,71	0,00	51.946,71	7.558,80	17.154,85	0,00	24.713,65
3 1 4 1 Expenses of Information Publications and Communicatio	334.496,21	75.212,63	148.812,20	0,00	224.024,83	66,97%	104.409,78	0,00	104.409,78	5.290,59	771,01	0,00	6.061,60
3 1 5 1 Expenses of translation	1.500,00	0,00	0,00	0,00	0,00	0,00%	0,00	0,00	0,00	1.500,00	0,00	0,00	1.500,00
3 1 7 1 Operational related IT costs	815.417,95	251.514,01	199.315,66	15.145,76	465.975,43	57,15%	274.844,65	71.330,53	346.175,18	10,80	0,00	3.256,54	3.267,34
Total Chapter 3 1	**1.808.956,92**	**738.201,05**	**370.546,54**	**15.145,76**	**1.123.893,35**	**62,13%**	**568.363,37**	**71.330,53**	**639.693,90**	**15.319,04**	**26.794,09**	**3.256,54**	**45.369,67**
Sum:	**73.647.109,48**	**71.273.644,09**	**841.888,27**	**67.065,23**	**72.182.597,59**	**98,01%**	**1.149.676,92**	**71.330,53**	**1.221.007,45**	**76.402,98**	**163.844,92**	**3.256,54**	**243.504,44**

6. Evolution of commitments outstanding

EUR'000

COMMITMENTS OUTSTANDING								
EUR '000	Commitments outstanding at the end of previous year				Commitments of the current year			Total commitm. outstanding at year-end
Budget title	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Commit. outstanding at year-end	
	1	2	3	4=1+2-3	5	6	8=5-6	9=4+8
Title 1 - Staff expenditure	329 718	(32 113)	297 604	0	62 902 611	62 480 648	421 963	**421 963**
Title 2 - Infrastructure and operating expenditure	278 675	(104 938)	173 737	0	8 266 065	8 106 715	159 351	**159 351**
Title 3 - Programme support expenditure	415 743	(30 051)	385 692	0	1 377 884	738 201	639 683	**639 683**
TOTAL	**1 024 135**	**(167 101)**	**857 034**	**0**	**72 546 560**	**71 325 564**	**1 220 997**	**1 220 997**

The appropriations outstanding at the end of 2024 amounted to €1.024.135,49 (1,5% of the budget). Out of this amount, €857.034,03 have been paid in 2025 (83,7%, to be compared to 89,3% in 2024).

The main amounts that were unduly carried forward (€167.101,46) and therefore had to be de-committed are the following:

- €99.676,12 related to other SLAs (EAS, HR, BUDG, OIB);
- €26.000,00 related to legal costs
- €17.154,85 related to mission costs;
- €6.657,29 related to interim agents
- €17.613,20 related to different budget lines and contracts.

The outstanding commitments from budget period 2025 in 2026 (€1.220.996,88), to cover the payment of services/goods delivered in 2025 but not invoiced at the end of December 2025 or to be delivered in 2026, consist of:

- €346.164,61 related to the payment of IT consultants for the 4th quarter 2025 and for 2026;
- €291.918,58 related to the balance payment of the other SLAs (EAC, EAS, PMO, BUDG, HR, OIB);
- €139.680,26 for experts meetings
- €103.262,56 related to the payment of the communication costs, mainly the maintenance and improvements of the ERC website, the end-of-year staff event;
- €86.650,98 related to the payment of the December 2025 interim agents services;
- €82.316,26 related to the payment of the training costs;
- €51.893,40 mission costs
- €109.356,78 related to payments of different budget lines and contracts

The below budgetary tables depict the details of the Agency's outstanding commitments in 2025.

Item		Commitments outstanding at the end of previous				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1 1 1 1	Temporary Agents	0,00	0,00	0,00	0,00	25.865.463,81	25.865.463,81	0,00	0,00	0,00
1 1 1 2	Contract Agents	0,00	0,00	0,00	0,00	32.428.088,07	32.428.088,07	0,00	0,00	0,00
1 1 2 1	Seconded National Experts	0,00	0,00	0,00	0,00	1.103.358,82	1.103.358,82	0,00	0,00	0,00
1 1 2 2	Interims & Trainees	156.400,20	(6.657,29)	149.742,91	0,00	1.058.000,00	881.729,74	0,00	176.270,26	176.270,26
Total Chapter 1 1		**156.400,20**	**(6.657,29)**	**149.742,91**	**0,00**	**60.454.910,70**	**60.278.640,44**	**0,00**	**176.270,26**	**176.270,26**
1 2 1 1	Recruitment entering and leaving the service transfer costs	0,00	0,00	0,00	0,00	6.321,01	5.709,81	0,00	611,20	611,20
1 2 2 1	Restaurant Canteen	25.752,73	(4.640,48)	21.112,25	0,00	0,00	0,00	0,00	0,00	0,00
1 2 3 1	Medical Service	37.807,00	(11.182,86)	26.624,14	0,00	128.975,00	65.893,00	0,00	63.082,00	63.082,00
1 2 4 1	Training	76.959,48	(7.667,97)	69.291,51	0,00	518.500,00	379.133,45	0,00	139.366,55	139.366,55
1 2 5 1	Mobility and Public Transportation	16.861,42	(0,28)	16.861,14	0,00	105.482,86	88.671,43	0,00	16.811,43	16.811,43
1 2 6 1	Social service and other interventions	2.911,92	0,00	2.911,92	0,00	1.135.804,05	1.125.463,67	0,00	10.340,38	10.340,38
1 2 7 1	External services (PMO)	9.846,17	0,00	9.846,17	0,00	534.296,01	522.385,11	0,00	11.910,90	11.910,90
1 2 8 1	Internal meetings events and reception	3.178,67	(1.964,37)	1.214,30	0,00	18.321,09	14.751,09	0,00	3.570,00	3.570,00
Total Chapter 1 2		**173.317,39**	**(25.455,96)**	**147.861,43**	**0,00**	**2.447.700,02**	**2.202.007,56**	**0,00**	**245.692,46**	**245.692,46**
2 1 1 1	Rental of building and associated costs	192.992,64	(73.216,19)	119.776,45	0,00	4.925.943,74	4.831.814,25	0,00	94.129,49	94.129,49
Total Chapter 2 1		**192.992,64**	**(73.216,19)**	**119.776,45**	**0,00**	**4.925.943,74**	**4.831.814,25**	**0,00**	**94.129,49**	**94.129,49**
2 2 1 1	Hardware software and linked expenses	0,00	0,00	0,00	0,00	202.204,18	167.696,28	0,00	34.507,90	34.507,90
2 2 2 1	ICT services	8.000,00	(4.675,33)	3.324,67	0,00	2.876.125,66	2.867.439,90	0,00	8.685,76	8.685,76
Total Chapter 2 2		**8.000,00**	**(4.675,33)**	**3.324,67**	**0,00**	**3.078.329,84**	**3.035.136,18**	**0,00**	**43.193,66**	**43.193,66**
2 3 1 1	Furniture Material and Technical installations	19.457,55	(0,87)	19.456,68	0,00	119.586,90	108.869,48	0,00	10.717,42	10.717,42
2 3 2 1	Works of handling and removal of services	3.611,28	(965,08)	2.646,20	0,00	2.500,00	1.829,58	0,00	670,42	670,42
2 3 3 1	Paper mill office supplies	11.000,00	(80,11)	10.919,89	0,00	13.739,00	4.807,04	0,00	8.931,96	8.931,96
2 3 4 1	Correspondence stamping and carriage costs	15.613,50	0,00	15.613,50	0,00	101.755,00	100.048,02	0,00	1.706,98	1.706,98
2 3 5 1	Acquisition of information	0,00	0,00	0,00	0,00	6.900,96	6.900,96	0,00	0,00	0,00
2 3 6 1	Other current expenses (financial legal insurance)	28.000,00	(26.000,00)	2.000,00	0,00	17.309,90	17.309,00	0,00	0,90	0,90
Total Chapter 2 3		**77.682,33**	**(27.046,06)**	**50.636,27**	**0,00**	**261.791,76**	**239.764,08**	**0,00**	**22.027,68**	**22.027,68**
3 1 1 1	Expert studies representation and external meeting	11.192,00	(8.868,23)	2.323,77	0,00	293.642,15	156.479,92	0,00	137.162,23	137.162,23
3 1 2 1	Missions and related costs	37.249,76	(17.154,85)	20.094,91	0,00	306.941,20	254.994,49	0,00	51.946,71	51.946,71
3 1 4 1	Expenses of Information Publications and Communication	149.583,21	(771,01)	148.812,20	0,00	179.622,41	75.212,63	0,00	104.409,78	104.409,78
3 1 5 1	Expenses of translation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
3 1 7 1	Operational related IT costs	217.717,96	(3.256,54)	214.461,42	0,00	597.678,62	251.514,01	0,00	346.164,61	346.164,61
Total Chapter 3 1		**415.742,93**	**(30.050,63)**	**385.692,30**	**0,00**	**1.377.884,38**	**738.201,05**	**0,00**	**639.683,33**	**639.683,33**
Sum:		**1.024.135,49**	**(167.101,46)**	**857.034,03**	**0,00**	**72.546.560,44**	**71.325.563,56**	**0,00**	**1.220.996,88**	**1.220.996,88**

ANNEX: Glossary on terms, abbreviations and acronyms used

Term	Definition
Administrative appropriations	Appropriations to cover the running costs of the entities (staff, buildings, office equipment).
Adopted budget	Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority.
Amending budget	Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.
Appropriations	Budget funding. The budget forecasts both commitments (legal pledges to provide finance) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses.
Assigned revenue	Revenue dedicated to finance specific items of expenditure.
Budget result	The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. For agencies, the resulting amount will have to be reimbursed to the funding authority.
Budget implementation	Consumption of the budget through expenditure and revenue operations.
Budget item / Budget line / Budget position	As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the Budgetary Authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.
Budgetary commitment	Operation by which the authorising officer responsible reserves the budget appropriations necessary to cover for subsequent payments to honour legal commitments.
Cancellation of appropriations	Appropriations which have not been used by the end of the financial year and which cannot be carried over, shall be cancelled.
Carryover of appropriations	Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.
Commitment appropriations	Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements or decisions) that could be signed in the current financial year.
De-commitment	Operation whereby the authorising officer responsible cancels wholly or partly the reservation of appropriations previously made by means of a budgetary commitment.
Differentiated appropriations	Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year.
Economic result	Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.
Entitlements established	Right to collect income from a debtor as recognised through the issuing of a recovery order.

Exchange rate difference	The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the date of the accounts.
Expenditure	Term used to describe spending the budget from all types of funds sources.
Grants	Direct financial contributions from the budget to third-party beneficiaries, engaged in activities that serve Union policies.
Lapsing appropriations	Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.
Legal base / basic act	The legal act adopted by the legislative authority (usually the Council and European Parliament) specifying the objective of a Union spending programme, the purpose of the appropriations, the rules for intervention, expiry date and the relevant financial rules to serve as a legal basis for the implementation of the spending programme.
Legal commitment	The act whereby the Authorising Officer enters into an obligation towards third parties which results in a charge for the Union budget. Common forms of legal commitments are contracts in the case of procurement, grant agreements and grant decisions.
Non-differentiated appropriations	Appropriations which meet annual needs and must therefore be committed during the budget year. Only amounts qualifying for automatic carryover can be disbursed in the following year. Nondifferentiated appropriations which have not been used, i.e. committed, by the end of the year, are cancelled (unless, exceptionally, permission is given by a Commission decision for a non-automatic carryover). Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.
Operational appropriations	Operational appropriations finance the different policies, mainly in the form of grants or procurement.
Outstanding commitment	Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.
Payment appropriations	Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.
RAL (Reste à Liquider)	Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outstanding commitments
Surplus	Positive difference between revenue and expenditure, which has to be returned to the funding authority. Cf. Budget result
Transfer between budget lines	Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification