Ref. Ares(2021)4162573 - 25/06/2021

Ref. Ares(2021)3807585 - 10/06/2021

Annual accounts of the Shift2Rail Joint Undertaking

Financial year 2020

CONTENTS

CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of Shift2Rail Joint Undertaking in accordance with Article 52 of the Model Financial Regulation ('MFR')[1] and I hereby certify that the annual accounts of the Shift2Rail Joint Undertaking for the year 2020 have been prepared in accordance with Chapter 8 of the MFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the Shift2Rail Joint Undertaking's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Shift2Rail Joint Undertaking.

Rosa ALDEA BUSQUETS

Accounting Officer of the

Shift2Rail Joint Undertaking

[1] COMMISSION DELEGATED REGULATION (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

BACKGROUND INFORMATION NOTE

1.1. General background on the entity

Establishment

Shift2Rail is the first European rail initiative to seek focused research and innovation (R & I) and market-driven solutions by accelerating the integration of new and advanced technologies into innovative rail product solutions. It aims to double the capacity of the European rail system and increase its reliability and service quality by 50 %, while halving life-cycle costs.

The initiative is represented by the Shift2Rail Joint Undertaking (S2R JU), a public-private institutional partnership in the rail sector between the Union and key players from the rail industry.

The Joint Undertaking was established under the Horizon 2020 Framework Programme by Council Regulation (EU) n° 642/2014 of 16 June 2014[2] with a duration until 31 December 2024[3].

Mission

The S2R JU aims to deliver, through railway research and innovation, the capabilities to bring about the most sustainable, cost-efficient, high-performing, time driven, digital and competitive customer-centred transport mode for Europe and hereby accomplishing the mission of S2R JU *"Moving European Railway Forward"*.

Main operational activities

The S2R JU's R&I programme contributes to addressing the challenges faced by the rail sector through a comprehensive and coordinated systemic approach, focusing on the needs of the rail system and its users. The activities are carried out through collaboration between stakeholders in the entire railway value chain, and also outside the traditional rail sector, including SMEs, research and technology centres and universities.

The rail research and innovation performed within the S2R JU focuses on the following overall objectives for the duration of the S2R JU, in line with the S2R JU Regulation and S2R JU Master Plan:

- Achieve the Single European Railway Area (SERA) through the removal of the remaining technical obstacles holding back the rail sector in terms of interoperability and through the transition to a more integrated, efficient and safe EU railway market, guaranteeing the proper interconnection of technical solutions.
- Radically enhance the attractiveness and competitiveness of the European railway system to ensure a modal shift towards rail through a faster and less costly transition to a more attractive, user-friendly (including for persons with reduced mobility), efficient, reliable, and sustainable European rail system.
- Help the European rail industry to retain and consolidate its leadership on the global market for rail products and services, by ensuring that R & I activities and results can provide a competitive advantage to EU industries, and by stimulating and accelerating the market uptake of innovative technologies.

Governance

S2R JU is headed by an Executive Director, who is the legal representative of the S2R JU and responsible for the day-to-day management of the Joint Undertaking. He is appointed by the Governing Board, the main decision making body of the S2R JU.

The Governing Board has overall responsibility for the strategic orientation and the operations of the S2R JU and supervises the implementation of its activities. It brings together two groups of the JU's members:

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[2] EU official Journal L 177, p.9 of 17.6.2014.

[3] Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020), OJ L 347, 20.12.2013 and Council Decision (EU) No 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 (2014-2020), OJ L 347, 20.12.2013, p. 965.

- EU represented by the European Commission;
- The Industry Grouping, represented by Founding Members and Associated Members (the Private Members)

Other bodies of the Joint Undertaking are:

- The Scientific Committee, that advises on the scientific and technological priorities to be addressed in the Annual Work Plans (AWPs), provides scientific expertise and science-based recommendations to the Shift2Rail JU. The representatives, world-renowned scientists, are appointed by the Govering Board.

- The States Representatives Group, representing EU Member States and countries associated with the Horizon 2020 Framework Programme. This group offers opinions on the strategic orientations of the JU and on the links between Shift2Rail activities and relevant national or regional research and innovation programmes.

Sources of financing

The S2R JU is jointly funded by its Members. The administrative costs are covered by financial contributions divided equally on an annual basis between the Commission and the Private Members (except research centres and universities). The operational costs are covered by financial contribution of the Commission and in-kind contributions. The in kind contributions consist of the costs incurred by Private Members in implementing indirect actions that are not reimbursed by the S2R JU.

1.2. Annual accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the Model Financial Regulation (MFR)[4]. As per this regulation, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

Accounting Officer

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

Following the decision of the S2R JU Governing Board of 18 March 2016, the Accounting Officer of the Commission shall, as of 24 May 2016, act as the Accounting Officer of S2R JU.

Composition of the annual accounts

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

Process from provisional accounts to discharge

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

The final annual accounts, together with the opinion of the Governing Board, are sent to the Accounting Officer of the Commission, the ECA, the European Parliament and the Council by 1 July of the following

[4] COMMISSION DELEGATED REGULATION (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council, OJEU L 142, 29.5.2019

financial year. The ECA scrutinises the final annual accounts and includes any findings in the annual report for the European Parliament and the Council.

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

1.3. Operational highlights

Achievements of the year

During 2020, 71 Shift2Rail active projects were progressed towards delivering higher TRL levels and were prepared for Technological Demonstrators that will be presented at InnoTrans 2022. These projects have been differently affected by the COVID-19 pandemic. On the one hand, projects at lower TRL levels or where collaboration was possible via digital communication progressed largely in line with their planning; on the other hand, projects requiring collaborative activities in presence in different sites in Europe, suffered from delays due to travel restrictions or other limitations.

The impact of the pandemic was assessed to be contained to 3 to 6 months on a limited number of projects in September; the new series of restrictions will require a review of the situation early 2021.

Nevertheless, the work of Members' and other beneficiaries staff in progressing the research and innovation activities in such complex conditions, has to be commended, not only with paper-work or lab developments but with concrete demonstration activities on the rail network: for example, successful line tests were performed for automated train operation GoA2 (Grade of Automation 2) over European Train Control System (ETCS) both for passenger (in UK) and for freight operations (in CH). The positive assessment of these test results allow the safe introduction of such novel technology in the market, as soon as the underpinning regulatory framework is adopted. Additional line tests were performed on digital automatic couplers (DAC) in Germany and in Sweden, on enhanced switches and crossings installed in Austria, with a multi-modal travel companion/trip tracking/social services for passengers in Spain, Portugal, the Netherland and Greece resulting in a validation of technology that has been used for a public transport COVID-19 tracking app. Many other R&I activities performed around Europe by multiple companies were successful and demonstrated the commitment of the rail sector to deliver the major digital transformation of rail, paved and steered by the Shift2Rail programme.

In addition, in compliance with the Shift2Rail planning, in July 2020, 19 grants were awarded as a result of the 2020 Call launched in January 2020 based on the amended Annual Work Plan (AWP) 2020. 18 grant agreements were signed between September and December 2020, and one in Q1 2021, allowing the timely start of the projects. In total, the grants signed and awarded will co-fund Research and Innovation activities up to kEUR 75 311 against a total value of kEUR 147 707. All the Union funding allocated to the Shift2Rail Programme was committed with the Call 2020. Thanks to the Shift2Rail staff preparedness, the call process was conducted fully remotely, without experiencing any issues.

2020 was also marked by the design, implementation and launch of the European DAC (Digital Automatic Coupler) Delivery Programme. Building upon the results obtained within its Innovation Programme 5 (IP5), this specific Programme, proposed by the Executive Director and endorsed by the Governing Board, brings together the rail sector beyond the membership to bridge the research work with innovation, including migration planning, towards the deployment of a European DAC solution, built on open and transparent standard specifications. This activity constitutes a major step ahead of the digital rail freight, enabling new operations and services that will contribute meeting the expectations of the Sustainable and Smart Mobility Strategy of the European Commission[5].

The communication and dissemination activities of the JU continued, including with the Shift2Rail Innovation Days in October 2020, which brought together around 600 participants to discuss rail research and innovation and the promising results of the Shift2Rail Programme.

The work to establish relations with European regions, including neighbouring countries, continued with the successful signature of a Memorandum of Understanding (MoU) with the transport community; this was also complemented by the signature of a MoU with CUTRIC, a Canadian programme dedicated to

[5] https://ec.europa.eu/transport/themes/mobilitystrategy_en

sustainable mobility. The objective of co-creation and showing the potential impact of the Shift2Rail Programme's results, once deployed, has been paramount in shaping such activities; focusing also on the competitiveness of the European rail industry.

Finally, the work of Shift2Rail succeeded in supporting the European Commission and the sector to prepare for the definition and design of the future Rail Research and Innovation Programme under the MFF 2021 – 2027.

Budget and budget implementation

The main highlights of the 2020 budget implementation are as follows:

At the year-end 2020, the JU had implemented 100% of its commitment appropriations made available in its active budget. The payment appropriations were executed up to 81% of the active funds. The implementation when compared to the full S2R budget (including Title 4) was 93% in commitment and 76% in payment appropriations.

In its Decision 08/2019 on 14 November 2019, the S2R Governing Board adopted the initial Annual Work Plan and Budget for 2020. There was no amendment adopted to this document during the year 2020.

As a response to the COVID-19 crisis, the Executive Director has executed his rights in accordance with Article 10 of the S2R Financial Rules and reassigned appropriations within his remit in the course of the year to correspond to the re-prioritised administrative and operational needs. In addition, due to the crisis, some of the payments initially foreseen for the year are becoming due only in 2021. The JU is taking the necessary measures to ensure that the payment appropriations are available for re-activation to the following year. This is mainly valid for one grant agreement of the call 2020, which was not signed in December as planned, and consequently, EUR 6.5million of pre-financing was not paid at year-end.

To support the planning of re-activating credits, the JU is making use of Title 4 in its budget. This Title is of a technical nature and, in accordance with the S2R Financial Rules, shows the appropriations available for applying n+3 rule on the following budgetary years. It is used to increase transparency and accurate reporting of the JU. By allocating the appropriations in Title 4, they were identified as being required in the following years to meet the JU's legal obligations on payments and the JU can re-activate them as part of the initial budget 2021.

In particular, kEUR 5 630 of unused commitment appropriations and kEUR 4 510 of unused payment appropriations, recorded under Title 4 in S2R budget 2020, have immediately been re-allocated to the S2R budget 2021 in accordance with the Governing Board Decision 08/2020 of 19 November 2020, adopting the Annual Work Plan and budget for 2021.

Following this, the active S2R budget available for 2020 amounted to kEUR 84 081 in commitment appropriations and kEUR 75 779 in terms of payment appropriations.

Administrative costs (Title 1 Staff Expenditure and Infrastructure and Title 2 Operating Expenditure)

Title 1 and Title 2 of the S2R Budget were executed up to 100% in commitment appropriations, demonstrating a reliable budgetary planning.

Title 1 - Staff Expenditure was mainly used for the salaries of the JU staff. During the year, the JU also made use of external support, to fill the gaps during the recruitment process on staff turnover and to cope with the important workload on JU activities.

The execution rate of the payment appropriations was 96% (96% also in 2019), showing a steady implementation of payment appropriation in relation to the previous budgetary year and demonstrating the JU's ability to react to changing circumstances in 2020.

Due to the COVID-19 crisis, a significant part of the budget for missions was reallocated to support digital meetings and events, enhancement of digital services to support staff and implementation of a specific training programme to accompany the staff in such a critical period. The Executive Director has executed his rights in accordance with Article 10 of the S2R Financial Rules and reallocated these funds to answer the specific needs of the JU for the year. In addition, the payment appropriations related to the Press & Information budget were not executed due to the rescheduling of events (e.g.: TRA and Innotrans, etc.). The events have been postponed to the year 2022.

Title 3 Operational Expenditure

Title 3 of the S2R Budget constitutes the JU's Operational Budget. The vast majority of the JU's budget falls under this category representing 96% of the active and 90% of the overall budget (including Title 4). The budget category covers the JUs Calls for proposals, operational procurement and expert fees incurred as part of the evaluation.

The execution rate of the operational budget in both commitment and payment appropriations was respectively 100% and 80%. The majority of the payment appropriations were used for the pre-financing of the grants resulting from the 2020 calls for proposals. As mentioned earlier, one project of the call 2020 is expected to be signed in Q1 2021, with the pre-financing payment (for kEUR 6 496) becoming due only in 2021, thus causing the lower execution rate in comparison to the previous year (89%). In order to ensure that no project would suffer from the current situation, in agreement with the Governing Board, the pre-financing levels related to the Call 2020 have been increased by 10 basis points, after the necessary financial viability checks.

The reported execution also include kEUR 144 relating to the expert evaluators which is managed by the REA Services.

Title 4 Unused appropriations not required in current Year

The amount included under Title 4 – Unused appropriations not required in current year - has been established to support a transparent implementation of S2R JU Financial Rules Art.6.5, the so called n+3 rule. In accordance with the Financial Rules and the general practice of the JU, these appropriations will be reactivated in the future budget(s) of the following year and used first.

As detailed above, the Executive Director has executed his rights in accordance with Article 10 of the S2R Financial Rules and reassigned appropriations within his remit to Title 4; kEUR 328 in CA and kEUR 4 000 in PA of the operational budget has been transferred to Title 4.

After this transfer, the total unused appropriations available of kEUR 5 630 of unused commitment appropriations and kEUR 4 510 of unused payment appropriations, recorded under Title 4 in S2R budget 2020, have immediately been re-allocated to the S2R budget 2021 in accordance with the Governing Board Decision 08/2020 of 19 November 2020, adopting the Annual Work Plan and budget for 2021.

Impact of the activities in the financial statements

The major features in the 2020 Financial Statements of S2R JU are the following:

- **Operational expenses:** By the end of 2020, the S2R JU had signed a total of 98 grants, since the beginning of the autonomous S2R JU activities in 2016. This represents a total of kEUR 691 247 in Research and Innovation activities, of which kEUR 357 406 of S2R JU funding.
- **Pre-financing:** The value of the new pre-financing paid to the beneficiaries in 2020 amounted to kEUR 35 824. It comprises kEUR 34 925 related to the 18 projects of call 2020 and kEUR 900 of pre-financing for operational tenders.
- **In-kind contributions on operational expenditure (IKOP):** At the end of 2020, the Members other than the Union have declared total R&I activities for an amount of kEUR 356 443 of which the kEUR 232 566 has been certified.
- **Net Assets:** The IKOP validated by S2R JU in 2020 amounted kEUR 53 298. At 31 December the total cumulative IKOP presented under net assets equals kEUR 121 942.

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

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

CONTENTS

BALANCE SHEET

EUR '000

	Note	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
Intangible assets		*2*	*0*
Property, plant and equipment	*2.1*	*183*	*197*
Pre-financing	*2.2*	*50 271*	*44 980*
		50 456	**45 177**
CURRENT ASSETS			
Pre-financing	*2.2*	*46 049*	*33 756*
Exchange receivables and non-exchange recoverables	*2.3*	*40 598*	*26 316*
		86 646	**60 072**
TOTAL ASSETS		**137 102**	**105 249**
CURRENT LIABILITIES			
Payables and other liabilities	*2.4*	*(97 465)*	*(80 746)*
Accrued charges and deferred income	*2.5*	*(44 413)*	*(36 963)*
		(141 878)	**(117 710)**
TOTAL LIABILITIES		**(141 878)**	**(117 710)**
NET ASSETS		**(4 776)**	**(12 462)**
Contribution from Members	*2.6*	*428 922*	*298 570*
Accumulated deficit		*(311 031)*	*(190 081)*
Economic result of the year		*(122 667)*	*(120 950)*
NET ASSETS		**(4 776)**	**(12 461)**

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	Note	2020	2019
REVENUE			
Revenue from non-exchange transactions			
Recovery of expenses	*3.1*	*136*	*30*
		136	**30**
Revenue from exchange transactions			
Other	*3.2*	*33*	*4*
		33	**4**
Total revenue		**169**	**34**
EXPENSES			
Operational costs	*3.3*	*(119 355)*	*(117 459)*
Staff costs	*3.4*	*(1 914)*	*(1 684)*
Other expenses	*3.5*	*(1 568)*	*(1 842)*
Total expenses		**(122 836)**	**(120 984)**
ECONOMIC RESULT OF THE YEAR		**(122 667)**	**(120 950)**

CASHFLOW STATEMENT[6]

EUR '000

	2020	2019
Economic result of the year	*(122 667)*	*(120 950)*
Operating activities		
Depreciation and amortization	*52*	*53*
(Increase)/decrease in pre-financing	*(17 584)*	*(17 843)*
(Increase)/decrease in exchange receivables and non-exchange recoverables	*(14 282)*	*3 441*
Increase/(decrease) in payables	*16 719*	*11 535*
Increase/(decrease) in accrued charges & deferred income	*7 450*	*12 278*
Increase/(decrease) in cash contributions	*77 054*	*64 529*
Increase/(decrease) in in-kind contributions	*53 298*	*46 972*
Investing activities		
(Increase)/decrease in intangible assets and property, plant and equipment	*(40)*	*(15)*
NET CASHFLOW	**–**	**–**
Net increase/(decrease) in cash and cash equivalents	–	–
Cash and cash equivalents at the beginning of the year	–	–
Cash and cash equivalents at year-end	–	–

[6] Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of S2R JU, the treasury of S2R JU was integrated into the Commission's treasury system. Therefore, S2R JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Contribution from Members	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2018	**187 070**	**(78 305)**	**(111 776)**	**(3 011)**
Allocation 2018 economic result	-	*(111 776)*	*111 776*	-
Cash contribution	*64 529*	-	-	*64 529*
Contribution in-kind	*46 972*	-	-	*46 972*
Economic result of the year	-	-	*(120 950)*	*(120 950)*
BALANCE AS AT 31.12.2019	**298 570**	**(190 081)**	**(120 950)**	**(12 461)**
Allocation 2019 economic result	-	*(120 950)*	*120 950*	-
Cash contribution	*77 054*	-	-	*77 054*
Contribution in-kind	*53 298*	-	-	*53 298*
Economic result of the year	-	-	*(122 667)*	*(122 667)*
BALANCE AS AT 31.12.2020	**428 922**	**(311 031)**	**(122 667)**	**(4 776)**

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

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

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

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

1.2.2. Currency and basis for conversion

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

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

Euro exchange rates

Currency	31.12.2020	31.12.2019	Currency	31.12.2020	31.12.2019
BGN	**1.9558**	*1.9558*	**PLN**	**4.5597**	*4.2568*
CZK	**26.2420**	*25.4080*	**RON**	**4.8683**	*4.783*
DKK	**7.4409**	*7.4715*	**SEK**	**10.0343**	*10.4468*
GBP	**0.8990**	*0.8508*	**CHF**	**1.0802**	*1.0854*
HRK	**7.5519**	*7.4395*	**JPY**	**126.4900**	*121.9400*
HUF	**363.8900**	*330.5300*	**USD**	**1.2271**	*1.1234*

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, 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.

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

New EAR which are effective for annual periods beginning on or after 1 January 2020

There are no new EAR which became effective for annual periods beginning on or after 1 January 2020.

New EAR adopted but not yet effective at 31 December 2020

On 17 December 2020 the Accounting Officer of the European Commission adopted the revised EAR 11 'Financial Instruments', which is effective for accounting periods beginning on or after 1 January 2021. The revised EAR 11 has been updated in line with the new IPSAS 41 'Financial Instruments' and establishes the principles for the financial reporting of the financial assets and financial liabilities held by the EU entities. For more information please refer to the EU annual accounts of 2020. No material impact of this change is expected due to the small amount of financial instruments in the financial statements of the entity.

1.3. BALANCE SHEET

1.3.1. Intangible assets

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

1.3.2. Property, plant and equipment

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

Type of asset	Straight line depreciation rate
Buildings	*4 % to 10 %*
Plant and equipment	*10 % to 25 %*
Furniture and vehicles	*10 % to 25 %*
Computer hardware	*25 % to 33 %*
Other	*10 % to 33 %*

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

Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither an asset nor a liability recognised in the balance sheet.

1.3.3. Impairment of non-financial assets

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

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

1.3.4. Financial assets

Financial assets are classified in the following categories: 'financial assets at fair value through surplus or deficit', 'loans and receivables', 'held-to-maturity investments' and 'available for sale financial assets'. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date. Based on this classification the entity only has 'loans and receivables'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

Initial recognition and measurement

Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit, transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

1.3.5. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is recognised as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.6. Receivables and recoverables

The EU accounting rules require 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 meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly.

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.7. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding, or pre-financing received (see note **1.4.1**).

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

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

1.3.8. Accrued and deferred revenue and charges

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

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

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

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

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

(i) Revenue from non-exchange transactions

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

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

(ii) Revenue from exchange transactions

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

1.4.2. Expenses

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

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

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

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

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

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

1.5.2. Contingent liabilities

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

A contingent liability also arises in the rare circumstances where a present obligation exists but cannot be measured with sufficient reliability. Contingent liabilities are not recognised in the accounts. They are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.6. CONTRIBUTIONS FROM MEMBERS

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

1.6.1. Financial contributions

Financial contributions are contributions of Members made in cash in order to provide funding of the operational or administrative needs of the JU. These financial contributions are recognised in net assets in the period in which the enforceable right to receive the payment was established.

1.6.2. In-kind contributions

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

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

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

The expenses related to the IKOP incurred in the financial year are recognised in the statement of financial performance. At year-end, incurred IKOP not yet reported are estimated and recorded as other liabilities ('Contributions of Members to be validated').

The IKAA relate to contributions linked to implementing additional activities outside the work plan of the JU that contribute to the objectives of the JU. Because the outflow of resources related to those activities is outside of the control of the JU, these contributions are not recognised in the financial statements of the JU. However to provide a complete picture of the operational activities related to the JU they are still disclosed as additional information in the notes.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

EUR '000

	Plant and equipment	Furniture and vehicles	Computer hardware	Other	TOTAL
Gross carrying amount at 31.12.2019	*35*	*55*	*53*	*260*	*404*
Additions	–	–	*33*	*5*	*38*
Disposals	–	–	–	*(1)*	*(1)*
Gross carrying amount at 31.12.2020	**35**	**55**	**87**	**264**	**441**
Accumulated depreciation at 31.12.2019	*(21)*	*(20)*	*(39)*	*(127)*	*(206)*
Depreciation charge for the year	*(4)*	*(6)*	*(11)*	*(31)*	*(52)*
Disposals	–	–	–	*1*	*1*
Accumulated depreciation at 31.12.2020	**(25)**	**(26)**	**(50)**	**(157)**	**(258)**
NET CARRYING AMOUNT AT 31.12.2020	**10**	**30**	**37**	**106**	**183**
NET CARRYING AMOUNT AT 31.12.2019	*14*	*36*	*14*	*133*	*197*

The category 'Other' includes costs capitalised related to the improvements made to the rented building.

2.2. PRE-FINANCING

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

EUR '000

	31.12.2020	31.12.2019
Non-current pre-financing	*50 271*	*44 980*
Current pre-financing	*46 049*	*33 756*
Total	**96 319**	**78 735**

For all pre-financing amounts open at 31 December 2020 a case-by-case assessment has been performed and all the pre-financing that was considered unlikely to be cleared in the course of 2021 was classified as non current pre-financing.

In the first years of the project life there is significant open pre-financing that will be only cleared in the later stages. The maturity of the S2R projects explain the increase of the current pre-financing. The overall high amount of the open pre-financing can be explained by the fact that according to the Horizon 2020, rules the incurred costs (both actual and estimated) are only cleared against pre-financing when the amounts paid to the beneficiary reach 90% of the grant agreement amount. In addition, only the amount exceeding this threshold is cleared.

The increase of the total pre-financing comprises new pre-financing payments of kEUR 35 824 for projects related to call 2020 and operational tender. The increase primarily in current pre-financing can be explained by the fact that the S2R projects from the calls 2015 to 2018 have passed their initial stage; the majority of the projects are expected to clear their respective pre-financing by the end 2021.

The outstanding pre-financing, presented under this heading is net of estimated (cut-off) expenses for ongoing projects without validated cost claims on 31 December 2020. The clearing of pre-financing with year-end (cut-off) adjustments amounted to kEUR 36 498. The remaining portion of the cut off expenses is recorded in accrued charges (see note **2.5**).

2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

Exchange transactions are transactions in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Non-exchange transactions are transactions in which an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

At 31 December 2020 S2R JU did not have any long term receivables or recoverables. All amounts under this heading are current and are as follows:

EUR '000

	31.12.2020	31.12.2019
Recoverables from non-exchange transactions		
Public bodies	*39*	*10*
	39	**10**
Receivables from exchange transactions		
Central treasury liaison accounts	40 222	24 290
Customers	320	1 909
Deferred charges relating to exchange transactions	23	34
EU entities	–	72
Other	(5)	1
	40 559	**26 306**
Total	**40 598**	**26 316**

The amounts receivable from public bodies relates to contributions to administrative costs from members other than the Union.

The Central treasury liaison accounts with the Commission represent virtual bank accounts of S2R JU. Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of S2R JU, the treasury of S2R JU was integrated into the Commission's treasury system. Because of this S2R JU does not have any bank accounts. All payments and receipts are processed via the Commission's treasury and registered on these intercompany accounts. The ending balance of this heading is thus the result of the incoming and outgoing payments and represents the funds available for the Joint Undertaking.

The Central treasury liaison account increased due to payments falling due later from the initial schedule. The increase depends largely to the non-payment of the pre-financing of a call 2020 projecs which had not been signed due to important correction to be addressed in the technical description of the work (kEUR 6 496). This grant agreement was signed in May 2021 allowing the timely start of the projects, and the corresponding pre-financing (for KEUR 6 496) becoming due in June 2021. In addition, of kEUR 4 510 in payment appropriations of the Budget 2020 has been transferred to the Budget 2021 in accordance with the decision taken during the last Governing Board of the year.

The heading Customers refers mainly to members share of their 2020 contributions to administrative costs which had been claimed from members other than the Union but not paid at year end.

LIABILITIES

2.4. PAYABLES AND OTHER LIABILITIES

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

EUR '000

	31.12.2020	31.12.2019
Contribution in kind to be validated	*93 119*	*74 641*
Suppliers	*3 855*	*3 796*
Public bodies	*491*	*2 310*
Total	**97 465**	**80 746**

Included under the 'contribution in-kind to be validated' are the in-kind contributions from Members relating to on-going projects without a validated audit certificate at 31 December 2020. The amount of in-kind contributions was estimated on a case-by-case basis using the best available information on the projects at the year-end, which is mainly the members declaration in accordance with Article 4.3 of the S2R Regulation. The estimated cash contribution to the operating expenses of those projects are included under accrued charges (see note **2.5**). The increase compared to 2019 stems from the fact that due to the new projects started in 2020 the number of on-going projects on which the contributions in-kind are estimated has increased.

The sub-heading Suppliers and Public bodies are composed of liabilities in relation to commercial invoices and cost claims of operational expenses received by the JU but not validated for payment at 31.12.2020.

2.5. ACCRUED CHARGES

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

EUR '000

	31.12.2020	31.12.2019
Accrued charges	*44 413*	*36 963*

Accrued charges are the amounts estimated by the Authorising Officer of costs incurred for services and goods delivered in the year but for which no invoice was yet received or processed by the end of the year. They are largely composed of estimated operating expenses (kEUR 42 558) for on-going projects without a validated cost statement, where the 2020 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2020. The portion of the estimated accrued charges which relates to pre-financing paid has been recorded as a reduction of the pre-financing amounts.

An amount of (kEUR 1 576) represents operating expenses other than grants. It is mostly related to operational framework contracts related to the action plans of S2R JU. It includes also other operational contracts and expert costs.

Included under this heading are also accrued administrative expenses of kEUR 223 and accrued staff expenses for untaken leave (kEUR 57).

NET ASSETS

2.6. CONTRIBUTIONS FROM MEMBERS

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

EUR '000

Programme	2020			2019		
	Cash	in-Kind	Total	Cash	in-Kind	Total
H2020	*306 979*	*121 942*	*428 922*	*229 926*	*68 645*	*298 570*

With regard to the Horizon 2020 programme, Council Regulation (EC) No 642/2014 distinguishes between Members (European Commission, Industry Grouping) and non-members of the JU. In addition, only the in-kind contributions from the Members that are both certified by external auditors and validated by the Executive Director of S2R JU are considered in-kind contribution. Estimated in-kind contributions, i.e. contributions for which no certifications has been received and/or this certification has not been validated by the Executive Director are reported under other liabilities (see note **2.4**).

EUR '000

Member	EU	Industry Grouping			Total	
	Cash	Cash	In kind	Total	Cash	In kind
Running costs contributions at 31.12.2019[7]	*6 365*	*8 182*	-	*8 182*	*14 548*	-
Current year contributions	*1 056*	*1 056*	-	*1 056*	*2 112*	-
Running costs contributions at 31.12.2020	**7 421**	**9 238**	**-**	**9 238**	**16 659**	**-**
Operational costs contributions at 31.12.2019	*215 378*	-	*68 645*	*68 645*	*215 379*	*68 645*
Current year contributions	*74 942*	-	*53 298*	*53 298*	*74 942*	*53 298*
Operational costs contributions at 31.12.2020	**290 320**	**-**	**121 942**	**121 942**	**290 321**	**121 942**
TOTAL contributions at 31.12.2019	*221 743*	*8 182*	*68 645*	*76 827*	*229 926*	*68 645*
TOTAL contributions at 31.12.2020	**297 741**	**9 238**	**121 942**	**131 181**	**306 979**	**121 942**
						-
% of total contributions (by type)	*96.99%*	*3.01%*	*100.00%*		*100.00%*	*100.00%*
Total contribution in %	*69.42%*	*30.58%*			*100.00%*	
Voting rights %	*50.00%*	*50.00%*			*100.00%*	

7 The amounts under 'Running costs contributions at 31.12.2019', exclude the EU Contribution of kEUR 1 817 received in 2014-2016 and used prior to the S2R JU autonomy

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions relates to transactions where the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange. The heading mainly includes amounts received from the Commission during the year and recoveries of operational expenses.

3.1. RECOVERY OF EXPENSES

The revenue resulting from recovery of expenses refers to operational expenses recovered from beneficiaries during the year and adjustments coming from audits that will be collected in the following year.

EUR '000

	2020	2019
Recovery of operational expenses	*136*	*30*

REVENUE FROM EXCHANGE TRANSACTIONS

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

3.2. OTHER EXCHANGE REVENUE

EUR '000

	2020	2019
Recovery of administrative expenses	*32*	*-*
Foreign exchange gains	*0*	*4*
Total	**33**	**4**

EXPENSES

3.3. OPERATIONAL COSTS

Included under this heading are operational expenses related to projects that were carried out in the current year. The part of the operational costs related to on-going projects without any validated cost claims (or equivalent) available at 31 December was estimated using the best information available at the time of preparation of the annual accounts. The estimation is based on case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates are based on costs incurred to date as a proportion of the estimated total costs of the projects ("pro-rata temporis").

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

EUR '000

	2020	2019
Operational costs: validated in-kind contributions	*53 298*	*46 972*
Operational costs: estimated in-kind contributions	*18 478*	*10 894*
Total operational costs from in-kind contributions	**71 776**	**57 866**
Operational costs: validated EU contributions	*43 747*	*47 023*
Operational costs: estimated EU contributions	*3 832*	*12 570*
Total operational costs from EU contributions	**47 579**	**59 593**
Total	**119 355**	**117 459**

The increase compared to 2019 is due to the inclusion of new projects related to 2019 and 2020 calls that were added to estimation of costs; consequently, the amount of expected contributions is in line with the overall profile of the S2R JU and its R&I activities.

3.4. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment-related benefits. Based on the service level agreement between the JU and the Commission, the calculations of staff-related costs is carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO). The pensions of the JU staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the JU staff and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the JU accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the JU, as the obligation falls to the Commission. Consequently, both the annual cost to the EU budget, and the future benefits payable to the JU staff, are accounted for in the Commission's annual accounts as part of its provision for pensions and other post-employment benefits. The pension costs included in the Commission's Statement of Financial Performance represent current service cost (rights accrued during the year due to service) and interest cost (unwinding of the liability discounting) which have arisen following the year-end actuarial valuation of the employee benefits liabilities.

EUR '000

	2020	2019
Staff costs	*1 914*	*1 684*

3.5. OTHER EXPENSES

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

EUR '000

	2020	2019
External non IT services	*646*	*519*
Office Supplies and maintenance	*387*	*666*
Operating lease expenses	*220*	*219*
Communications and publications	*156*	*159*
Property, plant and equipment related expenses	*53*	*53*
Missions	*11*	*106*
Experts and related expenses	*5*	*11*
Foreign exchange losses	*1*	*5*
Other	*89*	*105*
Total	**1 568**	**1 842**

The general decrease in the other expenses is related to the COVID-19 pandemic. In 2020 the office supplies and maintenance expenses decreased due to lower administrative needs related to teleworking. The missions were also decreased due to COVID-19.

Operating lease expenses relate to the S2R JU building 'White Atrium'. Amounts committed to be paid during the remaining term of this lease contract include rent and related charges and are as follows:

EUR '000

	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
Buildings	*302*	*944*	*-*	*1 246*

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

The outstanding commitments not yet expensed comprise the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the current year's statement of financial performance. The RAL represents the open budgetary commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

EUR '000

	31.12.2020	31.12.2019
Outstanding commitments not yet expensed	*81 212*	*68 594*

4.2. RELATED PARTIES

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

4.3. KEY MANAGEMENT ENTITLEMENTS

The Director, or head of entity, is remunerated in accordance with the Staff Regulations of the European Union, which establish the rights and obligations of all officials of the EU. The Staff Regulations are published on the Europa website.

	31.12.2020	31.12.2019
Executive Director	*AD 14*	*AD 14*

4.4. IN-KIND CONTRIBUTIONS

In accordance with article 4(3) of Council Regulation (EU) No 642/2014 of 16 June 2014 (hereinafter the S2R Regulation), "the members of the S2R Joint Undertaking other than the Union shall report by 31 January each year to the Governing Board of the S2R JU on the value of the contributions referred to in paragraph 2 made in each of the previous financial years".

Article 4(2) of the S2R Regulation establishes that the total contribution to be provided by the Other Members[8] and totalling EUR 470 million shall consist of:

IKOP[9] (in-kind operational): at least EUR 350 million, including at least EUR 200 million from the founding members other than the Union and their affiliated entities, and at least EUR 150 million from associated members and their affiliated entities. In accordance with Article 16(3)b of the S2R Statutes, IKOP consists "of the costs incurred by them [the Other Members] in implementing indirect actions less the contribution of the S2RJU and any other Union contribution to those costs".

IKAA (in-kind other activities): of at least EUR 120 million, of which at least EUR 70 million from the founding members other than the Union and their affiliated entities, and at least EUR 50 million from associated members and their affiliated entities. These contributions shall consist of the costs incurred by them in implementing additional activities outside the work plan of the S2R Joint Undertaking, which are complementary to this work plan and contribute to the objectives of the S2R Master Plan. Other Union funding programmes may support those costs in compliance with the applicable rules and procedures. In

[8] The "Other Members" consist of the Founding Members of the JU, with the exclusion of the Union, and the Associated Members.

[9] As laid down in Article 16(2) and Article 16(3)(b) of the Statutes.

such cases, Union financing shall not substitute for the in-kind contributions from the members other than the Union or their affiliated entities.

The aforementioned In-Kind Contributions, which consist of financial expenditure executed by the Members – salaries, assets, operations, etc. – to achieve the S2R Programme and its Projects, are in addition to the cash contribution of the Other Members to the 50% of the running costs of the JU.

4.5. OTHER EVENTS

BREXIT

On 1 February 2020 the United Kingdom ceased to be a Member State of the European Union. Following the conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the 'Withdrawal Agreement') between the two parties, the United Kingdom committed to pay all its obligations under the current MFF and previous financial perspectives following from its membership of the Union. The United Kingdom has paid into the 2020 EU Budget during the year, and received payments, as if it were a Member State.

At the date of transmission of these accounts, and based on the Withdrawal Agreement concluded and already in operation, there is no financial impact to be reported in these accounts. For further information on the impact of the Withdrawal Agreement on the EU, please see the 2020 consolidated EU annual accounts.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the entity has no significant interest rate risk and 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. The entity does not have any securities thus it is not exposed to the interest rate risk.

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

Liquidity risk is the risk that 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.

5.2. CURRENCY RISKS

Exposure to currency risk at year-end

At the end of the year, the financial assets are composed of exchange receivables and non-exchange recoverables. The financial liabilities are composed of accounts payable. Their ending balances are mainly quoted in EUR, the entity is thus not exposed to currency risk.

5.3. CREDIT RISK

Financial assets that are neither past due nor impaired

At the end of the year, the financial assets comprise exchange receivables and non-exchange recoverables that are neither past due nor impaired, the entity is thus not exposed to credit risk.

5.4. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

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

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

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

CONTENTS

1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1 BUDGETARY PRINCIPLES

The establishment and implementation of the budget of S2R JU is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of S2R JU:

Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of S2R JU. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

Principle of annuality

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December. As specified in its Financial Rules, S2R JU is subject to an exception to the annuality principle, specific only to the joint undertakings (the "N+3" rule), whereby any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years. These appropriations must be used first.

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

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

Principle of universality

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

Principle of specification

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

Principle of sound financial management

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

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published on the internet site of the S2R JU within four weeks of their adoption and shall be transmitted to the Commission and the Court of Auditors.

1.2 STRUCTURE AND PRESENTATION OF THE BUDGET

No distinction between non-dissociated and dissociated appropriations is made. All appropriations follow the dissociated logic.

Following the provisions of the Financial rules of S2R JU, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed by the following titles:

Title 1

Budget lines relating to staff expenditure such as salaries and allowances for personnel working with S2R JU. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

Title 2

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

Title 3

Budget lines provide for the implementation of the activities and tasks assigned to S2R JU in accordance with its establishing Council Regulation (EC) No 642/2014.

Title 4

Budget lines are technical nature and are used to capture the appropriations to be re-activated in future budgets.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

EUR '000

	Title	2020	2019
Revenue		**76 937**	**66 037**
of which:			
Revenue	*9*	*76 937*	*66 037*
Expenditure		**(61 083)**	**(69 882)**
of which:			
Staff expenditure	*1*	*(2 393)*	*(2 336)*
Administrative expenditure	*2*	*(1 034)*	*(1 236)*
Operational expenditure	*3*	*(57 657)*	*(66 310)*
Exchange rate differences		**(0)**	**(1)**
Budget result		**15 853**	**(3 846)**

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2020	2019
ECONOMIC RESULT OF THE YEAR	**(122 667)**	**(120 950)**
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	**97 245**	**94 251**
In-kind contributions validated in the year	*53 298*	*46 972*
Adjustments for accrual cut-off (net)	*11 065*	*23 018*
Unpaid invoices at year end but booked in expenses	*16 850*	*112*
Depreciation, amortization and impairment of intangible and tangible assets	*53*	*53*
Recovery orders issued in the year and not yet cashed	*(212)*	*(22)*
Correction of recovery orders issued last year	*(168)*	*-*
Pre-financing given in previous year and cleared in the year	*16 360*	*24 124*
Other individually immaterial	*(1)*	*(5)*
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	**41 276**	**22 853**
Members' cash contributions collected in the year	*77 088*	*64 835*
Asset acquisitions (less unpaid amounts)	*(40)*	*17*
New pre-financing paid in the year and remaining open as at 31 December	*(35 825)*	*(43 254)*
Entitlements established in previous year and cashed in the year	*53*	*1 255*
BUDGET RESULT OF THE YEAR	**15 853**	**(3 846)**

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue – Title 9

EUR '000

Item		Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
900	Contribution from EU (administrative)	1 056	1 056	1 056	–	1 056	1 056	–	1 056	100 %	–
901	Contribution from EU (operational)	74 942	74 942	74 942	–	74 942	74 942	–	74 942	100 %	–
902	Contribution from members other than the EU	1 056	1 056	1 056	53	1 109	853	53	905	86 %	203
Total Chapter 90		77 054	77 054	77 054	53	77 106	76 850	53	76 903	100 %	203
911	Recoveries from non-members	–	–	1	–	1	1	–	1	-	–
912	Recoveries from others	–	–	33	–	33	33	–	33	-	–
Total Chapter 91		–	–	34	–	34	34	–	34	-	–
920	Bank interest	–	–	0	–	0	0	–	0	-	–
Total Chapter 92		–	–	0	–	0	0	–	0	-	–
Total Title 9		**77 054**	**77 054**	**77 088**	**53**	**77 140**	**76 884**	**53**	**76 937**	**100 %**	**203**
GRAND TOTAL		**77 054**	**77 054**	**77 088**	**53**	**77 140**	**76 884**	**53**	**76 937**	**100 %**	**203**

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item		Budget appropriations				Additional appropriations			Total appropr. available
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
110	Temporary agents	480	–	(12)	468	260	–	260	728
111	Contract agents, seconded national experts, trainees and interims	1 180	–	12	1 192	260	–	260	1 452
Total Chapter 11		1 660	–	0	1 661	520	–	520	2 180
130	Mission costs	80	–	(55)	25	–	–	–	25
Total Chapter 13		80	–	(55)	25	–	–	–	25
150	Training	20	–	4	24	–	–	–	24
Total Chapter 15		20	–	4	24	–	–	–	24
190	Other staff expenditure	197	–	0	197	–	0	0	198
Total Chapter 19		197	–	0	197	–	0	0	198
Total Title 1		**1 957**	**–**	**(50)**	**1 907**	**520**	**0**	**520**	**2 427**

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

Item		Budget appropriations				Additional appropriations			Total appropr. available
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
200	Rental of buildings and associated costs	330	–	(14)	316	–	–	–	316
Total Chapter 20		330	–	(14)	316	–	–	–	316
210	IT expenditure and technical facilities	145	–	63	208	–	–	–	208
Total Chapter 21		145	–	63	208	–	–	–	208
220	Movable property and associated costs	15	–	(15)	–	–	–	–	–
Total Chapter 22		15	–	(15)	–	–	–	–	–
230	Current administrative expenditure	20	–	11	31	–	–	–	31
Total Chapter 23		20	–	11	31	–	–	–	31
240	Postage and telecommunications	20	–	7	27	–	–	–	27
Total Chapter 24		20	–	7	27	–	–	–	27
250	Administrative board expenditure	50	–	(28)	22	–	–	–	22
Total Chapter 25		50	–	(28)	22	–	–	–	22
260	Administrative support services	85	–	(15)	70	–	–	–	70
Total Chapter 26		85	–	(15)	70	–	–	–	70
270	Public relations and events	300	–	(13)	287	–	32	32	319
Total Chapter 27		300	–	(13)	287	–	32	32	319
290	Other infrastructure and operating expenditure	100	–	54	154	–	–	–	154
Total Chapter 29		100	–	54	154	–	–	–	154
Total Title 2		**1 065**	**–**	**50**	**1 115**	**–**	**32**	**32**	**1 147**

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropr. available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
300 Operational expenditure	75 222	–	(329)	74 893	5 612	1	5 613	80 506
Total Chapter 30	75 222	–	(329)	74 893	5 612	1	5 613	80 506
Total Title 3	**75 222**	**–**	**(329)**	**74 893**	**5 612**	**1**	**5 613**	**80 506**

5.1.4. Breakdown & changes in commitment appropriations – Title 4

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropr. available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
400 Administrative budget	5 301	–	–	5 301	–	–	–	5 301
Total Chapter 40	5 301	–	–	5 301	–	–	–	5 301
410 Operational budget	–	–	329	329	–	–	–	329
Total Chapter 41	–	–	329	329	–	–	–	329
Total Title 4	**5 301**	**–**	**329**	**5 630**	**–**	**–**	**–**	**5 630**
GRAND TOTAL	**83 546**	**–**	**–**	**83 546**	**6 131**	**34**	**6 165**	**89 711**

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropr. available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
110 Temporary agents	420	–	(11)	409	320	–	320	729
111 Contract agents, seconded national experts, trainees and interims	1 120	–	(7)	1 113	320	–	320	1 433
Total Chapter 11	1 540	–	(18)	1 523	640	–	640	2 162
130 Mission costs	80	–	(49)	31	–	–	–	31
Total Chapter 13	80	–	(49)	31	–	–	–	31
150 Training	20	–	(5)	15	–	–	–	15
Total Chapter 15	20	–	(5)	15	–	–	–	15
190 Other staff expenditure	197	–	22	219	–	0	0	219
Total Chapter 19	197	–	22	219	–	0	0	219
Total Title 1	**1 837**	**–**	**(50)**	**1 787**	**640**	**0**	**640**	**2 427**

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropr. available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
200 Rental of buildings and associated costs	330	–	(10)	320	–	–	–	320
Total Chapter 20	330	–	(10)	320	–	–	–	320
210 IT expenditure and technical facilities	145	–	94	239	–	–	–	239
Total Chapter 21	145	–	94	239	–	–	–	239
220 Movable property and associated costs	15	–	(15)	–	–	–	–	–
Total Chapter 22	15	–	(15)	–	–	–	–	–
230 Current administrative expenditure	20	–	19	39	–	–	–	39
Total Chapter 23	20	–	19	39	–	–	–	39
240 Postage and telecommunications	20	–	10	30	–	–	–	30
Total Chapter 24	20	–	10	30	–	–	–	30
250 Administrative board expenditure	50	–	(35)	15	–	–	–	15
Total Chapter 25	50	–	(35)	15	–	–	–	15
260 Administrative support services	85	–	(41)	44	–	–	–	44
Total Chapter 26	85	–	(41)	44	–	–	–	44
270 Public relations and events	300	–	(54)	246	–	32	32	278
Total Chapter 27	300	–	(54)	246	–	32	32	278
290 Other infrastructure and operating expenditure	100	–	82	182	–	–	–	182
Total Chapter 29	100	–	82	182	–	–	–	182
Total Title 2	**1 065**	**–**	**50**	**1 115**	**–**	**32**	**32**	**1 147**

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropr. available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
300 Operational expenditure	73 642	–	(4 000)	69 641	2 561	1	2 563	72 204
Total Chapter 30	73 642	–	(4 000)	69 641	2 561	1	2 563	72 204
Total Title 3	**73 642**	**–**	**(4 000)**	**69 641**	**2 561**	**1**	**2 563**	**72 204**

5.2.4. Breakdown & changes in payment appropriations – Title 4

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropr. available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
400 Administrative budget	510	–	–	510	–	–	–	510
Total Chapter 40	510	–	–	510	–	–	–	510
410 Operational budget	–	–	4 000	4 000	–	–	–	4 000
Total Chapter 41	–	–	4 000	4 000	–	–	–	4 000
Total Title 4	**510**	**–**	**4 000**	**4 510**	**–**	**–**	**–**	**4 510**
GRAND TOTAL	**77 054**	**–**	**–**	**77 054**	**3 201**	**34**	**3 235**	**80 289**

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

Item		Total approp. available	Commitments made					Appropriations carried over to 2021			Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	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
110	Temporary agents	728	468	260	–	728	100 %	–	–	–	–	–	–	–
111	Contract agents, seconded national experts, trainees and interims	1 452	1 192	260	–	1 452	100 %	–	–	–	0	–	–	0
Total Chapter 11		2 180	1 660	520	–	2 180	100 %	–	–	–	0	–	–	0
130	Mission costs	25	25	–	–	25	100 %	–	–	–	–	–	–	–
Total Chapter 13		25	25	–	–	25	100 %	–	–	–	–	–	–	–
150	Training	24	24	–	–	24	100 %	–	–	–	–	–	–	–
Total Chapter 15		24	24	–	–	24	100 %	–	–	–	–	–	–	–
190	Other staff expenditure	198	197	–	–	197	100 %	–	–	–	–	–	0	0
Total Chapter 19		198	197	–	–	197	100 %	–	–	–	–	–	0	0
Total Title 1		**2 427**	**1 907**	**520**	**–**	**2 427**	**100 %**	**–**	**–**	**–**	**0**	**–**	**0**	**0**

5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item		Total approp. available	Commitments made					Appropriations carried over to 2021			Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	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
200	Rental of buildings and associated costs	316	316	-	-	316	100 %	-	-	-	-	-	-	-
Total Chapter 20		316	316	-	-	316	100 %	-	-	-	-	-	-	-
210	IT expenditure and technical facilities	208	208	-	-	208	100 %	-	-	-	-	-	-	-
Total Chapter 21		208	208	-	-	208	100 %	-	-	-	-	-	-	-
230	Current administrative expenditure	31	31	-	-	31	100 %	-	-	-	-	-	-	-
Total Chapter 23		31	31	-	-	31	100 %	-	-	-	-	-	-	-
240	Postage and telecommunications	27	27	-	-	27	100 %	-	-	-	-	-	-	-
Total Chapter 24		27	27	-	-	27	100 %	-	-	-	-	-	-	-
250	Administrative board expenditure	22	22	-	-	22	100 %	-	-	-	-	-	-	-
Total Chapter 25		22	22	-	-	22	100 %	-	-	-	-	-	-	-
260	Administrative support services	70	70	-	-	70	100 %	-	-	-	-	-	-	-
Total Chapter 26		70	70	-	-	70	100 %	-	-	-	-	-	-	-
270	Public relations and events	319	287	-	32	319	100 %	-	-	-	-	-	-	-
Total Chapter 27		319	287	-	32	319	100 %	-	-	-	-	-	-	-
290	Other infrastructure and operating expenditure	154	154	-	-	154	100 %	-	-	-	-	-	-	-
Total Chapter 29		154	154	-	-	154	100 %	-	-	-	-	-	-	-
Total Title 2		**1 147**	**1 115**	**-**	**32**	**1 147**	**100 %**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	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
300 Operational expenditure	80 506	74 893	5 612	-	80 505	100 %	-	-	-	-	-	1	1
Total Chapter 30	80 506	74 893	5 612	-	80 505	100 %	-	-	-	-	-	1	1
Total Title 3	**80 506**	**74 893**	**5 612**	**-**	**80 505**	**100 %**	**-**	**-**	**-**	**-**	**-**	**1**	**1**

5.3.4. Implementation of commitment appropriations - Title 4

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	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
400 Administrative budget	5 301	-	-	-	-	0 %	-	-	-	5 301	-	-	5 301
Total Chapter 40	5 301	-	-	-	-	0 %	-	-	-	5 301	-	-	5 301
410 Operational budget	329	-	-	-	-	0 %	-	-	-	329	-	-	329
Total Chapter 41	329	-	-	-	-	0 %	-	-	-	329	-	-	329
Total Title 4	**5 630**	**-**	**-**	**-**	**-**	**0 %**	**-**	**-**	**-**	**5 630**	**-**	**-**	**5 630**
GRAND TOTAL	**89 711**	**77 915**	**6 131**	**32**	**84 079**	**94 %**	**-**	**-**	**-**	**5 630**	**-**	**1**	**5 632**

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations - Title 1

EUR '000

Item		Total approp. availab.	Payments made					Appropriations carried over to 2021				Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
110	Temporary agents	729	408	320	-	728	100 %	-	-	-	-	1	-	-	1
111	Contract agents, seconded national experts, trainees and interims	1 433	1 097	320	-	1 417	99 %	-	-	-	-	17	-	-	17
Total Chapter 11		2 162	1 505	640	-	2 145	99 %	-	-	-	-	17	-	-	17
130	Mission costs	31	31	-	-	31	100 %	-	-	-	-	-	-	-	-
Total Chapter 13		31	31	-	-	31	100 %	-	-	-	-	-	-	-	-
150	Training	15	15	-	-	15	100 %	-	-	-	-	-	-	-	-
Total Chapter 15		15	15	-	-	15	100 %	-	-	-	-	-	-	-	-
190	Other staff expenditure	219	202	-	0	202	92 %	-	-	-	-	17	-	-	17
Total Chapter 19		219	202	-	0	202	92 %	-	-	-	-	17	-	-	17
Total Title 1		**2 427**	**1 753**	**640**	**0**	**2 393**	**99 %**	**-**	**-**	**-**	**-**	**34**	**-**	**-**	**34**

5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item		Total approp. availab.	Payments made					Appropriations carried over to 2021				Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
200	Rental of buildings and associated costs	320	308	-	-	308	96 %	-	-	-	-	12	-	-	12
Total Chapter 20		320	308	-	-	308	96 %	-	-	-	-	12	-	-	12
210	IT expenditure and technical facilities	239	236	-	-	236	99 %	-	-	-	-	3	-	-	3
Total Chapter 21		239	236	-	-	236	99 %	-	-	-	-	3	-	-	3
230	Current administrative expenditure	39	30	-	-	30	78 %	-	-	-	-	9	-	-	9
Total Chapter 23		39	30	-	-	30	78 %	-	-	-	-	9	-	-	9
240	Postage and telecommunications	30	22	-	-	22	73 %	-	-	-	-	8	-	-	8
Total Chapter 24		30	22	-	-	22	73 %	-	-	-	-	8	-	-	8
250	Administrative board expenditure	15	7	-	-	7	45 %	-	-	-	-	8	-	-	8
Total Chapter 25		15	7	-	-	7	45 %	-	-	-	-	8	-	-	8
260	Administrative support services	44	33	-	-	33	75 %	-	-	-	-	11	-	-	11
Total Chapter 26		44	33	-	-	33	75 %	-	-	-	-	11	-	-	11
270	Public relations and events	278	204	-	32	236	85 %	-	-	-	-	42	-	-	42
Total Chapter 27		278	204	-	32	236	85 %	-	-	-	-	42	-	-	42
290	Other infrastructure and operating expenditure	182	161	-	-	161	89 %	-	-	-	-	21	-	-	21
Total Chapter 29		182	161	-	-	161	89 %	-	-	-	-	21	-	-	21
Total Title 2		**1 147**	**1 001**	**-**	**32**	**1 034**	**90 %**	**-**	**-**	**-**	**-**	**114**	**-**	**-**	**114**

5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021				Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assig. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
300 Operational expenditure	72 204	55 095	2 561	-	57 657	80 %	-	-	-	-	14 546	-	1	14 547
Total Chapter 30	72 204	55 095	2 561	-	57 657	80 %	-	-	-	-	14 546	-	1	14 547
Total Title 3	**72 204**	**55 095**	**2 561**	**-**	**57 657**	**80 %**	**-**	**-**	**-**	**-**	**14 546**	**-**	**1**	**14 547**

5.4.4. Implementation of payment appropriations - Title 4

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021				Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assig. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
400 Administrative budget	510	-	-	-	-	-	-	-	-	-	510	-	-	510
Total Chapter 40	510	-	-	-	-	-	-	-	-	-	510	-	-	510
410 Operational budget	4 000	-	-	-	-	0 %	-	-	-	-	4 000	-	-	4 000
Total Chapter 41	4 000	-	-	-	-	0 %	-	-	-	-	4 000	-	-	4 000
Total Title 4	**4 510**	**-**	**-**	**-**	**-**	**0 %**	**-**	**-**	**-**	**-**	**4 510**	**-**	**-**	**4 510**
GRAND TOTAL	**80 289**	**57 849**	**3 201**	**33**	**61 083**	**76 %**	**-**	**-**	**-**	**-**	**19 204**	**-**	**1**	**19 206**

6. OUTSTANDING COMMITMENTS

6.1. Outstanding commitments– Title 1

EUR '000

Item		Commitments outstanding at the end of previous year				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
110	Temporary agents	0	(0)	–	–	728	728	–	–	–
111	Contract agents, seconded national experts, trainees and interims	136	(15)	121	–	1 452	1 296	–	156	156
Total Chapter 11		136	(15)	121	–	2 180	2 024	–	156	156
130	Mission costs	15	(3)	12	–	25	19	–	6	6
Total Chapter 13		15	(3)	12	–	25	19	–	6	6
150	Training	22	(8)	13	–	24	2	–	23	23
Total Chapter 15		22	(8)	13	–	24	2	–	23	23
190	Other staff expenditure	60	(2)	57	–	197	145	–	52	52
Total Chapter 19		60	(2)	57	–	197	145	–	52	52
Total Title 1		**232**	**(28)**	**204**	**–**	**2 427**	**2 189**	**–**	**238**	**238**

6.2. Outstanding commitments – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				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
200 Rental of buildings and associated costs	8	(3)	5	-	316	303	-	14	14
Total Chapter 20	8	(3)	5	-	316	303	-	14	14
210 IT expenditure and technical facilities	414	(30)	173	211	208	64	-	144	355
Total Chapter 21	414	(30)	173	211	208	64	-	144	355
220 Movable property and associated costs	0	(0)	-	-	-	-	-	-	-
Total Chapter 22	0	(0)	-	-	-	-	-	-	-
230 Current administrative expenditure	1	(1)	0	0	31	30	-	1	1
Total Chapter 23	1	(1)	0	0	31	30	-	1	1
240 Postage and telecommunications	13	(5)	8	-	27	14	-	13	13
Total Chapter 24	13	(5)	8	-	27	14	-	13	13
250 Administrative board expenditure	5	(3)	1	-	22	5	-	17	17
Total Chapter 25	5	(3)	1	-	22	5	-	17	17
260 Administrative support services	20	-	4	16	70	29	-	41	57
Total Chapter 26	20	-	4	16	70	29	-	41	57
270 Public relations and events	387	(131)	151	105	319	85	-	234	339
Total Chapter 27	387	(131)	151	105	319	85	-	234	339
290 Other infrastructure and operating expenditure	49	-	38	11	154	123	-	31	41
Total Chapter 29	49	-	38	11	154	123	-	31	41
Total Title 2	**896**	**(174)**	**381**	**342**	**1 147**	**653**	**-**	**494**	**837**

6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				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
300 Operational expenditure	109 207	(2 940)	21 501	84 766	80 505	36 155	-	44 350	129 115
Total Chapter 30	109 207	(2 940)	21 501	84 766	80 505	36 155	-	44 350	129 115
Total Title 3	**109 207**	**(2 940)**	**21 501**	**84 766**	**80 505**	**36 155**	**-**	**44 350**	**129 115**
GRAND TOTAL	**110 335**	**(3 142)**	**22 086**	**85 108**	**84 079**	**38 997**	**-**	**45 082**	**130 190**

7. GLOSSARY

Administrative appropriations

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

Adopted budget

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

Amending budget

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

Appropriations

Budget funding.

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

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

The difference between income received and amounts paid, including adjustments for 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

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

Budgetary commitment

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

Cancellation of appropriations

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

Carryover of appropriations

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

Commitment appropriations

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

De-commitment

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

Differentiated appropriations

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

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Grants

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

Lapsing appropriations

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

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

Legal basis / basic act

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

Legal commitment

The act whereby the Authorising Officer enters into an obligation towards third parties which results in 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. Non-differentiated appropriations which have not been used, i.e. committed, by the end of the year, are cancelled (unless, exceptionally, permission is given by a Commission decision for a non-automatic carryover). Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

Outstanding commitments

Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.

RAL (Reste à liquider)

Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outstanding commitments

Surplus

Positive difference between revenue and expenditure, which has to be returned to the funding authority. Cf. Budget result

Transfer between budget lines

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification.

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Carlo M. Borghini
Executive Director of Shift2Rail
Shift2Rail Joint Undertaking
White Atrium Building – 2nd floor
Avenue de la Toison d'Or 56-60
B-1060 BRUSSELS

Your message of	your reference	our reference	Melle
		WVDW/BAGO/HECL/PLTH	2021-06-14

Dear Carlo M. Borghini,

We have been appointed as auditor of Shift2Rail, according to the Framework Contract No: BUDG/19/P0/01 and specific contract No – 08_17.

As requested, you will find enclosed our independent auditor's report on the final annual accounts as at 31 December 2020.

Yours faithfully,

Baker Tilly Belgium Bedrijfsrevisoren CVBA

Wim Van De Walle
Audit Partner

SHIFT2RAIL JOINT UNDERTAKING (S2R JU)

Independent Auditor's report on the Final Annual Accounts as at : 31 DECEMBER 2020

Date: June 14, 2021

bakertilly

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INDEPENDENT AUDITOR'S REPORT ON THE FINAL ANNUAL ACCOUNTS OF SHIFT2RAIL JOINT UNDERTAKING FOR THE FINANCIAL YEAR FROM 01 JANUARY TO 31 DECEMBER 2020

Opinion

We have audited the accompanying final annual accounts of Shift2Rail Joint Undertaking, 'the Agency' for the financial year from 01 January to 31 December 2020.Their annual accounts consist of the financial statements and the reports on the implementation of the budget for the financial year ended December 31, 2020. The financial statements comprise the balance sheet as at December 31, 2020, and the statement of financial performance, the cash flow statement and the statement of changes in net assets/liabilities for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the final annual accounts of the Agency present fairly, in all material aspects, its financial position as at December 31, 2020, and the results of its operations and its cash flow, for the year then ended, and are prepared in accordance with its Financial Regulation, and, in accordance with the accounting rules adopted by the Commission's accounting officer, and the International Public Sector Accounting Standards, as issued by the International Public Sector Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) and the ISSAI (International Standards of Supreme Audit Institutions, as issued by the International Organization of Supreme Audit Institutions (INTOSAI)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other Information

Management is responsible for the other information. The other information comprises the Annual Activity Report of the Agency.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the final annual accounts

Management is responsible for the preparation of the final annual accounts in accordance with its Financial Regulation, and, in accordance with the accounting rules adopted by the Commission's accounting officer, which are derived from the International Public Sector Accounting Standards, as issued by the International Public Sector Accounting Standards Board.

Management's responsibilities in respect of the annual accounts include designing, implementing and maintaining an internal control system relevant to the preparation and the fair presentation of the annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies on the basis of the accounting rules adopted by the Commission' accounting officer; making accounting estimates that are reasonable in the circumstances. The Executive Director approves the annual accounts of the Agency after its Accounting Officer has prepared them on the basis of all available information and established a note to accompany the accounts in which they declare, inter alia, that they have reasonable assurance that the Annual Accounts present a true and fair view of the financial position of the Agency in all material respects.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

Auditor's Responsibilities for the Audit of the final annual accounts

Our objectives are to obtain reasonable assurance about whether the final annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ✓ Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ✓ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.

- ✓ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ✓ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.

- ✓ Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on use and distribution

The opinion transmitted is only intended for the Agency and for the European Court of Auditors, for the purpose of forming an opinion on the final annual accounts of the Agency only. It may not be relied upon by you for any other objective or purpose, nor may it be distributed or made available to any other parties, except those who have regulatory rights of access to it. Any review , transmission, dissemination or other use of, or taking of any action in reliance upon this information by any persons or entities other than the Agency is prohibited and we will not assume any duty of care or liability towards these persons or entities.

Melle, June 14, 2021

Yours faithfully,

Baker Tilly Belgium Bedrijfsrevisoren CVBA

Wim Van De Walle
Audit Partner

ACCOUNTANCY · AUDIT · CONSULTANCY · CORPORATE FINANCE

Now, for tomorrow

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