# Final annual accounts of the Europe's Rail Joint Undertaking

## Financial year 2024

# Contents

# CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Europe’s Rail Joint Undertaking, in accordance with Article 52 of the Model Financial Regulation ('MFR')[1] and I hereby certify that the annual accounts of the Europe’s Rail JU for the year 2024 have been prepared in accordance with Chapter 8 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 Europe’s Rail 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 Europe’s Rail JU.

My assurance statement related to the Final Accounts 2024 will be transmitted to the Accounting Officer of the Commission. The Management Representation Letter, signed by the Authorising Officer and myself, will be sent to the European Court of Auditors for the audit of the Final Accounts.

Qualified electronic signature by: ANDREI

HRETU

Date 2025-06-19 14:39:57 UTC

Andrei Hretu

**Accounting Officer of the**
**Europe’s Rail 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. General background on the entity

### Establishment

Shift2Rail Joint Undertaking was 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. The initiative was 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.

Horizon Europe – the EU Framework Programme for Research and Innovation (2021-2027) – aims to increase the EU's research and innovation impact by combining European partnership co-investment with additional private and public sector funds in areas where the scope and scale of the research and innovation resources can help achieve the EU's Horizon Europe priorities notably, its Pillar II – Global challenges and European industrial competitiveness. The setting up of the joint undertakings under Horizon Europe has been regulated through Council Regulation No. 2021/2085 of 19 November 2021 and published in the Official Journal on 30 November 2021.

The seat of Europe's Rail Joint Undertaking is Brussels, Belgium.

Under the Single Basic Act (Article 174.6), the Europe's Rail Joint Undertaking (EU-Rail) shall be the legal and universal successor in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property of the Shift2Rail Joint Undertaking established by Council Regulation (EU) No. 642/2014 of 16 June 2014, which it shall replace and succeed.

### Mission

EU-Rail vision is to deliver, via an integrated system approach, a high capacity, flexible, multi-modal, sustainable and reliable integrated European railway network by eliminating barriers to interoperability and providing solutions for full integration, for European citizens and cargo and hereby accomplishing its mission: "*Rail Research and Innovation to make Rail the everyday mobility".*

### Main operational activities

The EU-Rail'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 EU-Rail focuses on the following overall objectives for the duration of the EU-Rail, in line with EU-Rail Regulation and EU-Rail Master Plan:

- Contribute towards the achievement of the Single European Railway Area;
- Ensure a fast transition to more attractive, user-friendly, competitive, affordable, easy to maintain, efficient and sustainable European rail system, integrated into the wider mobility system;
- Support the development of a strong and globally competitive European rail industry.

In addition and more specifically, EU-Rail shall:

(a) Facilitate research and innovation activities to deliver an integrated European railway network by design, eliminating barriers to interoperability and providing solutions for full integration. It shall cover traffic management, vehicles, infrastructure also including integration with national gauges, and services, and providing the best answer to the needs of passengers and businesses. It shall accelerate uptake of innovative solutions to support the Single European Railway Area, while increasing capacity and reliability and decreasing costs of railway transport;

(b) Deliver a sustainable and resilient rail system by developing a zero-emission, silent rail system and climate resilient infrastructure, applying circular economy to the rail sector, piloting the use of innovative processes, technologies, designs and materials in the full life-cycle of rail systems and developing other innovative solutions to guided surface transport;

(c) Develop through its System Pillar a unified operational concept and a functional, safe and secure system architecture, with due consideration of cyber-security aspects, focused on the European railway network for integrated European rail traffic management, command, control and signalling systems, including automated train operation which shall ensure that research and innovation is targeted on commonly agreed and shared customer requirements and operational needs and is open to evolution;

(d) Facilitate research and innovation activities related to rail freight and intermodal transport services to deliver a competitive green rail freight fully integrated into the logistic value chain, with automation and digitalisation of freight rail at the core;

(e) Develop demonstration projects in interested Member States;

(f) Contribute to the development of a strong and globally competitive European rail industry; and

(g) Enable, promote and exploit synergies with other Union policies, programmes, initiatives, instruments or funds in order to maximise its impact and added value.

## Governance

EU-Rail is headed by an Executive Director, who is the legal representative of EU-Rail 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 EU-Rail.

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

EU represented by the European Commission;

The Private Members

Other bodies of the Joint Undertaking are:

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

The System Pillar steering group, consisting of the Commission, representatives of the rail and mobility sector and of relevant organizations, the Executive Director of the JU, the chairperson of the SRG and representatives of ERA and ERRAC. It shall provide advice to the Governing Board and the Executive Director on System Pillar issues.

The Deployment Group, open to all stakeholders, advising the Governing Board on the market uptake of rail innovation developed in EU-Rail and to support the deployment of the innovative solutions.

## Sources of financing

The EU-Rail is jointly funded by its Members. The administrative costs are covered by financial contributions divided equally on an annual basis between the Union and the Private Members (except research centres and universities under the former S2R Regulation). The operational costs are covered by financial contribution of the Union 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 EU-Rail.

# 2. Annual accounts

### Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by Model Financial Regulation (MFR)[2]. 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 preparation of the annual accounts.

The Single Basic Act[3] establishing the new generations of JUs required, within one year following the date of entry into force of the Regulation, the establishment of back-office arrangements, to provide horizontal support functions to the joint undertakings, by concluding service level agreements. The Accounting Back Office (Acco BOA) was established and took over the accounting services from Accounting Officer the European Commission from 1 December 2022.

Following the decision of the Europe's Rail JU Governing Board of 30 November 2022, on behalf of the Acco BOA, as of 1 December 2022 Andrei Hretu acts as the Accounting Officer of Europe's Rail 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 contracted by the JU. 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 European Court of Auditors, the European Parliament and the Council by 1 July of the following financial year. The ECA scrutinizes 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 the ECA.

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[2]Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public -private partnershipbodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 14 2, 29.5.2019, p. 16)

[3]COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014

# 3. Operational highlights

## Achievements of the year

### The Europe's Rail Joint Undertaking

EU-Rail was established by Council Regulation (EU) No 2021/2085 of 19 November 2021 that established the Joint Undertakings under Horizon Europe (the Single Basic Act, hereafter "SBA") It repealed Council Regulation (EU) No 642/2014 of 16 June 2014 that established the S2R JU. This major achievement was realized by building upon a transparent and open selection process of the EU-Rail founding members and their essential unconditional commitment to deliver, together with the Union, a major transformation of rail.

In accordance with Article 174(6) of the SBA, the EU-Rail is the legal and universal successor of S2R JU in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property. The EU-Rail continues to act as a public-private partnership in the rail sector established under Article 187 of the Treaty on the Functioning of the European Union.

Building upon S2R JU's achievements, the objective of EU-Rail is to deliver a high-capacity integrated European railway network by eliminating barriers to interoperability and providing solutions for full integration, covering traffic management, vehicles, infrastructure and services. This should exploit the huge potential for digitalisation and automation to reduce the costs of rail, increase capacity, and enhance its flexibility and reliability. It should be based upon a solid Reference Functional System Architecture shared by the sector, in coordination with the European Union Agency for Railways.

### Objectives & indicators

The JU objectives of 2024 were met with the full commitment (99.5%) of the budget appropriations related to the Horizon Europe funded EU-Rail Programme for the operational activities for that year. This demonstrates that the JU was able to engage the railway sector to an effective resource commitment to progress in delivering its contribution to the Single European Rail Area, through an integrated Programme.

The Work Programme (WP) and budget 2024, initially adopted in December 2023, were amended on two occasions mainly to address the updates regarding operational activities and the related financial figures:

(1) the WP Amendment no. 1 adopted in February 2024 recognized the inscription of 32.9m of payment appropriations on title 3 of the budget 2024 to ensure the closure of the remaining Shift2Rail (S2R) projects.

(2) the WP Amendment no. 2 adopted in November 2024 adapted the budget both in commitment and payment appropriations considering the evolution of budget needs, the multi-annual operational planning of EU-RAIL, and finally to amend the multi-annual IKAA plan 2023-2024 following a proposal of private founding members.

The progress achieved and the launch of these additional core activities represented another key step towards the digitalization and automation of the railway system, to contribute delivering sustainable (climate neutral, life cycle cost efficient, connected, integrated through a system approach) mobility and transport for passengers and supply chain.

In 2024 the priorities consisted of:

1. the R&I activities related to the EU-Rail integrated Research and Innovation (R&I) Programme:

- the Innovation Pillar:
    - the monitoring and performance analysis of the first results of the 2022 Flagship Projects, including the achievement of the planned milestones, in preparation for the demonstration activities of 2025 and 2026,
    - the ramp-up, following the conclusion of the grant agreements in 2024, of the projects resulting from the Call 2023-1 that as part of the Integrated Programme complement the Flagship Projects with additional Exploratory research activities and enlarge the horizon of rail ability to serve European citizen with the development of tools, digital platforms and services

for a better integration of aviation and railway transport modes, in collaboration with SESAR 3 JU,

  - the launch of the Call 2024-1 during Q1 2024, followed by the conclusion of the grant agreements, to create new opportunities for inclusiveness and participation, enlarging the Flagship Projects with additional anticipated activities of the related Flagship Areas, as well as provide a platform for more disruptive innovation linked to hyperloop technologies and concepts,

- the System Pillar:
  - delivering, building upon the first results of the System Pillar Tasks and Domains, the first Standardisation and TSI Input plan to the European Commission and verify in the mid of 2024 the results on the new mandate to allow a continuation of the activities and a clear prioritisation of the expected implementation of harmonised results,
  - launching the activities to be undertaken in the second half of 2024, as well as preparing the outline of the activities to be performed in 2025,

- the Deployment Group:
  - the operationalisation of the high-level and topical working group(s), following the GB decision for their creation, aiming at closing the innovation gap towards deployment with addressing European migration and implementation plans,
  - supporting the activities of the European DAC Delivery Programme, in particular working with the European Commission on developing a comprehensive migration strategy to coordinate deployment, in accordance with the Commission communication on "Greening Freight Transport" COM (2023) 440,

- the Membership:
  - the preparation of a call for expression of interest to select Associated Members, in accordance with articles 7 and 87(1) point c of the SBA , to be launched by the JU by the end of the first half of 2024, after having made an in-depth assessment of theEU-Rail Programme, an update of the Multi-Annual Work Programme (MAWP), and after identifying possible gaps to be filled by new entities' commitment.

2. the R&I activities related to the projects launched in the previous years under the S2R Programme: The focus will be on the contractual closing of the H2020 project activities, having achieved its targets, and exploit where relevant their positive results in the new EU-Rail Programme.

All the above objectives were achieved in 2024.

In addition, the year 2024 saw the continuation of the close collaboration established between EU-Rail and:

  - the European Railway Research Advisory Council (ERRAC),
  - the European Union Agency for Railways (ERA),
  - other programmes, partnerships and other bodies, with the objective to establish synergies that will result in coordinated and consistent activities, or joint R&I projects or administrative synergies, such as for example under the back-office arrangements with other JUs,
  - different associations representing the key stakeholders of the rail sector and beyond,
  - third countries programmes, in line with the policy priorities of the Commission and considering the key objective of the competitiveness of the European rail industry.

Finally, in 2024, we continued conveying the message to European citizens that rail can answer their concerns about unsustainable and unreliable mobility options. The JU's key messages and events continued to reinforce the objectives of the initiatives such as the European Green Deal, the Sustainable and Smart Mobility Strategy or the Digital Decade by disseminating R&I results and showing the future evolution of rail in terms of services for passengers and freight clients. In this respect, in line with its communications strategy, Europe's Rail aims to:

- showcase the innovative technological and operational solutions that result from the research and innovation activities, and in particular those ready to enter industrialisation and deployment, in particular demonstrating concrete impact;
- raising awareness on the research and innovation activities outreaching to the stakeholders at European level as well as engaging at global events/conferences to promote Europe's Rail results;
- enhance the partnership nature of the JU through communications and dissemination activities that will create opportunities for inclusiveness.

## Budget and budget implementation

At the year-end 2024, the JU had implemented 99,5% of its commitment appropriations made available in its active budget (Titles 1 to 4). The payment appropriations were implemented up to 87,9% (85,2% in 2023) of the active funds.

In GB Decision 16/2023 on 5 December, the EU-Rail Governing Board adopted the initial Annual Work Plan and Budget for 2024.

There were two amendments adopted to this document during 2024 with budget impact.

<u>Amendment number 1</u>

- Statement of Revenue

Compared to Work Programme 2024 and Budget, this amendment recognises and balance (Revenue and Expenditure) unused payment appropriations on S2R Programme operational expenditure due in relation to the previous budgetary years, in accordance with EU-Rail Financial Rules Article 6.5.

The following is entered in addition to the estimate of revenue:

- EUR 32.9 million in payment appropriations. Those will be needed for the last year of the S2R Programme execution in order to pay S2R Programme grants interim and final payments.

In 2023, the Reporting and Payments 2023 action plan forecasted 52 payments for the year with a total value of EUR 36 million, of which the JU achieved 42 payments for a total value of EUR 23,2 million. Of the 52 forecasted payments, 10 projects with a total value of EUR 9,4 million were postponed to be paid in 2024.

In 2024, the JU is forecasting for S2R Programme:

- 27 interim and final payments for a total amount of maximum EUR 36,6 million (including the 10 postponed from 2023);
- The possible complementary payments after final payments for 10 grant agreements (final payments in status "Actions under observations" in the IT accounting tool of the JU), for a maximum of EUR 3,2 million;
- Other final payments on tenders and experts.

The JU will deduct the amount already adopted by the Governing with initial budget 2024 as "unused appropriations of the year" of EUR 7,0 million. Consequently, the amount to be entered in addition to the estimate of revenue and in payment appropriations is EUR 32,9 million.

- Statement of Expenditure

Title III (Operational S2R Programme):

Increase of the S2R Programme operational payment appropriations of EUR 32,9 million. This is needed to pay the S2R Programme grants interim and final payments (and as applicable also final payments on operational tenders and experts) expected for the year 2024. In terms of planning, all the final payments of the S2R Programme are expected to be executed by the summer 2024.

This would depends on the capacity of the projects to submit those payments on time and on the quality of reports and deliverables provided, and would require a constant monitoring done by the JU with the projects' consortia.

This increase is covered by entering in addition to the estimate of revenue, the unused payment appropriations from the previous budgetary years, as indicated in previous section.

<u>Amendment number 2</u>

- Statement of Revenue

All titles concerned (Administrative and operational budget):

Due to a clerical error in the JU's 2023 request for cash flow from the EC that was integrated at the operational and not administrative appropriations, with this amendment EUR 35,083 is added to the administrative unused payment to rectify the situation.

- Statement of Expenditure

Title I and II:

Adaptation of the Budget appropriation (mainly in payment appropriations) per line is proposed considering the evolution of budget needs identified for the Quarter 2024 to maximise the consumption of the administrative budget, with the most important one the transfer between the salaries and allowances from staff of the establishment plan to external personnel due to different turnover in 2024.

Title III:

The amount of unused commitment appropriation as increased to a total of EUR 34,510,157, out of which EUR 31,613,344 from the operational EU-RAIL budget are transferred to the unused appropriations to ensure the financing of the 2nd wave call of Flagship Projects under the WP 2025-2026, as per multi-annual planning. EUR 32,396,611 of payment appropriations out of which EUR 28,496,845 from the operational EU-RAIL budget are transferred to the unused appropriations to cover future operational needs of the JU, as per multi-annual planning.

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

Title 1 and Title 2 of the Budget were executed up to 99,4% 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.

Title 2 – the administrative expenditure was mainly used to ensure the JU activities – in particular to cover the high number of communication events and for Innotrans 2024.

The implementation rate of the payment appropriations for the administrative costs was 87,7% (95% in 2023), showing a decrease in implementation of payment appropriation in relation to the previous budgetary year. The decrease was mainly due to the fact that the Joint Undertaking had less staff in active employment compared to the previous year and some costs related to the refurbishment of the office space have been postponed to 2025.

**Title 3 and Title 4 Operational Expenditure**

Title 3 of the Budget constitutes the JU's Operational Budget for implementation of the S2R Programme activities.

Title 4 of the budget constitutes the JU's Operational Budget for the implementation of the new EU-Rail Programme activities.

The majority of the JU's budget falls under this category representing 65% of the active (Titles 1 to 4) and 95% of overall budget (including Title 5). The proportion has stabilized compared to 2023 (92% in 2023) since EUR 74,4 million was available to be allocated to EU-Rail operational commitment appropriations this year, being the second year of the launch of activities under the EU-Rail Programme.

The budget category Title 3 covers the interim and final payments implementing the remaining grant agreements, for the S2R Programme.

The budget category Title 4 covers the third instalment of the first Call for proposal of the JU for a total funding of EUR 234 million and launched with multi-annual instalment (EUR 135,7 million of CA used in 2022 EUR 55,9 million used in 2023 and EUR 40,8 million in 2024), a forth Call for Proposal for Exploratory Research (for EUR 21,7 million) and tenders for System Pillar activities and other tenders and studies.

The implementation rate of the operational budget in both commitment and payment appropriations was respectively 99,5% (100% in 2023) and 87,9% (85% in 2023). This year, a major portion of payment appropriations were used for the pre-financing of the grants resulting from the 2023 and 2024 calls.

The reported implementation also includes payments to the Expert Evaluators which is managed by the REA Services.

**Title 5 Unused appropriations not required in current Year**

The amount included under Title 5 – Unused appropriations not required in current year has been established to support a transparent implementation of JU Financial Rules Art.6.5, the so-called N+3 rule. In accordance with the Financial Rules and the operational need of the JU, these appropriations will be reactivated in the future year budget(s) and used first. This budgetary fliexibility allows EU-RAIL to implement its Multi-Annual R&I Programme.

The 2024 as finally adopted budget presents EUR 34,5 million of unused operational and administrative commitment appropriations, and EUR 32,3 million of unused payment appropriations that will be re-inscribed in revenue and expenditure in the following years. The reason for this amount of unused appropriations both in commitments and in payments is to finance the 2nd wave of flagship areas' projects of EUR 133,5 million whose grant agreements will only be signed in 2026 and will be financed by these unused appropriations and the budgets from 2025 and 2026.

### Impact of the activities in the financial statements

The major features in the 2024 Financial Statements of EU-Rail are the following:

**Pre-financing:** 2024 was the third year in which grants have been awarded from the Horizon Europe Programme. The overall level of pre-financing has decreased from EUR 141,6 million in 2023 to EUR 98,5 million in 2024. The most notable decrease was in the value of the long-term pre-financing as the value of expected deliverables already financed exceeds the value of pre-financing for new projects (see note **2.3**).

**Members' contributions:** The contributions from members increased by EUR 89,3 million and amounted to EUR 997,9 million in 2024. The increase of EUR 40,6 million in the cash contributions comprises cash funding from the EU and the private members to cover the administrative and operating activities of the JU in 2024. The increase of EUR 48,7 million in the in-kind contributions comprises the in-kind contributions from the member other than EU that have been validated by the EU-Rail executive director in 2024 (see note **2.9**).

**Operating costs:** Overall amount of the operating costs has decreased (2024: EUR 127,5 million versus 2023: EUR 188,7 million). The decrease in operational costs funded through cash by the EU and in-kind contributions by the Private Members is a direct effect of the financial closing of the Horizon 2020 programme in 2024 (see note **3.4**).

### BOA implementation update

The Single Basic Act of the Joint Undertakings (SBA) indicated that the JUs should achieve synergies via the establishment of back-office arrangements operating in some identified areas. The following four areas have been identified as a priority by the JUs:

Accounting

Legal (administrative procurements)

Information and Communication Technologies (ICT)

Human Resources (HR)

The Accounting Back office is operational since December 2022, where CAJU, SESAR JU and Europe's Rail JU act as the service providers.

EUROPE’S RAIL JOINT UNDERTAKING

FINANCIAL YEAR 2024

# FINANCIAL STATEMENTS AND EXPLANATORY NOTES

# BALANCE SHEET

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| *Intangible assets* | 2.1 | - | - |
| *Property, plant and equipment* | 2.2 | *39.027,00* | *79.798,00* |
| *Long term pre-financing* | 2.3 | *30.954.617,70* | *69.719.201,26* |
| | | **30.993.644,70** | **69.798.999,26** |
| **CURRENT ASSETS** | | | |
| *Short term pre-financing* | 2.3 | *67.541.911,37* | *71.976.851,50* |
| *Exchange receivables and non-exchange recoverables* | 2.4 | *55.602.782,27* | *54.323.477,81* |
| | | **123.144.693,64** | **126.300.329,31** |
| **TOTAL ASSETS** | | **154.138.338,34** | **196.099.328,57** |
| **CURRENT LIABILITIES** | | | |
| *Payables and other liabilities* | 2.7 | *134.302.526,07* | *102.862.624,93* |
| *Accrued charges and deferred income* | 2.8 | *59.998.444,62* | *90.551.257,37* |
| | | **194.300.970,69** | **193.413.882,30** |
| **TOTAL LIABILITIES** | | **194.300.970,69** | **193.413.882,30** |
| *Contribution from Members* | 2.9 | *997.927.296,32* | *908.611.861,66* |
| *Accumulated deficit* | | *(905.926.415,39)* | *(712.896.116,39)* |
| *Economic result of the year* | | *(132.163.513,28)* | *(193.030.299,00)* |
| **NET ASSETS** | | **(40.162.632,35)** | **2.685.446,27** |
| | | | |
| **LIABILITIES AND NET ASSETS** | | **154.138.338,34** | **196.099.328,57** |

# STATEMENT OF FINANCIAL PERFORMANCE

| | Note | 2024 | 2023 |
|---|---|---|---|
| **REVENUE** | | | |
| **Revenue from non-exchange transactions** | | | |
| *Recovery of operating expenses* | 3.1 | *189.086,26* | *125.901,38* |
| *Other non-exchange revenue* | 3.2 | *141.581,35* | - |
| *Financial revenues* | 3.2 | *5.514,70* | *11.087,51* |
| | | **336.182,31** | **136.988,89** |
| **Revenue from exchange transactions** | 3.3 | | |
| *Other exchange revenue* | | *33,00* | *15.260,00* |
| | | **33,00** | **15.260,00** |
| **Total revenue** | | **336.215,31** | **152.248,89** |
| **EXPENSES** | | | |
| *Operating costs* | 3.4 | *(127.518.813,49)* | *(188.711.323,66)* |
| *Staff costs* | 3.5 | *(2.612.852,87)* | *(2.513.179,05)* |
| *Financial expenses* | 3.6 | *(3.372,16)* | *(1.125,81)* |
| *Other expenses* | 3.7 | *(2.364.690,07)* | *(1.956.919,37)* |
| **Total expenses** | | **(132.499.728,59)** | **(193.182.547,89)** |
| **ECONOMIC RESULT OF THE YEAR** | | **(132.163.513,28)** | **(193.030.299,00)** |

# CASHFLOW STATEMENT[4]

| | 2024 | 2023 |
|---|---|---|
| *Economic result of the year* | *(132.163.513,28)* | *(193.030.299,00)* |
| **Operating activities** | | |
| *Depreciation and amortization* | *49.841,24* | *55.703,80* |
| *(Increase)/decrease in pre-financing* | *43.199.523,69* | *(18.819.007,57)* |
| *(Increase)/decrease in exchange receivables and non-exchange recoverables* | *(1.279.304,46)* | *9.034.570,33* |
| *Increase/(decrease) in payables* | *31.439.901,14* | *17.739.447,74* |
| *Increase/(decrease) in accrued charges & deferred income* | *(30.552.812,75)* | *37.520.062,00* |
| *Increase/(decrease) in cash contributions* | *40.619.627,35* | *85.252.678,62* |
| *Increase/(decrease) in in-kind contributions* | *48.695.807,31* | *62.263.283,88* |
| **Investing activities** | | |
| *(Increase)/decrease in intangible assets and property, plant and equipment* | *(9.070,24)* | *(16.439,80)* |
| **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* | - | - |

[4] The treasury of EU-Rail JU is integrated into the Commission's treasury system. Because of this, EU-Rail 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 receivables and recoverables.

# STATEMENT OF CHANGES IN NET ASSETS

| | Contribution from Members | Accumulated Surplus/(Deficit) | Economic result of the year | Net Assets |
|---|---|---|---|---|
| **BALANCE AS AT 31.12.2022** | **761.095.899,16** | **(567.167.034,40)** | **(145.729.081,99)** | **48.199.782,77** |
| *Allocation 2022 economic result* | - | *(145.729.081,99)* | *145.729.081,99* | - |
| *Cash contribution* | *86.213.991,22* | - | - | *86.213.991,22* |
| *Contribution in-kind* | *62.263.283,88* | - | - | *62.263.283,88* |
| *Unpaid cash contributions* | *(961.312,60)* | - | - | *(961.312,60)* |
| *Economic result of the year* | - | - | *(193.030.299,00)* | *(193.030.299,00)* |
| **BALANCE AS AT 31.12.2023** | **908.611.861,66** | **(712.896.116,39)** | **(193.030.299,00)** | **2.685.446,27** |
| *Allocation 2023 economic result* | - | *(193.030.299,00)* | *193.030.299,00* | - |
| *Cash contribution* | *40.415.478,95* | - | - | *40.415.478,95* |
| *Contribution in-kind* | *48.695.807,31* | - | - | *48.695.807,31* |
| *Unpaid cash contributions* | *204.148,40* | - | - | *204.148,40* |
| *Economic result of the year* | - | - | *(132.163.513,28)* | *(132.163.513,28)* |
| **BALANCE AS AT 31.12.2024** | **997.927.296,32** | **(905.926.415,39)** | **(132.163.513,28)** | **(40.162.632,35)** |

# 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 cash flows 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 euros, the budget implementation tables are presented in thousands of euros, the euro being the EU's functional currency. 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 | 31.12.2024 | 31.12.2023 | Currency | 31.12.2024 | 31.12.2023 |
|---|---|---|---|---|---|
| BGN | **1,9558** | 1,956 | PLN | **4,275** | 4,3395 |
| CZK | **25,185** | 24,724 | RON | **4,9743** | 4,9756 |
| DKK | **7,4578** | 7,4529 | SEK | **11,459** | 11,096 |
| GBP | **0,8218** | 0,8869 | CHF | **0,9412** | 0,926 |
| NOK | **11,795** | 11,2405 | JPY | **163,06** | 156,33 |
| HUF | **411,35** | 382,80 | USD | **1,0389** | 1,105 |

### 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, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. 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 revised European Union Accounting Rules (EAR)

**Revised IPSAS standards which have been issued, and are effective for annual periods beginning on or after 1 January 2025**

The following new IPSAS standards and amendments are effective as of January 1, 2025:

**IPSAS 46 Measurement:** IPSAS 46 brings measurement guidance together in a single standard, and introduces a public sector specific current value measurement basis for assets held for their operational capacity and provides additional generic guidance on fair value. IPSAS 46 will be effective for periods beginning on or after January 1, 2025.

**IPSAS 45 Property, Plant, Equipment:** IPSAS 45 introduces the current operational value as a measurement basis in the updated current value model for assets and also identifies the characteristics of heritage and infrastructure assets and provides new guidance on how these types of assets should be recognized and measured. IPSAS 45 will be effective for periods beginning on or after January 1, 2025.

**IPSAS 43 Leases**: IPSAS 43 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right -of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. IPSAS 43 will be effective for periods beginning on or after January 1, 2025.

**IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations:** IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value. IPSAS 44 will be effective for periods beginning on or after January 1, 2025.

**Amendment to IPSAS 43 Leases:** This amendment offers a practical expedient to account for lease modifications in IPSAS 43, Leases. This amendment will be effective for periods beginning on or after January 1, 2025.

The following new IPSAS standards and amendments are effective as of January 1, 2026:

**IPSAS 49 Retirement Benefits:** IPSAS 49 prescribes the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.

**IPSAS 47 Revenue:** IPSAS 47 is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards and presents accounting models which will improve financial reporting and support effective public sector financial management.
IPSAS 47 will be effective for periods beginning on or after January 1, 2026.

**IPSAS 48 Transfer Expenses:** IPSAS 48 provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap which had previously led to ambiguity and inconsistency of accounting policies in the public sector.
IPSAS 48 will be effective for periods beginning on or after January 1, 2026.

**Amendment to IPSAS 1, Presentation of Financial Statements:** The amendments clarify the principles related to the right to defer settlement for at least twelve months (with or without covenants); and the meaning of 'settlement' when a liability is rolled over under and existing loan facility. These amendments will be effective for periods beginning on or after January 1, 2026.

**Amendment to IPSAS 43 Leases:** Amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any gain or loss that relates to the right-of-use it retains. This amendment will be effective for periods beginning on or after January 1, 2026.

The following new IPSAS standards and amendments are effective as of January 1, 2027:

**Concessionary Leases and Other Arrangements Conveying Rights over Assets (Amendments to IPSAS 43, IPSAS 47, and IPSAS 48):** The new guidance enhances IPSAS 43, IPSAS 47, and IPSAS 48 by addressing the accounting for arrangements that are prevalent in the public sector consistent with the principles in those Standards. These amendments will be effective for periods beginning on or after January 1, 2027.

**IPSAS 50, Exploration for and Evaluation of Mineral Resources:** IPSAS 50 provides guidance related to the costs incurred for exploration for, and evaluation of, mineral resources (for example, minerals, oil, natural gas and similar non-regenerative resources), as well as the costs of determining the technical feasibility and commercial viability of extracting the mineral resources. IPSAS 50 will be effective for periods beginning on or after January 1, 2027.

**Stripping Costs in the Production Phase of a Mine (Amendments to IPSAS 12):** Appendix A in IPSAS 12, Inventories, provides interpretive guidance on accounting for waste removal costs that are incurred in surface mining activities during the production phase of the mine. These amendments will be effective for periods beginning on or after January 1, 2027.

The Accounting Officer of the European Commission (following consultation with the accounting officers of other EU bodies) is assessing the impact of the above standards on the Annual Accounts and considering a possible revision of relevant EAR accordingly. For the new standards and amendments where early application has been permitted, no early application has been adopted.

The new IPSAS 43 standard will have a limited impact on the Joint Undertaking. The corresponding EAR 8 (Leases) was issued in 2025, the entities shall apply the revised EAR for annual financial statements covering periods beginning on or after 1 January 2027. The scope of lease contracts falling under IPSAS 43 will be limited to the rental commitment of the office building of the Joint Undertaking. The total commitment under note **3.7** can give an indication of the impact of the new standard on the financial statements.

# 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 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

The classification of the financial instruments is determined at initial recognition. Based on the management model and the asset contractual cash-flow characteristics the financial assets can be classified in three categories: Financial assets at amortised cost ('AC'), financial assets at fair value through net assets/equity ('FVNA') or financial assets at fair value through surplus or deficit ('FVSD'). Based on this classification, the entity has only 'financial assets at amortised cost', which are exchange receivables.

Financial assets at amortised cost are non-derivative financial assets that meet two conditions: 1) The entity holds them in order to collect the contractual cash flows. 2) On specified days, there are contractual cash flows that are solely payments of the principal and interest on the outstanding principal.

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

#### Initial recognition and measurement

Financial assets at amortised cost are initially recognised at their fair value plus the transaction costs.

#### Subsequent measurement

Financial assets at amortised cost are carried at amortised cost, which is the amount initially recognised minus the principal repayments, plus or minus the cumulative amortisation of the interests using the effective interest method. In addition, the entity recognises a loss allowance for expected credit losses over the lifetime of the financial assets. At each reporting date, the annual movement in the loss allowance adjusts the carrying amount of the financial asset. In the statement of financial performance, the entity recognises an impairment gain or loss for the adjustment of the loss allowance.

#### Derecognition

Financial assets at amortised cost are derecognised either when the rights to receive cashflows from the investments have expired or are waived, or and when the entity has transferred substantially all risks and rewards of ownership to another party.

### 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 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. The entity classified them as financial assets at amortised cost and measured them accordingly.

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the 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. Cash and cash equivalents

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

### 1.3.8. 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 **1.3.5**), or non-validated in-kind contributions to operational activities (see note **1.6.2**).

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.

### 1.3.9. 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.

### 1.3.10. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

When an obligation arises by uncertain future events that are not wholly within the control of the entity, a contingent liability is disclosed (refer to note **1.5.2**).

### 1.3.11. Net assets

Net assets are the residual of assets and liabilities and comprise of accumulated contributions received from the members of the JU (EU and Private Members) less the accumulated contributions used. The contributions include financial contributions received by the JU and contributions provided by the members to the funded projects in-kind. The net assets also contain reserves, if applicable. Refer to note **1.6** for details.

## 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.

Horizon 2020 Programme:

- 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.

Horizon Europe Programme:

- EU Contributions: In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the JU received from the European Union a pre-financing payment for the implementation of the Horizon Europe Framework Programme.

  According to the Specific Guidance for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contributions payments done by the EU for the Horizon Europe Programme are accounted as 'Contributions in cash to be validated'. During the provisional accounting closure, the JU should, on the basis of the payment's implementation report, determine the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe Programme. In the accounting of the JU the underlying amount should be, for the purpose of the preparation of the provisional financial statements, transferred from the provisional payments to the net assets of the JU (cut-off procedure). It will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – AAR (Art. 19.2 FFPA)

- Private Members contributions: financial contributions are contributions made in cash in order to provide funding of the administrative needs of the JU. These financial contributions are recognized 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 is recognised in net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation are met.

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 payables and other liabilities ('Contributions of Members to be validated').

The EU makes available the cash contributions in advance (until the payments reach 90% of the grant agreement value), providing the beneficiaries with sufficient level of funds to implement the program activities; while the in-kind contributions provided by the private members can be verified and recognised only after the activities are concluded, reported and certified.

The EU cash contributions are validated and recognised in the accounts of the JU when paid to the JU (or based on the payments processed by the JU, in case of Horizon Europe, see note **2.9**) at the beginning of the project implementation, while members' in-kind contributions are only recognised after validation of the costs incurred and declared. Consequently, due to this time gap, during the program implementation the amounts of contributions recognised per member category (EU and private members) differ significantly from each other. This gap between the recognised amount of EU cash contributions on one hand and in-kind contributions on the other hand will be closed as the program is approaching the finalisation stage.

The IKAA relate to contributions linked to implementing additional activities, included in the annual additional activities plan annexed to the main part of the work programme, that does not receive financial support from the joint undertaking but contributes to its objectives.

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. INTANGIBLE ASSETS

The intangible assets category comprises computer software licenses which are used 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.

| | TOTAL |
|---|---|
| *Gross carrying amount at 31.12.2023* | *3.334,22* |
| *Additions* | - |
| *Disposals* | - |
| **Gross carrying amount at 31.12.2024** | **3.334,22** |
| *Accumulated depreciation at 31.12.2023* | *(3.334,22)* |
| *Depreciation charge for the year* | - |
| **Accumulated depreciation at 31.12.2024** | **(3.334,22)** |
| **NET CARRYING AMOUNT AT 31.12.2024** | **-** |
| *NET CARRYING AMOUNT AT 31.12.2023* | - |

During 2024 no movements were registered in the intangible assets category.

## 2.2. 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.

| | Plant and equipment | Furniture and vehicles | Computer hardware | Other Fixtures & Fittings | TOTAL |
|---|---|---|---|---|---|
| *Gross carrying amount at 31.12.2023* | *35.032,96* | *55.484,69* | *98.531,04* | *295.695,23* | *484.743,92* |
| *Additions* | - | *651,24* | *8.739,00* | - | *9.390,24* |
| *Disposals* | - | *(1.090,31)* | *(889,14)* | *(683,78)* | *(2.663,23)* |
| **Gross carrying amount at 31.12.2024** | **35.032,96** | **55.045,62** | **106.380,90** | **295.011,45** | **491.470,93** |
| *Accumulated depreciation at 31.12.2023* | *(35.032,96)* | *(42.204,69)* | *(76.880,04)* | *(250.828,23)* | *(404.945,92)* |
| *Depreciation charge for the year* | - | *(5.072,24)* | *(13.754,00)* | *(31.015,00)* | *(49.841,24)* |
| *Write-back of depreciation on disposal* | - | *881,31* | *778,14* | *683,78* | *2.343,23* |
| **Accumulated depreciation at 31.12.2024** | **(35.032,96)** | **(46.395,62)** | **(89.855,90)** | **(281.159,45)** | **(452.443,93)** |
| **NET CARRYING AMOUNT AT 31.12.2024** | **-** | **8.650,00** | **16.525,00** | **13.852,00** | **39.027,00** |
| *NET CARRYING AMOUNT AT 31.12.2023* | - | *13.280,00* | *21.651,00* | *44.867,00* | *79.798,00* |

The additions and disposals of equipment made in 2024 are at the standard level of the Joint Undertaking's policy for equipment replacement.

The overall loss on disposal was EUR 320.

## 2.3. 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.

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| *Long term pre-financing* | *30.954.617,70* | *69.719.201,26* |
| *Short term pre-financing* | *67.541.911,37* | *71.976.851,50* |
| **Total** | **98.496.529,07** | **141.696.052,76** |

For all pre-financing amounts open at 31 December 2024 a case-by-case assessment has been performed and all the pre-financing that was considered unlikely to be cleared in the course of 2025 was classified as long-term pre-financing.

The overall decrease of approx. 30% in the value of the pre-financing at the of the financial year 2024 is linked to the grant's implementation lifecycle. The value of pre-financing paid during 2024 was EUR 25.774 thousand representing a considerable decrease compared to the 2023 value when EUR 68.057 thousand were paid. The decrease in the pre-financing paid coupled with the increase in cost claims and invoices for the pre-financing granted in previous years for a total of EUR 67.564 thousand has led to a reduction of EUR 41.790 thousand, representing approx. 97% from the total change in the pre-financing value.

The outstanding pre-financing presented under this heading is net of estimated (cut-off) expenses for ongoing projects without validated costs on 31 December 2024. The clearing of pre-financing with year-end (cut-off) adjustments amounted to EUR 99.836 thousand (2023: EUR 98.535 thousand). The remaining portion of the cut off expenses is recorded in accrued charges (see note **2.8**). The value of the adjustments has remained stable between the years, registering only a minor yearly variation accounting for approx. 3% from the total change in the pre-financing value.

The reduction in the long term prefinancing is a natural effect of the reduction in the pre-financing paid for new projects in 2024 and the expected increase in the near term of the outputs from projects for which a pre-financing was paid in 2022 and 2023.

## 2.4. 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.

The amounts included under this heading are fully composed of current receivables from exchange and non-exchange transactions.

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Recoverables from non-exchange transactions** | | |
| *Cash Contributions to be paid by the Members* | *2.239.992,50* | *2.035.844,10* |
| *Central treasury liaison accounts* | *53.246.397,72* | *52.016.298,34* |
| *Other* | *41.277,48* | *203.114,91* |
| | **55.527.667,70** | **54.255.257,35** |
| **Receivables from exchange transactions** | | |
| *Accrued income and deferred charges* | *56.954,46* | *38.371,83* |
| *Other* | *18.160,11* | *29.848,63* |
| | **75.114,57** | **68.220,46** |
| **Total** | **55.602.782,27** | **54.323.477,81** |

The largest amount under this heading relates to Central treasury liaison (intercompany) accounts with the Commission which represent the virtual bank accounts of EU-Rail. The treasury of EU-Rail was integrated into the Commission's treasury system. Because of this EU-Rail 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.

At 31 December 2024, only EUR 113 thousand of the total receivables were overdue. At the time of drawing up the final accounts only an amount of 47 thousand remains outstanding.

## 2.5. CASH AND CASH EQUIVALENTS

The payments and receipts are processed via the Commission's treasury system and registered on liaison accounts, which are presented under heading 'receivables from non-exchange transactions' (see **2.4**).

The Joint Undertaking does not hold any cash at hand or any other form of cash and cash equivalents.

# LIABILITIES

## 2.6. PROVISIONS

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

At 31 December 2024 the Joint undertaking did not have any provisions (2023: nil).

## 2.7. 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)

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Contribution in kind from Members to be validated | 86.611.847,00 | 91.985.892,84 |
| Contribution in cash to be validated | 47.078.522,22 | 8.863.027,01 |
| **Total Contributions to be validated** | **133.690.369,22** | **100.848.919,85** |
| Suppliers | 219.708,51 | 1.034.964,10 |
| Public bodies and other current payables | 392.448,34 | 978.740,98 |
| **Total payables to entities** | **612.156,85** | **2.013.705,08** |
| **Total** | **134.302.526,07** | **102.862.624,93** |

Under the 'contribution in-kind from Members to be validated' heading presented the in-kind contributions related to on-going projects without a validated contribution certificate at 31 December. 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.

After validation of the contributions by the Executive Director, the amounts will be booked to Net Assets and presented as Contribution received from members (notes **2.9**).

The 'contributions in cash to be validated' are the received but unspent EC financial contributions to the Horizon Europe Programme (notes **1.6.1** and **2.9.3**).

The in-kind contributions to be validated have remained stable between the years as the drop in in-kind contribution following the closing of the Horizon 2020 programme has been compensate by a proportional increase in in-kind contributions from the Horizon Europe programme.

The increase in the liability towards the EC for the cash received and not spent was expected as it follows the uneven trend of payments on the grant agreements, as the value of the calls and deliverables submitted during the reporting periods differ from one year to another. To counter this trend, Europe's Rail JU has already agreed with the European Commission a reduction in the cash which will be received in 2025.

Due to the nature of the activities of the Joint Undertaking, almost 100% of the total liabilities (in-kind and cash contributions to be validated) are liabilities towards the members of the Joint Undertaking. This makes the exposure of the Joint Undertaking to claims from external unrelated parties to be very low.

The payables shown under the heading Suppliers and Public bodies and other current payables continues its downward trend, decreasing by approx. 70% compared to 2023. The decrease can be mostly attributed to the continued improvements made in the payment rates.

## 2.8. 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.

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| *Accrued charges* | *59.998.444,62* | *90.551.257,37* |

The accrued charges are largely composed of estimated operating expenses (EUR 59.470 thousand) for on-going projects related to the Horizon Europe programme, where the 2024 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2024. Out of this total EUR 49.185 thousand are related to the implementation of activities under financed through grant agreements.

The remaining balance of EUR 10.285 thousand represents operating expenses related to operational contracts and expert costs.

Included under this heading are also accrued administrative expenses of EUR 465 thousand and accrued staff expenses for untaken leave (EUR 63 thousand).

The decrease of approx. 34% compared to the 2023 result, is mainly due to the financial closure of the projects financed through the Horizon 2020 programme, during the course of the year 2024.

# NET ASSETS

## 2.9. 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' once validated. 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.

| Programming period | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Cash | in-Kind | Total | Cash | in-Kind | Total |
| *Horizon 2020* | *409.682.829,58* | *362.138.533,10* | *771.821.362,68* | *408.647.868,67* | *315.424.297,90* | *724.072.166,57* |
| *Horizon Europe* | *224.124.361,53* | *1.981.572,11* | *226.105.933,64* | *184.539.695,09* | - | *184.539.695,09* |
| **Total** | **633.807.191,11** | **364.120.105,21** | **997.927.296,32** | **593.187.563,76** | **315.424.297,90** | **908.611.861,66** |

### 2.9.1. Research and Innovation funding programme for 2014-2020 (Horizon 2020)

| Member | EU | Industry Grouping | | | Total | |
|---|---|---|---|---|---|---|
| | Cash | Cash | In kind | Total | Cash | In kind |
| *Running costs contributions at 31.12.2023* | *11.147.790,41* | *12.964.995,26* | *-* | *12.964.995,26* | *24.112.785,67* | *-* |
| *Current year contributions* | *499.939,14* | *535.021,77* | *-* | *535.021,77* | *1.034.960,91* | *-* |
| **Running costs contributions at 31.12.2024** | **11.647.729,55** | **13.500.017,03** | **-** | **13.500.017,03** | **25.147.746,58** | **-** |
| *Operating costs contributions at 31.12.2023* | *384.535.083,00* | *-* | *315.424.297,90* | *315.424.297,90* | *384.535.083,00* | *315.424.297,90* |
| *Current year contributions* | *-* | *-* | *46.714.235,20* | *46.714.235,20* | *-* | *46.714.235,20* |
| **Operating costs contributions at 31.12.2024** | **384.535.083,00** | **-** | **362.138.533,10** | **362.138.533,10** | **384.535.083,00** | **362.138.533,10** |
| *TOTAL contributions at 31.12.2023* | *395.682.873,41* | *12.964.995,26* | *315.424.297,90* | *328.389.293,16* | *408.647.868,67* | *315.424.297,90* |
| **TOTAL contributions at 31.12.2024** | **396.182.812,55** | **13.500.017,03** | **362.138.533,10** | **375.638.550,13** | **409.682.829,58** | **362.138.533,10** |
| *% of total contributions (by type)* | *96,70%* | *3,30%* | *100,00%* | | *100,00%* | *100,00%* |
| *Total contribution in %* | *51,33%* | | | *48,67%* | | *100,00%* |
| *Voting rights %* | *50,00%* | | | *50,00%* | | *100,00%* |

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 EU Rail JU are considered in-kind contribution. Estimated in-kind contributions, i.e. contributions for which no certifications have been received and/or this certification has not been validated by the Executive Director are reported under "Contributions in-kind to be validated" (see note **2.7**).

Following the financial closing of the projects financed under the Horizon 2020 programme, a proportionally equal contribution from the EU (53%) and Industry Grouping (47%) towards the programme activities can be observed. This is in line with the initially envisaged distribution for the programme which was foreseeing a funding ratio of 56% from the EU in the form of cash and a ratio of 44% for the Industry Grouping in the form of cash and in-kind contributions. The slight deviation of 3% in the funding ratio represents the result of a combined effect of two factors. The Industry Grouping has provided in-kind contributions to the operational activities of 8% above the targeted value, thus leading to an increase of their funding ratio. At the same time, the contributions to the programme activities which were made by the EU before the financial autonomy of the Joint Undertaking, when the entity was included in the financial statements of the European Commission, are not included in the net assets of the Joint Undertaking leading to a slight decrease in the EU funding ratio.

For a comprehensive view of all the contributions to the programme see note **4.6**.

### 2.9.2. Research and Innovation funding programme for 2021-2027 (Horizon Europe)

| Member | EU | Industry Grouping | | | Total | |
|---|---|---|---|---|---|---|
| | Cash | Cash | In kind | Total | Cash | In kind |
| *Running costs contributions at 31.12.2023* | *2.916.575,54* | *5.934.491,10* | - | *5.934.491,10* | *8.851.066,64* | - |
| *Current year contributions* | *2.055.046,19* | *2.480.572,00* | - | *2.480.572,00* | *4.535.618,19* | - |
| **Running costs contributions at 31.12.2024** | **4.971.621,73** | **8.415.063,10** | **-** | **8.415.063,10** | **13.386.684,83** | **-** |
| *Operating costs contributions at 31.12.2023* | *175.688.628,45* | - | - | - | *175.688.628,45* | - |
| *Current year contributions* | *35.049.048,25* | - | *1.981.572,11* | *1.981.572,11* | *35.049.048,25* | *1.981.572,11* |
| **Operating costs contributions at 31.12.2024** | **210.737.676,70** | **-** | **1.981.572,11** | **1.981.572,11** | **210.737.676,70** | 1.981.572,11 |
| *TOTAL contributions at 31.12.2023* | *178.605.203,99* | *5.934.491,10* | - | *5.934.491,10* | *184.539.695,09* | - |
| **TOTAL contributions at 31.12.2024** | **215.709.298,43** | **8.415.063,10** | **1.981.572,11** | **10.396.635,21** | **224.124.361,53** | **1.981.572,11** |
| *% of total contributions (by type)* | *96,25%* | *3,75%* | *0,00%* | | *100,00%* | *0,00%* |
| *Total contribution in %* | *95,40%* | | | *4,60%* | | *100,00%* |
| *Voting rights %* | *50,00%* | | | *50,00%* | | *100,00%* |

With regards to Horizon Europe programme, Council Regulation (EU) 2021/2085, distinguishes between Members (European Union represented by the European Commission and the Private Founding Members) and non-members of the JU. In addition, the in-kind contributions to operational activities should be accounted for solely on the basis of eligible costs and should be reported and audited in accordance with the mechanism applicable to the specific grant agreement. Under Horizon Europe only validated and accepted contributions by the Executive Director can be recognised under net assets. Therefore, the same accounting treatment as used under the previous regulations is applied to IKOP under Horizon Europe.

According to the specific guidance issued by the EC Accounting Officer[1] for the accounting of the EU cash contributions received under Horizon Europe program, the accounting treatment of the EU contribution should align with Art. 19.1 of the Financial Framework Partnership Agreement (FFPA), defining that the Union contributions take form of provisional payments ("pre-financings"). Based on this new requirement, the JU determines, on the basis of the payment implementation report the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe Programme and enters only this amount into the net assets. The unspent funds are booked among the liabilities as "Contributions in cash to be validated" (see note **2.7**).

The difference that can be observed between the total contribution of the Union and the total contribution from the Private Members is due to the form of contributions, cash for the EU and mostly in-kind for the Private Members, and the associated conditions for the recognition of the contributions in the net assets. As the condition for the cash (to be implemented by payments) is fulfilled first, mostly due to the provision of pre-financing for the grant agreements, it is usual to see a higher contribution from the EU in the net assets section in the first half of the programme's implementation period when the grant agreements are signed and the prefinancing is paid to the beneficiaries.

The gap is expected to start being reduced in the second half of the programme's implementation period, when the value of the validated IKOP associated with the delivered work packages will increase and the value of the payments will decrease.

During the course of 2024 the Joint Undertaking has performed the first IKOP validation exercise for a total of EUR 1.981 thousand.

Considering that according to the SBA, under the Horizon Europe programme, the Industry Grouping does not have separate targets for the IKOP, which is included in the financial statements of the Joint Undertaking, and the IKAA, which is not included in the financial statements, the financing ratios observed through the contributions to the net assets of the Joint Undertaking have the potential to vary considerably from the initial 50%-50% funding split envisaged at the level of the programme between the EU and the Industry Grouping, as the initial ratio includes all possible types of contributions, i.e. cash, IKOP and IKAA.

For a comprehensive view of all the contributions to the program see note **4.6**.

# 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

## REVENUE

## NON-EXCHANGE REVENUE

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.

| | 2024 | 2023 |
|---|---|---|
| *Recovery of expenses* | *189.086,26* | *125.901,38* |

As the Joint Undertaking is implementing exclusively lump sum grants under the Horizon Europe programme, the recovery of operational expenses is foreseen to drop once all the recoveries stemming from audits related to the Horizon 2020 programme have been implemented.

## 3.2. OTHER NON-EXCHANGE REVENUE

| | 2024 | 2023 |
|---|---|---|
| *Financial revenues* | *5.514,70* | *11.087,51* |
| *Miscellaneous income non-exchange* | *141.581,35* | - |
| **Total** | **147.096,05** | **11.087,51** |

The financial revenues relate to the interest on late payment charged on the contributions from the members.

The miscellaneous income consists of the revenue accrued on the grants related to the synergy calls which are co-financed by the Joint Undertaking together with Sesar JU and SNS JU. The revenue from the synergy calls is expected to be earned between 2024 and 2027 for an approximate total of EUR 4.000 thousand. The recognition of the revenue follows the project implementation curve, in a similar fashion as the expenditure.

## EXCHANGE REVENUE

## 3.3. REVENUE FROM EXCHANGE TRANSACTIONS

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

| | 2024 | 2023 |
|---|---|---|
| *Recovery of administrative expenses* | *33,00* | *15.260,00* |

# EXPENSES

## 3.4. 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 on 31 December was estimated using the best information available at the time of preparation of the annual accounts. The estimation is based on the 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:

| | 2024 | 2023 |
|---|---|---|
| *Operational costs: validated in-kind contributions* | *48.695.807,31* | *62.263.283,88* |
| *Operational costs: estimated in-kind contributions* | *(5.374.045,84)* | *19.968.321,75* |
| **Total operational costs from in-kind contributions** | **43.321.761,47** | **82.231.605,63** |
| *Operational costs: validated EU contributions* | *114.668.804,95* | *46.374.862,52* |
| *Operational costs: estimated EU contributions* | *(30.471.752,93)* | *60.104.855,51* |
| **Total operational costs from EU contributions** | **84.197.052,02** | **106.479.718,03** |
| **Total** | **127.518.813,49** | **188.711.323,66** |

The overall decrease of approx. 32% in the total of the operational expenses is mostly due to the financial closing of the programme Horizon 2020 in 2024. The finalization of the programme has led to a sharp increase of approx. 147% of the validated costs financed by the EU contribution, compared to the previous period. The validated in-kind contributions related to the Horizon 2020 programme also account for 96% of the total validated in 2024. At the same time, the closing of the programme has led to a sharp decrease in the value of the estimated costs financed by the EU through cash contributions and by the Industry Grouping through in-kind contributions.

## 3.5. 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, the JU 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.

As per Article 83a (2) of the Staff Regulations, the part paid by the JU shall correspond to the percentage share between a) the JU's revenues without the subsidy from the general budget, and b) its total revenues. To avoid disruptive variations over time, the JUs employer's pension contribution is calculated with a single percentage share for the whole duration of the JU. This single percentage was established on the basis of the EU and non-EU members' respective contributions, as foreseen in the JU's legal basis, with a correction and regularisation at the last year of existence of the JU. The contribution of Europe's Rail Joint Undertaking was set at 3,8 % of the total pension scheme contributions. This contribution is accounted within staff costs.

In view of implementation problems and the principle of good administration, it was agreed between the Commission and the JUs that the provisions of Article 83a(2) are applied only to the JUs set up by the

SBA and Euro HPC and not to those established under the previous Regulations. Given the late entry into force of the SBA at the end of November 2021, the applicability started as from 2022.

| | 2024 | 2023 |
|---|---|---|
| *Staff costs* | *2.612.852,87* | *2.513.179,05* |

The increase in the staff costs is due to the annual indexation of salaries.

## 3.6. FINANCE EXPENSES

| | 2024 | 2023 |
|---|---|---|
| *Interest expense on late payment of charges* | *3.372,16* | *1.125,81* |

The overall level of financial expenses incurred on late interest payments are within the acceptable tolerance limits of the Joint Undertaking.

## 3.7. 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.

| | 2024 | 2023 |
|---|---|---|
| *External non-IT services* | *728.703,43* | *838.018,81* |
| *Office Supplies & maintenance* | *540.754,58* | *459.694,88* |
| *Rent expenses* | *259.922,83* | *258.022,60* |
| *Maintenance and security expenses* | *88.153,31* | *98.831,74* |
| *Communications & publications* | *574.685,92* | *92.272,66* |
| *Missions* | *87.343,35* | *73.428,88* |
| *Property, plant and equipment related expenses* | *50.161,24* | *55.703,80* |
| *Training costs* | *5.738,20* | *27.659,20* |
| *Legal Expenses* | *7.255,71* | *25.868,79* |
| *Car & transport expenditures* | *10.698,22* | *9.703,96* |
| *Experts' expenses* | *-* | *9.465,94* |
| *External IT services* | *10.593,28* | *7.776,13* |
| *Recruitment costs* | *680,00* | *471,98* |
| **Total** | **2.364.690,07** | **1.956.919,37** |

The overall increase of approx. 21% compared to 2023 was driven mainly by the increase of the communication costs which have risen five times above the level of the previous period.

The increase in EU-Rail's communication expenditure in 2024 compared to 2023 was primarily driven by its participation in InnoTrans, the flagship rail event that takes place every two years. Unlike previous editions, EU-Rail collaborated closely with DG MOVE and the European Union Agency for Railways (ERA) to secure a larger and more prominent stand, enhancing visibility and engagement with key stakeholders. Additionally, a dedicated train was organised to transport high-level industry representatives and decision makers to the event, serving as a unique platform for discussions on the future of rail. This initiative significantly expanded EU-Rail's outreach efforts, requiring additional resources for planning, logistics, and promotional activities.

Another key factor behind the increased expenditure was the revamp of EU-Rail's website, undertaken in response to stakeholder feedback calling for improved accessibility and a more structured presentation of information. Furthermore, with the closure of the Shift2Rail programme in 2024, EU-Rail developed a digital catalogue of solutions to consolidate and highlight its key achievements. This platform provides a comprehensive yet user-friendly overview of the programme's impact, ensuring that its results remain accessible and effectively communicated.

An overview of the amounts to be committed and paid during the remaining term of these lease contracts are as follow:

| | Future amounts to be paid | | | |
|---|---|---|---|---|
| | < 1 year | 1- 5 years | > 5 years | Total |
| *Buildings* | *235.054,35* | *988.177,93* | *524.228,37* | *1.747.460,66* |

The Joint Undertaking has co-signed a new lease agreement for the rental of the office space and parking places located in the White Atrium building for the years 2025-2031.

# 4. OTHER SIGNIFICANT DISCLOSURES

## 4.1. CONTINGENT ASSETS

No contingent assets of material significance were identified by the Joint Undertaking at the time of drawing the final annual accounts.

## 4.2. CONTINGENT LIABILITIES

No contingent liabilities of material significance were identified by the Joint Undertaking at the time of drawing the final annual accounts.

## 4.3. 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.

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| *Outstanding commitments not yet expensed* | *56.143.222,28* | *35.002.875,62* |

## 4.4. IN-KIND CONTRIBUTIONS

According to both the Council Regulation (EU) No 642/2014 and the Council Regulation (EU) No 2021/2085, the members other than the Union shall provide in-kind contributions to the Joint Undertaking.

Under H2020 program, in-kind contributions from Founding Members, Associated Partners and their affiliated entities consist of the costs incurred by them in implementing indirect actions less the contribution of the joint undertaking and any other Union contribution to those costs. For the purpose of valuing these in-kind contributions, the costs is determined in accordance with the usual cost accounting practices of the entities concerned, to the applicable accounting standards of the country where the entity is established, and to the applicable International Accounting Standards and International Financial Reporting Standards. The costs shall be certified by an independent external auditor appointed by the entity concerned. The valuation method may be verified by the joint undertaking, should there be any uncertainty arising from the certification.

Further simplification was introduced under Horizon Europe programme. In that context, a simplified reporting mechanism was put in place for the members, who are no longer required to report on non-eligible costs for in-kind contributions to operational activities. According to Art.2.(8) of the SBA: "in-kind contributions to operational activities' means contributions by private members, constituent entities or the affiliated entities of either, by international organisations and by contributing partners, consisting of the eligible costs incurred by them in implementing indirect actions less the contribution of that joint undertaking and of the participating states of that joint undertaking to those costs". Consequently, in-kind contributions to operational activities are accounted for solely on the basis of eligible costs and reported and audited in accordance with the mechanism applicable to the specific grant agreement. Such accounting on the basis of eligible costs allows for the automated calculation of in-kind contributions to operational activities via the Horizon Europe IT tools.

## 4.5. IN-KIND IN ADDITIONAL ACTIVITIES (IKAA)

The joint undertakings provide a systematic opportunity and incentive for members other than the Union to combine their research and innovation activities with those of the joint undertaking. Additional activities should not receive financial support from the joint undertaking. However, they are accounted for as members' in-kind contributions to additional activities when they contribute to the objectives of the joint undertaking and are directly linked to its activities, including non-eligible costs of indirect actions funded by the joint undertaking where this is provided for in the annual additional activities plan. That link can be established through the uptake of results from indirect actions funded by the joint undertaking or its preceding initiatives, or by demonstrating a significant Union added value. The respective costs should be certified by an independent audit body appointed by the entity concerned subject to the valuation method being open to verification by the joint undertaking in the event of uncertainty. Council Regulation (EU) No 2021/2085 laid down more specific provisions concerning the scope of additional activities for each joint undertaking, to the extent that it is necessary to achieve the desired directionality and impact.

"Additional activity" means an activity, included in the annual additional activities plan annexed to the main part of the work programme, that does not receive financial support from the joint undertaking but contributes to its objectives and is directly linked to the uptake of results from projects under that joint undertaking or its preceding initiatives or that has a significant Union added value.
In-kind contributions to additional activities mean contributions by the private members, constituent entities or the affiliated entities of either, and by international organisations, consisting of the costs incurred by them in implementing additional activities less any contribution to those costs from the Union and from the participating states of that joint undertaking.

Art. 90 of the SBA defines the scope of Europe's Rail Ju's additional activities:

a) activities covered under the indirect actions of the Europe's Rail Joint Undertaking but not funded under such indirect actions;
b) activities directly linked to the Europe's Rail Joint Undertaking work programme;
c) research and innovation activities building on activities funded by the Europe's Rail Joint Undertaking or Shift2Rail Joint Undertaking;
d) complementary research and innovation activities funded by the members other than the Union, having a clear Union added value and contributing to achieving the objectives of the Europe's Rail Joint Undertaking;
e) activities funded by the members other than the Union in projects funded by national programmes or by regional programmes which complement activities funded by the Europe's Rail Joint Undertaking;
f) uptake of results of activities funded under the Shift2Rail and Europe's Rail Joint Undertakings, further exploitation, demonstration activities, standardisation and development of recommendations for seamless transition strategies, migration paths and updates of TSI, and European authorisation and certification activities not linked to wider deployment.

It is to be noted that under S2R Programme, the IKAA (in-kind other activities) objective shall be 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 such cases, Union financing shall not substitute for the in-kind contributions from the members other than the Union or their affiliated entities.

## 4.6. CONTRIBUTIONS PER PROGRAMME

As not all the contributions included in the Single Basic Act as funding options for the activities caried out on various programs, are reflected in the financial statements of the Joint Undertaking, the below information aims to provide a comprehensive overview of the funding for the on-going programmes used.

The information provided combines contributions validated and estimated in an effort to breach the timing gap in the validation of the cash and in-kind contributions. In addition to the information on cash and IKOP presented the notes related to the net assets and liabilities, the below overview also includes information on the IKAA contributions which are not presented in the financial statements.

| | **Members' contributions** | | | | | |
|---|---|---|---|---|---|---|
| **Programme** | EU cash[5] (a) | Third Country Contributions (UK) (b) | Private members cash (c) | Private members IKOP (d) | Private members IKAA (e) | **Total (e)=(a)+(b)+(c)+(d) + (e)** |
| H2020 | *450.000.000,00* | | *13.500.000,00* | *336.500.000,00* | *120.000.000,00* | ***920.000.000,00*** |
| Horizon Europe | *586.000.000,00* | *29.000.000,00* | *24.000.000,00* | *591.000.000,00*[6] | | ***1.230.000.000,00*** |

| | **Members contributions as of 31.12.2024** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Programme** | EU Validated cash | EU not validated cash | Private members cash validated | Private members IKOP validated | Private members IKOP to be validated | Private members IKAA certified | Private members IKAA estimated | **Total** | **Achievement rate** |
| H2020 | *450.000.000,00*[7] | - | *13.500.017,03* | *362.138.533,10* | - | *267.618.770,86* | - | ***1.093.257.320,99*** | ***119%*** |
| Horizon Europe | *215.709.298,43* | *45.220.103,57* | *8.415.063,10* | *1.981.572,11* | *89.611.847,00* | *161.166.833,13* | *5.660.888,01* | ***524.765.605,35*** | ***43%*** |

[5] The EU contribution for the Horizon Europe programme reflects the adjusted figure following the mid-term revision of the MFF

[6] The value of the Private members contribution to the Horizon Europe programme reflects the adjusted figure as per the GB decision 17/2023 on the commitment expressed by the private members to match a possible increase in the EU contribution following the association of the United Kingdom to the Horizon Europe programme

[7] The value of the EU cash for the Horizon 2020 programme includes also the EUR 52 million provided by the EU for the Lighthouse projects and approx. EUR 1.8 million of costs incurred before the financial autonomy of the Joint Undertaking.

**Horizon 2020 programme**

The information presented for Horizon 2020 represents the consolidated view over the financing of the programme during its full life cycle.

At the end of the programme, it can be observed that while the initial funding split was foreseeing a financing ratio of 49% from the EU and 51% from the Private Members for a total of EUR 920 million, at the end of the programme the financing ratio shows a contribution of 41% from the EU and 59% from the Private Members for a total of EUR 1.093 million.

Overall, the EU has met its financing target at 100% while the Private Members have exceeded their financing target by 37% leading to an overall increase in financing of 19% above the target set for the programme. While the target for IKOP was exceeded by 8%, the main funding excess was registered in the value of the IKAA where the Private Members have exceeded the target by 123% providing more than the double funding foreseen for the programme.

**Horizon Europe programme**

The information presented for Horizon Europe includes the adjusted target for EU contributions, as amended through the MFF’s mid-term revision and through the addition of third country contributions to the programme. The cumulative impact of these changes has led to an increase of EUR 15 million in EU funding towards Europe’s Rail activities. The funding target for the Private Members has also been adjusted to match the EU contribution.

The information presented for Horizon Europe is in line with the financing expectations from a programme that is approaching its maturity phase. The overall financing stands at 43% of the total foreseen EUR 1.230 million which is in line with the programme’s implementation timeframe.

When looking at the adjusted contribution targets per member category, the total contribution of the Union stands at 42% against the EUR 615 million adjusted target and the Private Members’ contribution is estimated at 43% against the adjusted target of EUR 615 million. The EU validated cash shows an implementation of 35% of the total expected funding of 615 million for the programme. On the Private Members’ side, the confirmed implementation stands at 28% when considering the validated cash and IKOP together with the certified IKAA. The comparable pace of validated contributions provided by the Union and the Private Members can be confirmed mainly following the timely certification process of the IKAA contributions. At the same time, the comparable contributions indicate a robust management of the grant calls and IKAA planning.

## 4.7. RELATED PARTIES

The related parties of the JU are 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, Key Management entitlements is disclosed in note **4.8** however, no other specific disclosures are required.

## 4.8. KEY MANAGEMENT ENTITLEMENTS

The Executive Director 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.

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| *Executive Director* | *AD 14* | *AD 14* |

## 4.9. OTHER EVENTS

**Russia-Ukraine War**

At the time of preparation of these financial statements, the management is not aware of any events linked to the war in Ukraine that should be disclosed as non-adjusting events or taken into account in these financial statements as adjusting events.

For subsequent reporting periods, the war may affect the recognition and measurement of some assets on the balance sheet and also of some expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine cannot be reliably estimated.

## 4.10. OTHER INFORMATION

**BREXIT - United Kingdom joins the Horizon Europe programme**

As of 1 January 2024, the United Kingdom has become an associated country to Horizon Europe. Its researchers are able to participate in this research and innovation programme of the EU on the same terms as researchers from other associated countries and will have access to Horizon Europe funding.

## 4.11. EVENTS AFTER REPORTING DATE

Not applicable

## 4.12. OBSERVATIONS ON MANAGEMENT AND CONTROL SYSTEMS

Not applicable

# 5. FINANCIAL RISK MANAGEMENT

## 5.1. TYPES OF RISK

**Market risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the entity has no significant interest rate risk and other price risk).

(1) Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This risk arises from the change in the price of a foreign currency against the functional currency of an entity.

(2) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As an example, higher interest rates will lead to lower prices of fixed rate bonds (other things equal), 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 an EU entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

## 5.2. CURRENCY RISKS

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

## 5.3. CREDIT RISK

At the end of the year, the financial assets comprise exchange receivables that are not past the due date for more than 30 days. As no credit loss is expected during the lifetime of those receivables the entity is not exposed to any significant credit risk.

## 5.4. LIQUIDITY RISK

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

EUROPE'S RAIL JOINT UNDERTAKING

FINANCIAL YEAR 2024

# THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

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# 1. BUDGETARY PRINCIPLES AND STRUCTURE

## 1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of Europe’s Rail Joint Undertaking 2024 is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of the joint undertaking:

### 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 the joint undertaking. 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.

### 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 economy

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

### Principle of efficiency

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

### Principle of effectiveness

The principle of effectiveness concerns the attainment of the specific objectives set and the achievementof the intended results.

### Principle of internal control

The principle of internal control of budget implementation means that the JU budget shall be implemented in compliance with effective and efficient internal control in order to provide reasonable assurance of achieving effectiveness, efficiency and economy of operations; reliability of reporting;

safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; inadequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multi-annual character of the programmes as well as the nature of the payments concerned.

**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 joint undertaking within four weeks of their adoption and shall be transmitted to the Commission and the Court of Auditor.

## 1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

Since 1 January 2015, no distinction between non-dissociated and dissociated appropriations is made. All appropriations follow the dissociated logic.

Following the provisions of the Financial rules of the joint undertaking, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed in the following titles:

**Title 1**

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

**Title 2**

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

**Title 3**

Budget lines providing for the implementation of the activities and tasks assigned to the joint undertaking in accordance with its establishing Council Regulation.

**Title 4**

Budget lines provide for the implementation of the activities and tasks assigned of the joint undertaking in accordance with Council Regulation (EU) 2021/2085

**Title 5**

Budget lines provide for Unused Appropriations not required in current Year (both administrative and operational)

# 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

EUR '000

| | Title | 2024 | 2023 |
|---|---|---|---|
| **Revenue** | | **78.737** | **91.046** |
| *of which:* | | | |
| *Revenue* | *9* | *78.737* | *-* |
| *Subsidies and contributions* | | *-* | *90.775* |
| *Recoveries* | | *-* | *271* |
| **Expenditure** | | **(78.071)** | **(99.118)** |
| *of which:* | | | |
| *Staff expenditure* | *1* | *(3.348)* | *(3.044)* |
| *Administrative expenditure* | *2* | *(1.832)* | *(1.319)* |
| *Operational expenditure* | *3* | *(35.842)* | *(26.556)* |
| *Specific expenditure* | *4* | *(37.049)* | *(68.199)* |
| *Other expenditure* | *5* | *-* | *-* |
| **Exchange rate differences** | | - | **-** |
| **Budget result** | | **666** | **(8.072)** |

# 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

| | 2024 | 2023 |
|---|---|---|
| **ECONOMIC RESULT OF THE YEAR** | **(132.163.513,28)** | **(193.030.299,00)** |
| **Adjustment for accrual items (items not in the budgetary result but included in the economic result)** | **80.028.463,13** | **162.252.905,21** |
| *In-kind contributions validated in the year* | *48.695.807,31* | *62.263.283,88* |
| *Adjustments for accrual cut-off (net)* | *(36.265.835,72)* | *80.601.219,14* |
| *Unpaid invoices at year end but booked in expenses* | *25.385,84* | *52,42* |
| *Depreciation of intangible and tangible assets* | *50.161,24* | *55.703,80* |
| *Recovery orders issued in the year and not yet cashed* | *(41.277,48)* | *(203.114,91)* |
| *Pre-financing given in previous year and cleared in the year* | *67.564.221,94* | *19.549.803,29* |
| *Other individually immaterial* | | *(14.042,41)* |
| **Adjustment for budgetary items (item included in the budgetary result but not in the economic result)** | **52.800.624,12** | **22.705.346,50** |
| *Members' cash contributions collected in the year* | *76.236.711,41* | *87.789.412,97* |
| *Asset acquisitions (less unpaid amounts)* | *(9.390,24)* | *(16.439,80)* |
| *New pre-financing paid in the year and remaining open as at 31 December* | *(25.773.828,01)* | *(68.057.273,62)* |
| *Entitlements established in previous year and cashed in the year* | *2.238.959,01* | *2.985.971,59* |
| *Entitlements established on balance sheet accounts and cashed in the year* | *108.224,37* | *121.327,28* |
| *Payments made in current year for invoices registered in previous year* | *(52,42)* | *(117.651,92)* |
| *Other individually immaterial* | | |
| **BUDGET RESULT OF THE YEAR** | **665.573,97** | **(8.072.047,29)** |

# 4. IMPLEMENTATION OF BUDGET REVENUE

## 4.1. Implementation of budget revenue

EUR '000

| | | Income appropriations | | Entitlements established | | | Revenue | | | | Out-standing |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Item | Initial budget | Final budget | Current year | Carried over | Total | On entitlements of current year | On entitlements carried over | Total | % | |
| | | 1 | 2 | 3 | 4 | 5=3+4 | 6 | 7 | 8=6+7 | 9=8/2 | 10=5-8 |
| 900 | *Contribution from EU (administrative)* | *500* | *500* | *500* | *-* | *500* | *500* | *-* | *500* | *100 %* | *-* |
| 901 | *Contribution from EU (operational)* | *-* | *-* | *1.734* | *-* | *1.734* | *1.734* | *-* | *1.734* | *-* | *-* |
| 902 | *EURAIL Contribution from EU (administrative)* | *2.481* | *2.481* | *2.481* | *-* | *2.481* | *2.481* | *-* | *2.481* | *100 %* | *-* |
| 903 | *EURAIL Contribution from EU (operational)* | *70.981* | *70.981* | *70.747* | *-* | *70.747* | *70.747* | *-* | *70.747* | *100 %* | *-* |
| 904 | *S2R Contribution from members other than the EU* | *535* | *535* | *535* | *72* | *607* | *376* | *72* | *448* | *84 %* | *159* |
| 905 | *EURAIL Contribution from members other than the EU* | *2.481* | *2.481* | *2.481* | *1.964* | *4.445* | *399* | *1.964* | *2.363* | *95 %* | *2.081* |
| **Total Chapter 90** | | **76.977** | **76.977** | **78.477** | **2.036** | **80.513** | **76.237** | **2.036** | **78.273** | **102 %** | **2.240** |
| 910 | *Recoveries from members* | *-* | *-* | *256* | *-* | *256* | *227* | *-* | *227* | *-* | *29* |
| 911 | *Recoveries from non-members* | *-* | *-* | *41* | *199* | *240* | *29* | *199* | *227* | *-* | *12* |
| 912 | *Recoveries from others* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* |
| **Total Chapter 91** | | **-** | **-** | **297** | **199** | **495** | **255** | **199** | **454** | **-** | **41** |
| 920 | *Bank interest* | *-* | *-* | *6* | *4* | *10* | *6* | *4* | *10* | *-* | *-* |
| **Total Chapter 92** | | **-** | **-** | **6** | **4** | **10** | **6** | **4** | **10** | **-** | **-** |
| 930 | *Unused appropriations previous years (administrati* | *35* | *35* | | | | | | | *-* | |
| 931 | *Unused appropriations previous years (operational)* | *7.000* | *39.889* | | | | | | | *-* | |
| 932 | *EURAILUnused appropriations previous years (admini* | *3.909* | *3.909* | | | | | | | *-* | |
| **Total Chapter 93** | | **10.944** | **43.833** | | | | | | | **-** | |
| **Total Title 9** | | **87.921** | **120.810** | **78.779** | **2.239** | **81.018** | **76.498** | **2.239** | **78.737** | **65 %** | **2.281** |
| **GRAND TOTAL** | | **87.921** | **120.810** | **78.779** | **2.239** | **81.018** | **76.498** | **2.239** | **78.737** | **65 %** | **2.281** |

# 5. IMPLEMENTATION OF BUDGET EXPENDITURE

## 5.1. Breakdown & changes in commitment appropriations

### 5.1.1. Breakdown & changes in commitment appropriations – Title 1

*EUR '000*

| | | Budget appropriations | | | | Additional appropriations | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Item | Initial adopted budget | Amending budgets | Transfers | Final adopted budget | Reactivated appropriations | Assigned revenue | Total | Total appropr. available |
| | | 1 | 2 | 3 | 4=1+2+3 | 5 | 6 | 7=5+6 | 8=4+7 |
| *110* | *Temporary agents* | *535* | *(187)* | - | *348* | - | - | - | *348* |
| *112* | *EURAIL Temporary agents* | - | - | - | - | *799* | - | *799* | *799* |
| *113* | *EURAIL Contract agents, seconded national experts,* | - | *39* | *(39)* | - | *1.913* | - | *1.913* | *1.913* |
| **Total Chapter 11** | | **535** | **(148)** | **(39)** | **348** | **2.711** | **-** | **2.711** | **3.059** |
| *130* | *Mission costs* | *120* | - | - | *120* | - | - | - | *120* |
| **Total Chapter 13** | | **120** | **-** | **-** | **120** | **-** | **-** | **-** | **120** |
| *150* | *Training* | *52* | *(20)* | - | *32* | - | - | - | *32* |
| **Total Chapter 15** | | **52** | **(20)** | **-** | **32** | **-** | **-** | **-** | **32** |
| *190* | *Other staff expenditure* | *368* | *(250)* | - | *118* | - | - | - | *118* |
| **Total Chapter 19** | | **368** | **(250)** | **-** | **118** | **-** | **-** | **-** | **118** |
| **Total Title 1** | | **1.075** | **(418)** | **(39)** | **618** | **2.711** | **-** | **2.712** | **3.329** |

### 5.1.2. Breakdown & changes in commitment appropriations – Title 2

*EUR '000*

| | | Budget appropriations | | | | Additional appropriations | | | Total appropr. available |
|---|---|---|---|---|---|---|---|---|---|
| | Item | Initial adopted budget | 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* | *360* | - | - | *360* | - | - | - | *360* |
| **Total Chapter 20** | | **360** | **-** | **-** | **360** | **-** | **-** | **-** | **360** |
| *210* | *IT expenditure and technical facilities* | *174* | *(3)* | *(38)* | *134* | *21* | - | *21* | *155* |
| **Total Chapter 21** | | **174** | **(3)** | **(38)** | **134** | **21** | **-** | **21** | **155** |
| *220* | *Movable property and associated costs* | *10* | - | *(9)* | *1* | - | - | - | *1* |
| **Total Chapter 22** | | **10** | **-** | **(9)** | **1** | **-** | **-** | **-** | **1** |
| *230* | *Current administrative expenditure* | *15* | - | - | *15* | - | - | - | *15* |
| **Total Chapter 23** | | **15** | **-** | **-** | **15** | **-** | **-** | **-** | **15** |
| *240* | *Postage and telecommunications* | *15* | - | - | *15* | - | - | - | *15* |
| **Total Chapter 24** | | **15** | **-** | **-** | **15** | **-** | **-** | **-** | **15** |
| *250* | *Administrative board expenditure* | *50* | - | - | *50* | - | - | - | *50* |
| **Total Chapter 25** | | **50** | **-** | **-** | **50** | **-** | **-** | **-** | **50** |
| *260* | *Administrative support services* | *50* | - | *173* | *223* | - | - | - | *223* |
| **Total Chapter 26** | | **50** | **-** | **173** | **223** | **-** | **-** | **-** | **223** |
| *270* | *Public relations and events* | *650* | *80* | *(30)* | *700* | - | - | - | *700* |
| **Total Chapter 27** | | **650** | **80** | **(30)** | **700** | **-** | **-** | **-** | **700** |
| *290* | *Other infrastructure and operating expenditure* | *200* | *(20)* | *(56)* | *124* | *151* | - | *151* | *275* |
| **Total Chapter 29** | | **200** | **(20)** | **(56)** | **124** | **151** | **-** | **151** | **275** |
| **Total Title 2** | | **1.524** | **58** | **39** | **1.621** | **172** | **-** | **172** | **1.793** |

### 5.1.3. Breakdown & changes in commitment appropriations – Title 3

*EUR '000*

| | | Budget appropriations | | | | Additional appropriations | | | Total appropr. available |
|---|---|---|---|---|---|---|---|---|---|
| | Item | Initial adopted budget | 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* | - | - | - | - | - | *454* | *454* | *454* |
| **Total Chapter 30** | | **-** | **-** | **-** | **-** | **-** | **454** | **454** | **454** |
| **Total Title 3** | | - | - | - | - | - | **454** | **454** | **454** |

### 5.1.4. Breakdown & changes in commitment appropriations – Title 4

*EUR '000*

| | | Budget appropriations | | | | Additional appropriations | | | Total appropr. available |
|---|---|---|---|---|---|---|---|---|---|
| | Item | Initial adopted budget | 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* | *EURAIL Operational expenditure* | *106.195* | *(31.171)* | - | *75.024* | - | - | - | *75.024* |
| **Total Chapter 40** | | **106.195** | **(31.171)** | **-** | **75.024** | **-** | **-** | **-** | **75.024** |
| **Total Title 4** | | **106.195** | **(31.171)** | **-** | **75.024** | **-** | **-** | **-** | **75.024** |

### 5.1.5. Breakdown & changes in commitment appropriations – Title 5

*EUR '000*

| | | Budget appropriations | | | | Additional appropriations | | | Total appropr. available |
|---|---|---|---|---|---|---|---|---|---|
| | Item | Initial adopted budget | 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 |
| *520* | *EURAIL Administrative budget* | *2.897* | *361* | - | *3.257* | - | - | - | *3.257* |
| **Total Chapter 52** | | **2.897** | **361** | **-** | **3.257** | **-** | **-** | **-** | **3.257** |
| *530* | *EURAIL Operational budget* | - | *31.171* | - | *31.171* | - | - | - | *31.171* |
| **Total Chapter 53** | | **-** | **31.171** | **-** | **31.171** | **-** | **-** | **-** | **31.171** |
| **Total Title 5** | | **2.897** | **31.532** | **-** | **34.429** | **-** | **-** | **-** | **34.429** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **GRAND TOTAL** | **111.692** | **-** | **-** | **111.692** | **2.884** | **454** | **3.338** | **115.029** |

# 5.2. Breakdown & changes in payment appropriations

## 5.2.1. Breakdown & changes in payment appropriations – Title 1

*EUR '000*

| | | Budget appropriations | | | | Additional appropriations | | | Total appropr. available |
|---|---|---|---|---|---|---|---|---|---|
| | Item | 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* | *500* | *(110)* | *(20)* | *370* | *35* | - | *35* | *405* |
| *112* | *EURAIL Temporary agents* | *430* | *(251)* | *(45)* | *134* | *665* | - | *665* | *799* |
| *113* | *EURAIL Contract agents, seconded national experts,* | - | *381* | *65* | *446* | *1.600* | - | *1.600* | *2.046* |
| **Total Chapter 11** | | **930** | **20** | **-** | **950** | **2.300** | **-** | **2.300** | **3.250** |
| *130* | *Mission costs* | *100* | - | - | *100* | - | - | - | *100* |
| **Total Chapter 13** | | **100** | **-** | **-** | **100** | **-** | **-** | **-** | **100** |
| *150* | *Training* | *35* | - | *(10)* | *25* | - | - | - | *25* |
| **Total Chapter 15** | | **35** | **-** | **(10)** | **25** | **-** | **-** | **-** | **25** |
| *190* | *Other staff expenditure* | *100* | *100* | - | *200* | *200* | - | *200* | *400* |
| **Total Chapter 19** | | **100** | **100** | **-** | **200** | **200** | **-** | **200** | **400** |
| **Total Title 1** | | **1.165** | **120** | **(10)** | **1.275** | **2.500** | **-** | **2.500** | **3.775** |

### 5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

| | | Budget appropriations | | | | Additional appropriations | | | Total appropr. available |
|---|---|---|---|---|---|---|---|---|---|
| | Item | 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* | *60* | - | *(15)* | *45* | *300* | - | *300* | *345* |
| **Total Chapter 20** | | **60** | **-** | **(15)** | **45** | **300** | **-** | **300** | **345** |
| 210 | *IT expenditure and technical facilities* | *20* | - | *43* | *63* | *185* | - | *185* | *248* |
| **Total Chapter 21** | | **20** | **-** | **43** | **63** | **185** | **-** | **185** | **248** |
| 220 | *Movable property and associated costs* | *10* | - | *(8)* | *2* | - | - | - | *2* |
| **Total Chapter 22** | | **10** | **-** | **(8)** | **2** | **-** | **-** | **-** | **2** |
| 230 | *Current administrative expenditure* | *10* | *1* | *3* | *14* | - | - | - | *14* |
| **Total Chapter 23** | | **10** | **1** | **3** | **14** | **-** | **-** | **-** | **14** |
| 240 | *Postage and telecommunications* | *15* | *3* | *(8)* | *10* | - | - | - | *10* |
| **Total Chapter 24** | | **15** | **3** | **(8)** | **10** | **-** | **-** | **-** | **10** |
| 250 | *Administrative board expenditure* | *40* | *(3)* | *(10)* | *27* | - | - | - | *27* |
| **Total Chapter 25** | | **40** | **(3)** | **(10)** | **27** | **-** | **-** | **-** | **27** |
| 260 | *Administrative support services* | *30* | *14* | *70* | *114* | *320* | - | *320* | *434* |
| **Total Chapter 26** | | **30** | **14** | **70** | **114** | **320** | **-** | **320** | **434** |
| 270 | *Public relations and events* | *191* | *207* | *(43)* | *355* | *459* | - | *459* | *814* |
| **Total Chapter 27** | | **191** | **207** | **(43)** | **355** | **459** | **-** | **459** | **814** |
| 290 | *Other infrastructure and operating expenditure* | *20* | *61* | *(22)* | *59* | *180* | - | *180* | *239* |
| **Total Chapter 29** | | **20** | **61** | **(22)** | **59** | **180** | **-** | **180** | **239** |
| **Total Title 2** | | **396** | **282** | **10** | **688** | **1.444** | **-** | **1.444** | **2.132** |

### 5.2.3. Breakdown & changes in payment appropriations – Title 3

*EUR '000*

| | | Budget appropriations | | | | Additional appropriations | | | Total appropr. available |
|---|---|---|---|---|---|---|---|---|---|
| | Item | 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* | *535* | - | - | *535* | *39.889* | *454* | *40.343* | *40.878* |
| **Total Chapter 30** | | **535** | **-** | **-** | **535** | **39.889** | **454** | **40.343** | **40.878** |
| **Total Title 3** | | **535** | **-** | **-** | **535** | **39.889** | **454** | **40.343** | **40.878** |

### 5.2.4. Breakdown & changes in payment appropriations – Title 4

*EUR '000*

| | | Budget appropriations | | | | Additional appropriations | | | Total appropr. available |
|---|---|---|---|---|---|---|---|---|---|
| | Item | 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* | *EURAIL Operational expenditure* | *70.981* | *(28.899)* | - | *42.082* | - | - | - | *42.082* |
| **Total Chapter 40** | | **70.981** | **(28.899)** | **-** | **42.082** | **-** | **-** | **-** | **42.082** |
| **Total Title 4** | | **70.981** | **(28.899)** | **-** | **42.082** | **-** | **-** | **-** | **42.082** |

### 5.2.5. Breakdown & changes in payment appropriations – Title 5

*EUR '000*

| | | Budget appropriations | | | | Additional appropriations | | | Total appropr. available |
|---|---|---|---|---|---|---|---|---|---|
| | Item | 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 |
| *520* | *EURAIL Administrative budget* | *3.900* | *(402)* | - | *3.498* | - | - | - | *3.498* |
| **Total Chapter 52** | | **3.900** | **(402)** | **-** | **3.498** | **-** | **-** | **-** | **3.498** |
| *530* | *EURAIL Operational budget* | - | *28.899* | - | *28.899* | - | - | - | *28.899* |
| **Total Chapter 53** | | **-** | **28.899** | **-** | **28.899** | **-** | **-** | **-** | **28.899** |
| **Total Title 5** | | **3.900** | **28.497** | **-** | **32.397** | **-** | **-** | **-** | **32.397** |
| **GRAND TOTAL** | | **76.977** | **-** | **-** | **76.977** | **43.833** | **454** | **44.287** | **121.264** |

# 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 2025 | | | Appropriations lapsing | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | from final adopt. budget | from re-activations | from assign. revenue | Total | % | Assign. revenue | By decision | Total | from final adopt. budget | from re-activa-tions | 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* | *348* | *348* | - | - | *348* | *100 %* | - | - | - | - | - | - | - |
| *112* | *EURAIL Temporary agents* | *799* | - | *799* | - | *799* | *100 %* | - | - | - | - | - | - | - |
| *113* | *EURAIL Contract agents, seconded national experts,* | *1.913* | - | *1.913* | - | *1.913* | *100 %* | - | - | - | - | - | - | - |
| **Total Chapter 11** | | **3.059** | **348** | **2.711** | **-** | **3.059** | **100 %** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| *130* | *Mission costs* | *120* | *120* | - | - | *120* | *100 %* | - | - | - | - | - | - | - |
| **Total Chapter 13** | | **120** | **120** | **-** | **-** | **120** | **100 %** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| *150* | *Training* | *32* | *32* | - | - | *32* | *100 %* | - | - | - | - | - | - | - |
| **Total Chapter 15** | | **32** | **32** | **-** | **-** | **32** | **100 %** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| *190* | *Other staff expenditure* | *118* | *103* | - | - | *103* | *87 %* | - | - | - | *15* | - | - | *15* |
| **Total Chapter 19** | | **118** | **103** | **-** | **-** | **103** | **87 %** | **-** | **-** | **-** | **15** | **-** | **-** | **15** |
| **Total Title 1** | | **3.329** | **603** | **2.711** | **-** | **3.314** | **100 %** | **-** | **-** | **-** | **15** | **-** | **-** | **15** |

## 5.3.2. Implementation of commitment appropriations – Title 2

EUR '000

| | | | Commitments made | | | | | Appropriations carried over to 2025 | | | Appropriations lapsing | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Item | Total approp. available | from final adopt. budget | from re-activations | from assign. revenue | Total | % | Assign. revenue | By decision | Total | from final adopt. budget | from re-activa-tions | 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* | *360* | *360* | - | - | *360* | *100 %* | - | - | - | - | - | - | - |
| **Total Chapter 20** | | **360** | **360** | **-** | **-** | **360** | **100 %** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| *210* | *IT expenditure and technical facilities* | *155* | *131* | *21* | - | *152* | *98 %* | - | - | - | *3* | - | - | *3* |
| **Total Chapter 21** | | **155** | **131** | **21** | **-** | **152** | **98 %** | **-** | **-** | **-** | **3** | **-** | **-** | **3** |
| *220* | *Movable property and associated costs* | *1* | - | - | - | - | *0 %* | - | - | - | *1* | - | - | *1* |
| **Total Chapter 22** | | **1** | **-** | **-** | **-** | **-** | **0 %** | **-** | **-** | **-** | **1** | **-** | **-** | **1** |
| *230* | *Current administrative expenditure* | *15* | *15* | - | - | *15* | *100 %* | - | - | - | - | - | - | - |
| **Total Chapter 23** | | **15** | **15** | **-** | **-** | **15** | **100 %** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| *240* | *Postage and telecommunications* | *15* | *9* | - | - | *9* | *63 %* | - | - | - | *6* | - | - | *6* |
| **Total Chapter 24** | | **15** | **9** | **-** | **-** | **9** | **63 %** | **-** | **-** | **-** | **6** | **-** | **-** | **6** |
| *250* | *Administrative board expenditure* | *50* | *49* | - | - | *49* | *98 %* | - | - | - | *1* | - | - | *1* |
| **Total Chapter 25** | | **50** | **49** | **-** | **-** | **49** | **98 %** | **-** | **-** | **-** | **1** | **-** | **-** | **1** |
| *260* | *Administrative support services* | *223* | *221* | - | - | *221* | *99 %* | - | - | - | *2* | - | - | *2* |
| **Total Chapter 26** | | **223** | **221** | **-** | **-** | **221** | **99 %** | **-** | **-** | **-** | **2** | **-** | **-** | **2** |
| *270* | *Public relations and events* | *700* | *695* | - | - | *695* | *99 %* | - | - | - | *5* | - | - | *5* |
| **Total Chapter 27** | | **700** | **695** | **-** | **-** | **695** | **99 %** | **-** | **-** | **-** | **5** | **-** | **-** | **5** |
| *290* | *Other infrastructure and operating expenditure* | *275* | *124* | *151* | - | *275* | *100 %* | - | - | - | - | - | - | - |
| **Total Chapter 29** | | **275** | **124** | **151** | **-** | **275** | **100 %** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Title 2** | | **1.793** | **1.603** | **172** | **-** | **1.776** | **99 %** | **-** | **-** | **-** | **18** | **-** | **-** | **18** |

### 5.3.3. Implementation of commitment appropriations – Title 3

EUR '000

| | | Total approp. available | Commitments made | | | | | Appropriations carried over to 2025 | | | Appropriations lapsing | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Item | | from final adopt. budget | from re-activations | from assign. revenue | Total | % | Assign. revenue | By decision | Total | from final adopt. budget | from re-activa-tions | 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* | *454* | - | - | *59* | *59* | *13 %* | - | - | - | - | - | *395* | *395* |
| **Total Chapter 30** | | **454** | **-** | **-** | **59** | **59** | **13 %** | **-** | **-** | **-** | **-** | **-** | **395** | **395** |
| **Total Title 3** | | **454** | - | - | **59** | **59** | **13 %** | - | - | - | - | - | **395** | **395** |

### 5.3.4. Implementation of commitment appropriations – Title 4

EUR '000

| | | Total approp. available | Commitments made | | | | | Appropriations carried over to 2025 | | | Appropriations lapsing | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Item | | from final adopt. budget | from re-activations | from assign. revenue | Total | % | Assign. revenue | By decision | Total | from final adopt. budget | from re-activa-tions | 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* | *EURAIL Operational expenditure* | *75.024* | *75.024* | - | - | *75.024* | *100 %* | - | - | - | - | - | - | - |
| **Total Chapter 40** | | **75.024** | **75.024** | **-** | **-** | **75.024** | **100 %** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Title 4** | | **75.024** | **75.024** | - | - | **75.024** | **100 %** | - | - | - | - | - | - | - |

### 5.3.5. Implementation of commitment appropriations – Title 5

EUR '000

| | Item | Total approp. available | Commitments made | | | | | Appropriations carried over to 2025 | | | Appropriations lapsing | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | from final adopt. budget | from re-activations | from assign. revenue | Total | % | Assign. revenue | By decision | Total | from final adopt. budget | from re-activa-tions | 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 |
| *520* | *EURAIL Administrative budget* | *3.257* | - | - | - | - | - | - | - | - | *3.257* | - | - | *3.257* |
| **Total Chapter 52** | | **3.257** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **3.257** | **-** | **-** | **3.257** |
| *530* | *EURAIL Operational budget* | *31.171* | - | - | - | - | - | - | - | - | *31.171* | - | - | *31.171* |
| **Total Chapter 53** | | **31.171** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **31.171** | **-** | **-** | **31.171** |
| **Total Title 5** | | **34.429** | - | - | - | - | - | - | - | - | **34.429** | - | - | **34.429** |
| **GRAND TOTAL** | | **115.029** | **77.230** | **2.884** | **59** | **80.173** | **70 %** | - | - | - | **34.461** | - | **396** | **34.857** |

# 5.4. Implementation of payment appropriations

## 5.4.1. Implementation of payment appropriations – Title 1

EUR '000

| | | | Payments made | | | | | Appropriations carried over to 2025 | | | | Appropriations lapsing | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Item | Total approp. availab. | 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-activa-tions | 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* | *405* | *348* | - | - | *348* | *86 %* | - | - | - | - | *22* | *35* | - | *57* |
| *112* | *EURAIL Temporary agents* | *799* | *134* | *665* | - | *799* | *100 %* | - | - | - | - | - | - | - | - |
| *113* | *EURAIL Contract agents, seconded national experts,* | *2.046* | *246* | *1.600* | - | *1.846* | *90 %* | - | - | - | - | *200* | - | - | *200* |
| **Total Chapter 11** | | **3.250** | **727** | **2.265** | **-** | **2.992** | **92 %** | **-** | **-** | **-** | **-** | **223** | **35** | **-** | **258** |
| *130* | *Mission costs* | *100* | *64* | - | - | *64* | *64 %* | - | - | - | - | *36* | - | - | *36* |
| **Total Chapter 13** | | **100** | **64** | **-** | **-** | **64** | **64 %** | **-** | **-** | **-** | **-** | **36** | **-** | **-** | **36** |
| *150* | *Training* | *25* | *13* | - | - | *13* | *54 %* | - | - | - | - | *12* | - | - | *12* |
| **Total Chapter 15** | | **25** | **13** | **-** | **-** | **13** | **54 %** | **-** | **-** | **-** | **-** | **12** | **-** | **-** | **12** |
| *190* | *Other staff expenditure* | *400* | *79* | *200* | *0* | *279* | *70 %* | - | - | - | - | *121* | - | - | *121* |
| **Total Chapter 19** | | **400** | **79** | **200** | **0** | **279** | **70 %** | **-** | **-** | **-** | **-** | **121** | **-** | **-** | **121** |
| **Total Title 1** | | **3.775** | **883** | **2.465** | **0** | **3.348** | **89 %** | **-** | **-** | **-** | **-** | **392** | **35** | **-** | **427** |

## 5.4.2. Implementation of payment appropriations – Title 2

EUR '000

| | | | Payments made | | | | | Appropriations carried over to 2025 | | | | Appropriations lapsing | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Item | Total approp. availab. | 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-activa-tions | 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* | *345* | *43* | *300* | - | *343* | *99 %* | - | - | - | - | *2* | - | - | *2* |
| **Total Chapter 20** | | **345** | **43** | **300** | **-** | **343** | **99 %** | **-** | **-** | **-** | **-** | **2** | **-** | **-** | **2** |
| *210* | *IT expenditure and technical facilities* | *248* | *62* | *185* | - | *247* | *100 %* | - | - | - | - | *1* | - | - | *1* |
| **Total Chapter 21** | | **248** | **62** | **185** | **-** | **247** | **100 %** | **-** | **-** | **-** | **-** | **1** | **-** | **-** | **1** |
| *220* | *Movable property and associated costs* | *2* | - | - | - | - | *0 %* | - | - | - | - | *2* | - | - | *2* |
| **Total Chapter 22** | | **2** | **-** | **-** | **-** | **-** | **0 %** | **-** | **-** | **-** | **-** | **2** | **-** | **-** | **2** |
| *230* | *Current administrative expenditure* | *14* | *11* | - | - | *11* | *82 %* | - | - | - | - | *3* | - | - | *3* |
| **Total Chapter 23** | | **14** | **11** | **-** | **-** | **11** | **82 %** | **-** | **-** | **-** | **-** | **3** | **-** | **-** | **3** |
| *240* | *Postage and telecommunications* | *10* | *4* | - | - | *4* | *35 %* | - | - | - | - | *6* | - | - | *6* |
| **Total Chapter 24** | | **10** | **4** | **-** | **-** | **4** | **35 %** | **-** | **-** | **-** | **-** | **6** | **-** | **-** | **6** |
| *250* | *Administrative board expenditure* | *27* | *27* | - | - | *27* | *100 %* | - | - | - | - | - | - | - | - |
| **Total Chapter 25** | | **27** | **27** | **-** | **-** | **27** | **100 %** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| *260* | *Administrative support services* | *434* | *95* | *320* | - | *415* | *96 %* | - | - | - | - | *18* | - | - | *18* |
| **Total Chapter 26** | | **434** | **95** | **320** | **-** | **415** | **96 %** | **-** | **-** | **-** | **-** | **18** | **-** | **-** | **18** |
| *270* | *Public relations and events* | *814* | *230* | *459* | - | *689* | *85 %* | - | - | - | - | *125* | - | - | *125* |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Chapter 27** | | **814** | **230** | **459** | **-** | **689** | **85 %** | **-** | **-** | **-** | **-** | **125** | **-** | **-** | **125** |
| *290* | *Other infrastructure and operating expenditure* | *239* | - | *95* | - | *95* | *40 %* | - | - | - | - | *59* | *85* | - | *144* |
| **Total Chapter 29** | | **239** | **-** | **95** | **-** | **95** | **40 %** | **-** | **-** | **-** | **-** | **59** | **85** | **-** | **144** |
| **Total Title 2** | | **2.132** | **473** | **1.359** | **-** | **1.832** | **86 %** | **-** | **-** | **-** | **-** | **215** | **85** | **-** | **300** |

## 5.4.3. Implementation of payment appropriations – Title 3

*EUR '000*

| | | | Payments made | | | | | Appropriations carried over to 2025 | | | | Appropriations lapsing | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Item | Total approp. availab. | 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-activa-tions | 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* | *40.878* | - | *35.549* | *293* | *35.842* | *88%* | - | - | - | - | *535* | *4.340* | *161* | *5.036* |
| **Total Chapter 30** | | **40.878** | **-** | **35.549** | **293** | **35.842** | **88%** | **-** | **-** | **-** | **-** | **535** | **4.340** | **161** | **5.036** |
| **Total Title 3** | | **40.878** | **-** | **35.549** | **293** | **35.842** | **88%** | **-** | **-** | **-** | **-** | **535** | **4.340** | **161** | **5.036** |

## 5.4.4. Implementation of payment appropriations – Title 4

*EUR '000*

| | | | Payments made | | | | | Appropriations carried over to 2025 | | | | Appropriations lapsing | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Item | Total approp. availab. | 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-activa-tions | 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* | *EURAIL Operational expenditure* | *42.082* | *37.049* | - | - | *37.049* | *88 %* | - | - | - | - | *5.033* | - | - | *5.033* |
| **Total Chapter 40** | | **42.082** | **37.049** | **-** | **-** | **37.049** | **88 %** | **-** | **-** | **-** | **-** | **5.033** | **-** | **-** | **5.033** |
| **Total Title 4** | | **42.082** | **37.049** | **-** | **-** | **37.049** | **88 %** | **-** | **-** | **-** | **-** | **5.033** | **-** | **-** | **5.033** |

## 5.4.5. Implementation of payment appropriations – Title 5

*EUR '000*

| | | Total approp. availab. | Payments made | | | | | Appropriations carried over to 2025 | | | | Appropriations lapsing | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Item | | 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-activa-tions | 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 |
| *520* | *EURAIL Administrative budget* | *3.498* | - | - | - | - | *0 %* | - | - | - | - | *3.498* | - | - | *3.498* |
| **Total Chapter 52** | | **3.498** | **-** | **-** | **-** | **-** | **0 %** | **-** | **-** | **-** | **-** | **3.498** | **-** | **-** | **3.498** |
| *530* | *EURAIL Operational budget* | *28.899* | - | - | - | - | *0 %* | - | - | - | - | *28.899* | - | - | *28.899* |
| **Total Chapter 53** | | **28.899** | **-** | **-** | **-** | **-** | **0 %** | **-** | **-** | **-** | **-** | **28.899** | **-** | **-** | **28.899** |
| **Total Title 5** | | **32.397** | **-** | **-** | **-** | **-** | **0 %** | **-** | **-** | **-** | **-** | **32.397** | **-** | **-** | **32.397** |
| **GRAND TOTAL** | | **121.264** | **38.405** | **39.373** | **293** | **78.071** | **64 %** | **-** | **-** | **-** | **-** | **38.572** | **4.460** | **161** | **43.193** |

# 6. OUTSTANDING COMMITMENTS

## 6.1. Outstanding commitments – Title 1

*EUR '000*

| | | Commitments outstanding at the end of previous year | | | | Commitments of the current year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Item | 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 | Total commitm. outstanding at year-end |
| | | 1 | 2 | 3 | 4=1+2-3 | 5 | 6 | 7 | 8=5-6-7 | 9=4+8 |
| *110* | *Temporary agents* | *10* | *(10)* | *-* | *-* | *348* | *348* | *-* | *-* | *-* |
| *111* | *Contract agents, seconded national experts, trainees* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* |
| *112* | *EURAIL Temporary agents* | *48* | *-* | *-* | *48* | *799* | *799* | *-* | *-* | *48* |
| *113* | *EURAIL Contract agents, seconded national experts,* | *229* | *(21)* | *187* | *21* | *1.913* | *1.659* | *-* | *254* | *275* |
| **Total Chapter 11** | | **286** | **(31)** | **187** | **69** | **3.059** | **2.805** | **-** | **254** | **323** |
| *130* | *Mission costs* | *94* | *(72)* | *22* | *-* | *120* | *42* | *-* | *78* | *78* |
| **Total Chapter 13** | | **94** | **(72)** | **22** | **-** | **120** | **42** | **-** | **78** | **78** |
| *150* | *Training* | *16* | *-* | *10* | *6* | *32* | *4* | *-* | *28* | *34* |
| **Total Chapter 15** | | **16** | **-** | **10** | **6** | **32** | **4** | **-** | **28** | **34** |
| *190* | *Other staff expenditure* | *380* | *(45)* | *195* | *140* | *103* | *83* | *-* | *20* | *160* |
| **Total Chapter 19** | | **380** | **(45)** | **195** | **140** | **103** | **83** | **-** | **20** | **160** |
| **Total Title 1** | | **776** | **(147)** | **413** | **215** | **3.314** | **2.935** | **-** | **380** | **595** |

## 6.2. Outstanding commitments – Title 2

*EUR '000*

| | | Commitments outstanding at the end of previous year | | | | Commitments of the current year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Item | 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 | Total commitm. 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* | *596* | *-* | *338* | *258* | *360* | *5* | *-* | *355* | *613* |
| **Total Chapter 20** | | **596** | **-** | **338** | **258** | **360** | **5** | **-** | **355** | **613** |
| *210* | *IT expenditure and technical facilities* | *232* | *(4)* | *172* | *56* | *152* | *75* | *-* | *77* | *132* |
| **Total Chapter 21** | | **232** | **(4)** | **172** | **56** | **152** | **75** | **-** | **77** | **132** |
| *230* | *Current administrative expenditure* | *-* | *-* | *-* | *-* | *15* | *11* | *-* | *4* | *4* |
| **Total Chapter 23** | | **-** | **-** | **-** | **-** | **15** | **11** | **-** | **4** | **4** |
| *240* | *Postage and telecommunications* | *10* | *(6)* | *1* | *3* | *9* | *2* | *-* | *7* | *10* |
| **Total Chapter 24** | | **10** | **(6)** | **1** | **3** | **9** | **2** | **-** | **7** | **10** |
| *250* | *Administrative board expenditure* | *4* | *(1)* | *3* | *-* | *49* | *24* | *-* | *25* | *25* |
| **Total Chapter 25** | | **4** | **(1)** | **3** | **-** | **49** | **24** | **-** | **25** | **25** |
| *260* | *Administrative support services* | *526* | *(2)* | *362* | *162* | *221* | *54* | *-* | *167* | *329* |
| **Total Chapter 26** | | **526** | **(2)** | **362** | **162** | **221** | **54** | **-** | **167** | **329** |
| *270* | *Public relations and events* | *395* | *(17)* | *372* | *6* | *695* | *317* | *-* | *378* | *384* |
| **Total Chapter 27** | | **395** | **(17)** | **372** | **6** | **695** | **317** | **-** | **378** | **384** |
| *290* | *Other infrastructure and operating expenditure* | *96* | *-* | *30* | *66* | *275* | *65* | *-* | *210* | *276* |
| **Total Chapter 29** | | **96** | **-** | **30** | **66** | **275** | **65** | **-** | **210** | **276** |
| **Total Title 2** | | **1.859** | **(29)** | **1.280** | **550** | **1.776** | **553** | **-** | **1.223** | **1.773** |

## 6.3. Outstanding commitments – Title 3

*EUR '000*

| | | Commitments outstanding at the end of previous year | | | | Commitments of the current year | | | | Total commitm. outstanding at year-end |
|---|---|---|---|---|---|---|---|---|---|---|
| | Item | 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* | *41.534* | *(1.879)* | *35.786* | *3.869* | *59* | *56* | - | *3* | *3.872* |
| **Total Chapter 30** | | **41.534** | **(1.879)** | **35.786** | **3.869** | **59** | **56** | **-** | **3** | **3.872** |
| **Total Title 3** | | **41.534** | **(1.879)** | **35.786** | **3.869** | **59** | **56** | **-** | **3** | **3.872** |

## 6.4. Outstanding commitments – Title 4

*EUR '000*

| | | Commitments outstanding at the end of previous year | | | | Commitments of the current year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Item | Commitm. carried for-ward from pre-vious year | Decommit. Revaluation Cancel-lations | Pay-ments | Total | Commit-ments made during the year | Pay-ments | Cancel-lation of commit. which cannot be carried forward | Commit. outstand-ing at year-end | Total commitm. outstanding at year-end |
| | | 1 | 2 | 3 | 4=1+2-3 | 5 | 6 | 7 | 8=5-6-7 | 9=4+8 |
| *400* | *EURAIL Operational expenditure* | *83.351* | *(10.874)* | *23.378* | *49.099* | *75.024* | *13.671* | *-* | *61.353* | *110.452* |
| **Total Chapter 40** | | **83.351** | **(10.874)** | **23.378** | **49.099** | **75.024** | **13.671** | **-** | **61.353** | **110.452** |
| **Total Title 4** | | **83.351** | **(10.874)** | **23.378** | **49.099** | **75.024** | **13.671** | **-** | **61.353** | **110.452** |
| **GRAND TOTAL** | | **127.519** | **(12.930)** | **60.857** | **53.732** | **80.173** | **17.214** | **-** | **62.959** | **116.691** |

# 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 can not 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 acharge for the Union budget.

Common forms of legal commitments are contracts in the case of procurement, grant agreements andgrant 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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Europe's Rail Joint Undertaking
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Avenue de la Toison d'Or 56-60
B-1060 BRUSSELS

| **Your message of** | **your reference** | **our reference** | **Melle** |
|---|---|---|---|
| | | JASM/PLTH | 2025-06-17 |

Dear Giorgio Travaini,

We have been appointed as auditor of Europe's Rail Joint Undertaking, according to the Framework Contract No: EU-Rail.OP.02.22/LOT1/01 and the specific contract No – 01.

As requested, you will find enclosed:

- Our independent auditor's report on the final annual accounts - after fulfilling of all the pending issues listed in Annex 3;
- Annex 1: Preliminary findings;
- Annex 2: Follow-up of previous years comments;
- Annex 3: List of Open points regarding our audit 2024.

Yours faithfully,

Baker Tilly Bedrijfsrevisoren BV

Jan Smits
Audit Partner

Christel De Blander
Audit Partner

# Europe’s Rail Joint Undertaking (EU-Rail JU)

## Independent Auditor's report on the Final Annual Accounts as at : 31 DECEMBER 2024

**Date: June 19, 2025**

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## INDEPENDENT AUDITOR'S REPORT ON THE FINAL ANNUAL ACCOUNTS OF EUROPE'S RAIL JOINT UNDERTAKING FOR THE FINANCIAL YEAR FROM 01 JANUARY TO 31 DECEMBER 2024

### Opinion

We have audited the accompanying final annual accounts of Europe's Rail Joint Undertaking, 'the Joint Undertaking' for the financial year from 01 January to 31 December 2024.Their annual accounts consist of the financial statements and the reports on the implementation of the budget for the financial year ended December 31, 2024. The financial statements comprise the balance sheet as at December 31, 2024, 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 Joint Undertaking present fairly, in all material aspects, its financial position as at December 31, 2024, 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 Joint Undertaking 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 Joint Undertaking.

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 Joint Undertaking 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 deciare, inter alia, that they have reasonable assurance that the Annual Accounts present a true and fair view of the financial position of the Joint Undertaking in all material respects.

Those charged with governance are responsible for overseeing the Joint Undertaking'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 Joint Undertaking'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 Joint Undertaking'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 Joint Undertaking 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 Joint Undertaking and for the European Court of Auditors, for the purpose of forming an opinion on the final annual accounts of the Joint Undertaking 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 Joint Undertaking is prohibited and we will not assume any duty of care or liability towards these persons or entities.

Melle, June 19, 2025

Yours faithfully,

Baker Tilly Bedrijfsrevisoren BV

Jan Smits
Audit Partner

Christel De Blander
Audit Partner

## ANNEX 1: Preliminary findings

There are no preliminary findings to report.

## ANNEX 2: Follow-up of previous years comments

There is no follow up and comments about previous years.

## ANNEX 3: Open points regarding our audit 2024

Nothing to report

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**Now, for tomorrow**

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