



**FUSION
FOR
ENERGY**

FINAL ANNUAL ACCOUNTS

Financial statements & Budget implementation

Eleventh financial year – 2018

THE EUROPEAN JOINT UNDERTAKING FOR ITER AND THE DEVELOPMENT OF FUSION ENERGY

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These annual accounts have been drawn up by the Accounting Officer of Fusion for Energy (F4E).

The opinion of the Governing Board (GB) on the final accounts will be given on 9th- 10th July 2019.

The final accounts, together with the opinion of the GB, will be sent to the Commission's Accounting Officer, the European Court of Auditors, the European Parliament and the Council.

The final accounts are published on F4E's website:

<http://www.fusionforenergy.europa.eu/aboutfusion/keydocs.aspx>

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1. Certification letter from F4E Accounting officer

The annual accounts of Fusion for Energy (F4E) for the year 2018 have been prepared in accordance with the Title IV Chapter 4 Section 3 and Title XIII of the Financial Regulation applicable to the general budget of the European Union¹, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of F4E in accordance with Article 77 of the Financial Regulation.

I have obtained from the Authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show the assets and liabilities of F4E and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of F4E.



Mr Roberto Abad Villanueva
Accounting Officer

Done in Barcelona, 24 May 2019

¹ Financial Regulation (EC, Euratom) n° 966/2012 of the European Parliament and of the Council of 25 October 2012, last amended on 18/07/2018 (EU, Euratom) n° 2018/1046.

2. Introduction

F4E is a Joint Undertaking created under the Euratom Treaty by a decision of the Council of the European Union (EU)².

F4E was established for a period of 35 years from 19th April 2007 and its seat is located in Barcelona, Spain.

The main tasks of F4E are as follows:

- In relation to the obligations stemming from the ITER International Agreement: to provide the contribution of the European Atomic Energy Community (Euratom) to the ITER International Organisation (IO).
- In relation to the obligations stemming from the Broader Approach Agreement with Japan (BA): to provide components, equipment, materials and other resources for BA activities and to prepare and coordinate Euratom's participation in the implementation of BA activities.
- In relation to DEMO: to prepare and coordinate a programme of research, development and design activities other than ITER and BA activities, in preparation for the construction of a demonstration fusion reactor and related facilities, including the IFMIF (International Fusion Materials Irradiation Facility).

Regarding the ITER project, F4E is responsible for the management of the Union's contribution to the ITER project with a budget cap of EUR 6 600 million (in 2008 values) until 2020.

In November 2016, the Council of ITER Organization approved a new ITER project baseline for the scope, schedule and the costs of the project. The overall project schedule for operations 'First Plasma' and 'Deuterium-Tritium' was approved. Following the approval of the new ITER project baseline, F4E set the new timetable and recalculated the related cost at completion of the F4E's contribution to the project construction phase.

The new schedule endorsed by the ITER Council set out a four-stage approach, making December 2025 the deadline for achieving the first strategic milestone of the project construction phase ('First Plasma') and December 2035 the estimated completion date for the whole construction phase.

In addition to the construction phase, F4E will have to contribute to the ITER operational phase and to the subsequent ITER deactivation and decommissioning phases. The contribution to the deactivation and the decommissioning phases were estimated at EUR 95 540 000 (in 2001 values) and EUR 180 200 000 (in 2001 values).

² Council decision 2015/224/Euratom of 10 February 2015 Amending Decision 2007/198/Euratom establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it.

F4E revenue is made up of the:

- **Euratom contribution**

The contribution from Euratom constitutes the main source of revenue for F4E. This contribution is foreseen at the Article 16 of the EU MFF for the period 2014-2020³ as contribution to the financing of large scale projects.

The indicative Euratom contribution to F4E for the period 2021- 2027 is set at EUR 5 987.7 million (in current euro value). The contribution is detailed in the proposal for a Council Decision⁴ amending Decision 2007/198/Euratom, last amended with Decision 2013/791/Euratom, establishing F4E and the annual breakdown is provided in its accompanying legal financial statement.

The annual contribution is determined in the European Union General Budget in Commitment and in Payment appropriation, as well as the F4E establishment plan. The revenue received from Euratom is earmarked for operational expenditure and for administrative expenditure (running costs).

- **The ITER Host State Contribution (France)**

The contribution from the ITER Host State constitutes the second source of revenue for F4E. It corresponds to the commitment from the Host State to cover 9.09% of the total costs of the ITER construction phase, equivalent to 20% of F4E budget for ITER construction excluding expenditure related to Transportation and Test Blanket Modules. The precise scope, conditions and the global amount of the French contribution for the ITER construction phase have been established in a formal exchange of letters between France and the European Commission in 2011⁵.

- **The Membership contributions (F4E Members except Euratom)**

The Annual Membership Contributions are established and adopted annually within the budget. It corresponds to 10% of the administrative budget and are not assigned revenue.

- **Reserve Fund**

The Revenue from the Reserve Fund managed by the IO is assigned to the implementation of change orders originating from IO which take place in the framework of the contractual relationships between F4E and the various suppliers.

The revenue from the Reserve Fund is earmarked for financing the corresponding requests for change from IO introduced after 05/03/2015.

³ Council regulation (EU, Euratom no 1311/2013) laying down the multiannual financial framework for the years 2014-2020 (2 December 2013)

⁴ Proposal for a Council Decision amending Decision 2007/198/Euratom establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it (Brussels, 7.6.2018 COM(2018) 445 final)

⁵ Contribution financière française à la construction d'ITER - Letter from The Haut Representant Français pour ITER to the EU Commission on 08/09/11 and reply on 17/11/11.

Main achievements during 2018

During 2018 F4E has further progressed in the work and consolidated the plans for the delivery of components to ITER in order to start the assembly activities according to plan for the achievement of First Plasma at the end of 2025.

Both design and manufacturing activities have progressed in Europe in laboratories and industry.

In 2018 F4E achieved an overall Schedule Performance Index (SPI):

$$SPI = \frac{\text{Number of milestones achieved to end of previous month}}{\text{Number of milestones in baseline to end of previous month}} = 0.93$$

Among the achieved milestones, F4E achieved six out of the seven ITER Council/Governing Board milestones set for 2018.

The achievements during the year are detailed in the 2018 Consolidated Annual Activity report (with the annual accounts in annex).

2018 Accounts

The 2018 financial statements of F4E and its reports on budget implementation for 2018 have been prepared in conformity with:

- The Council Decision establishing F4E,
- The Financial Regulation (FR) applicable to the general budget of the European Union⁶,
- The F4E FR and its implementing rules⁷,
- The « Inventory directive » (EC n° 643/2005),
- The European Commission's consolidation manual for the 2018 closure.

The accounts have also been drawn up in accordance with the accounting rules adopted by the Accounting Officer of the European Commission (EC).

Articles 80.1 and 82.1 of the general FR state that the Accounting Officer of the EC adopts the accounting rules and the harmonised chart of accounts to be applied by all institutions and EU bodies. They are accrual based accounting policies derived from International Public Sector Accounting Standard (IPSAS) or by default, International Financial Reporting Standards (IFRS).

F4E has implemented the ABAC system (Accrual Based Accounting) owned by the EC and used by many EU bodies. The accounting and budgetary information is integrated in one system which has SAP as a

⁶ Financial Regulation (EC, Euratom) n° 966/2012 of the European Parliament and of the Council of 25 October 2012, last amended on 18/07/2018 (EU, Euratom) n° 2018/1046.

⁷ F4E Financial Regulation (adopted by F4E Governing Board on 22/10/2007 – F4E(07)-GB03-11, last amended on 02/12/2015 – F4E(15)-GB34-12.9) and its implementing rules (adopted by F4E Governing Board on 22/10/2007 – F4E(07)-GB03-12, last amended on 02/12/2015 – F4E(15)-GB34-12.9).

back-end for the accounting part. The workflow system in ABAC allows the Authorising Officer to ensure that the “four eyes” principle has been observed for each transaction.

The representation letter related to the accounts 2018 has been transmitted to the President of the European Court of Auditors (ECA) in a separate note. It includes no reservation from the F4E Accounting Officer.

In line with Article 70.6 of the FR applicable to the general budget of the EU, Ernst & Young has been appointed as independent external auditor in order to verify that the 2018 annual accounts properly present the income, expenditure and financial position of F4E.

ECA shall prepare a specific Annual Report in line with the requirement of Article 287 (1) TFEU. When preparing this report, ECA shall consider the audit work performed by the independent external auditor and the action taken in response to the auditor's findings.

The European Parliament is the discharge authority within the EU. This means that, following the audit and finalisation of the annual accounts, it falls under the responsibility of the Council to recommend and then to the European Parliament to give a discharge to F4E.

Change in accounting policy and prior year adjustment.

It is to be noted that the use of **IPSAS rule n° 11 (Construction contracts)** is extended to the accounting of all operational contributions within the ITER and BA agreements.

Based on the accounting guidance applicable to the type of transactions managed by F4E, the cost of the items, acquired or constructed, incurred with the purpose of the final manufacture of the research components that F4E agreed to deliver should be expensed when incurred.

The **recognition as an expenses** is the approach that better capture the nature of the transaction given that (i) in most of the cases the suppliers hold the economic ownership (i.e., is not presently controlled by F4E); (ii) F4E does not foresee using the assets for other purpose, or (iii) F4E agrees/foresees to provide the legal ownership to the subcontractors for no consideration after delivery.

In line with the EU Accounting Rule 14 (Accounting policies, change in accounting estimates and errors), prior year adjustments have been included in view to :

- recognise as expenses some items booked as Fixed assets in previous years (in line with the above mentioned use of IPSAS n°11). This adjustment of EUR 34.99 million refers mainly to the PF Coils building (EUR 32.83 million) and to the Portal machine (EUR 1.04 million).
- recognise as expenses the items booked as Inventories in previous years (in line with the above mentioned use of IPSAS n°11). This adjustment of EUR 231.87 million refers mainly to the items related to the manufacturing of magnets.
- recognise EUR 30.02 million as expenses instead of current pre-financing (to recognise work performed by a supplier at 31.12.2017) and to reclassify EUR 107.43 million from current pre-financing to non-current pre-financing.

The details of the restatement of the 2017 accounts are provided in the table in annex 8.7.6.

Section I. 2018 Financial Statements

3. Balance sheet

3.1. Assets

Consolidation account	ASSETS	Note n°	31.12.2018 (1)	31.12.2017 Restated (2)	Variation (3)=(1)-(2)
	A. NON-CURRENT ASSETS				
210000	Intangible assets	7.2.1.	455 148.00	609 033.00	-153 885.00
	Tangible fixed assets		787 205.00	1 046 187.00	-258 982.00
220000	Land and buildings		0.00	0.00	0.00
230000	Plant and equipment	7.2.1.	16 659.00	25 435.00	-8 776.00
240000	Furniture and vehicles		169 787.00	183 863.00	-14 076.00
241000	Computer hardware		573 595.00	793 993.00	-220 398.00
242000	Other fixtures and fittings		27 164.00	42 896.00	-15 732.00
298100	Non-current pre-financing	7.2.2.	52 354 537.35	107 433 519.03	-55 078 981.68
	TOTAL NON-CURRENT ASSETS		53 596 890.35	109 088 739.03	-55 491 848.68
	B. CURRENT ASSETS				
310000	Inventories		0.00	0.00	0.00
	Current pre-financing		25 204 374.79	57 500 851.58	-32 296 476.79
406141	Current pre-financing (gross amount)	7.2.2.	85 831 970.24	119 639 781.18	-33 807 810.94
406142	Current pre-financing (cut off)		-60 627 595.45	-62 138 929.60	1 511 334.15
	Current receivables		243 461 729.18	205 811 625.97	37 650 103.21
401200	Current receivables - Member States		28 127 695.12	29 934 310.67	-1 806 615.55
410000	Sundry receivables	7.2.3.	56 009.59	72 402.33	-16 392.74
490002	Deferrals/Accruals with IO		214 779 433.68	175 804 351.24	38 975 082.44
490013	Accrued income		498 590.79	561.73	498 029.06
500000	Cash and cash equivalents	7.2.4.	5 565 303.26	3 903 822.88	1 661 480.38
	TOTAL CURRENT ASSETS		274 231 407.23	267 216 300.43	7 015 106.80
	TOTAL		327 828 297.58	376 305 039.46	-48 476 741.88

3.2. Liabilities

Consolidation account	LIABILITIES	Note n°	31.12.2018 (1)	31.12.2017 Restated (2)	Variation (3)=(1)-(2)
	A. NET ASSETS/LIABILITIES		-28 044 872.93	11 922 775.91	-39 967 648.84
100000	Reserves	7.2.5.	0.00	0.00	0.00
140000	Accumulated surplus/deficit		11 922 775.91	-68 464 520.76	80 387 296.67
141000	Economic result of the year - Profit (+)/Loss (-)		-39 967 648.84	80 387 296.67	-120 354 945.51
	B. NON-CURRENT LIABILITIES		195 093 433.30	171 351 246.52	23 742 186.78
163000	Non-current provisions	7.2.6.	195 093 433.30	171 351 246.52	23 742 186.78
170000	Other non current financial liabilities		0.00	0.00	0.00
	TOTAL A+B		167 048 560.37	183 274 022.43	-16 225 462.06
	C. CURRENT LIABILITIES				
483000	Current provisions	7.2.6.	0.00	31 147.55	-31 147.55
440000	Accounts payable		79 105 757.31	136 863 318.44	-57 757 561.13
441000	Current payables vendors	7.2.7.	77 404 386.83	268 412.37	77 135 974.46
443000	Sundry payables		377 378.71	204 202.20	173 176.51
440019	Pre-financing received from Euratom		1 316 734.17	17 586 352.63	-16 269 618.46
441009	Current payables with EU		7 257.60	118 804 351.24	-118 797 093.64
491000	Accrued charges and deferred income		81 673 979.90	56 136 551.04	25 537 428.86
491010	Accrued charges	7.2.8.	81 482 479.90	54 742 576.06	26 739 903.84
491090	Deferrals/accruals with EU		191 500.00	1 393 974.98	-1 202 474.98
	TOTAL C. CURRENT LIABILITIES		160 779 737.21	193 031 017.03	-32 251 279.82
	TOTAL		327 828 297.58	376 305 039.46	-48 476 741.88

4. Statement of financial performance

Consolidation account		Note n°	2018 (1)	2017 Restated (2)	Variation (3)=(1)-(2)
	A. NON-EXCHANGE REVENUES		794 608 221.00	831 492 724.03	-36 884 503.03
745919	Revenue from Euratom	7.3.1	658 594 110.15	700 448 515.11	-41 854 404.96
745911	Revenue from other contributors (Member States)		134 920 000.00	129 860 000.00	5 060 000.00
	Other non exchange revenue		1 094 110.85	1 184 208.92	-90 098.07
	B. EXCHANGE REVENUES		13 654 634.47	1 156 565.07	12 498 069.40
744100	Reserve Fund		13 646 994.26	714 815.39	12 932 178.87
74*/75*	Other revenues		7 640.21	441 749.68	-434 109.47
TOTAL REVENUE			808 262 855.47	832 649 289.10	-24 386 433.63
	A. OPERATIONAL EXPENSES	7.3.2.	790 847 485.72	697 504 172.99	93 343 312.73
600140	Expenses with third parties		790 847 485.72	697 504 172.99	93 343 312.73
	B. OTHER EXPENSES	7.3.3.	57 383 018.59	54 757 819.44	2 625 199.15
620100	Staff costs		46 196 428.14	42 220 210.75	3 976 217.39
630199	Property, plant and equipment related expenses		2 037 117.72	1 079 881.40	957 236.32
64*/65*	Other expenses		9 149 472.73	11 457 727.29	-2 308 254.56
TOTAL EXPENSES			848 230 504.31	752 261 992.43	95 968 511.88
SURPLUS (+) / DEFICIT (-) OF THE YEAR			-39 967 648.84	80 387 296.67	-120 354 945.51

5. Cash flow statement (indirect method)

		2018	2017 (Restated)
Cash Flows from ordinary activities			
Surplus/(deficit) from ordinary activities		-39 967 648.84	80 387 296.67
Operating activities	Amortization (intangible fixed assets) +	282 484.17	274 961.99
<u>Adjustments</u>	Depreciation (tangible fixed assets) +	-31 425 902.17	3 150 919.56
	Increase/(decrease) in Provisions for risks and liabilities	23 711 039.23	13 988 208.29
	Increase/(decrease) in Value reduction for doubtful debts	0.00	0.00
	(Increase)/decrease in Stock	0.00	-51 796 189.93
	(Increase)/decrease in Long term Pre-financing	55 078 981.68	-107 433 519.03
	(Increase)/decrease in Short term Pre-financing	32 296 476.79	115 776 130.69
	(Increase)/decrease in Long term Receivables	0.00	0.00
	(Increase)/decrease in Short term Receivables	-37 650 103.21	-17 718 954.92
	(Increase)/decrease in Receivables related to consolidated EU entities	0.00	0.00
	Increase/(decrease) in Other Long term liabilities	0.00	0.00
	Increase/(decrease) in Accounts payable	104 049 054.81	-18 431 073.56
	Increase/(decrease) in Liabilities related to consolidated EU entities	-136 269 187.08	-47 142 289.80
Net cash Flow from operating activities		-29 894 804.62	-28 944 510.04
Cash Flows from investing activities			
	Increase of tangible and intangible fixed assets (-)	66 540 482.00	-1 272 950.55
	Proceeds from tangible and intangible fixed assets (+)	-34 984 197.00	19 518 574.94
Net cash flow from investing activities		31 556 285.00	18 245 624.39
Net increase/(decrease) in cash and cash equivalents		1 661 480.38	-10 698 885.65
Cash and cash equivalents at the beginning of the period		3 903 822.88	14 602 708.53
Cash and cash equivalents at the end of the period		5 565 303.26	3 903 822.88

6. Statement of Changes in Net assets

Net assets	Accumulated Surplus (+) / Deficit (-)	Economic result of the year	Net assets (total)
Balance as of 31 December 2017	88 832 021.63	219 965 336.61	308 797 358.24
Restatement	-157 296 542.39	-139 578 039.94	-296 874 582.33
Balance as of 1 January 2018	-68 464 520.76	80 387 296.67	11 922 775.91
Fair value movements	0.00	0.00	0.00
Allocation of the Economic Result of Previous Year	80 387 296.67	-80 387 296.67	0.00
Economic result of the year	0.00	-39 967 648.84	-39 967 648.84
Balance as of 31 December 2018	11 922 775.91	-39 967 648.84	-28 044 872.93
Account	140000	141000	

7. Notes to the Financial statements

7.1. Accounting principles

Financial statements provide information about the financial position, performance and cash flow of an entity that is useful to a wide range of users. For a public sector entity such as F4E, the objectives are more specifically to provide information useful for decision-making, and to demonstrate the accountability of the entity for the resources entrusted to it.

The accounts of the Joint Undertaking comprise the general accounts and budget accounts. These are kept in euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle. The general accounts allow for the preparation of the financial statements which consist in a statement of financial performance, showing all income and expenditure for the financial year, and a balance sheet designed to establish the financial position of F4E at 31 December.

Article 95 of F4E FR sets out the accounting principles to be applied in drawing up the financial statements.

Use of estimates: In accordance with IPSAS and generally accepted accounting principles, the financial statements 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 provisions, accounts receivables, accrued income and charges, contingent assets and liabilities, and the degree of impairment of intangible assets and property, plant and equipment. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

7.2. Notes to the balance sheet

7.2.1. Fixed assets

An asset shall be recognised only if it is probable that the expected future economic benefits or service potential that are attributable to that asset will flow to F4E and the cost or fair value of the asset can be measured reliably. Service potential would refer to assets that are used to achieve an objective but which do not directly generate net cash inflows. In the context of F4E this comprises all assets that are used by F4E to fulfil its objectives.

F4E books as fixed assets only items with a purchase price above EUR 5 000.00. Items with a lower value, such as monitors, digital cameras, etc., are treated as expenses of the year but are however registered in the physical inventory. All assets are stated at cost less accumulated depreciation and impairment losses. Regarding the EU contribution to IO (consisting mainly in buildings, magnets, vessels and other engineering components), the PA between F4E and IO define the F4E deliverables to IO as well as the credit allocation scheme for each deliverable under the ITER unit of account. On the basis of these PAs, F4E launches procurements and concludes contracts with the industry. The industry delivers usually directly to IO, which performs the acceptance and recognises the credits to F4E.

As there is no specific EC accounting rule covering those operations, F4E refers to IPSAS rule n° 11 “Construction contracts” taking into account that F4E has no control over the use of the items and no inflow of service potential (F4E receives credits in ITER unit of accounts for the deliverables).

Therefore, the items constructed and delivered to IO are recognised as expense in the accounts and not as assets under construction.

F4E has introduced the module ABAC Assets in 2008. ABAC Assets has been developed to meet the requirements of the EC “Inventory Directive” (EC n° 643/2005) and its content is replicated in SAP Assets Accounting module.

All fixed assets are depreciated monthly, with zero residual value, over a variable useful lifetime:

Asset type	Annual depreciation rate
<u>Intangible fixed assets</u>	25%
<u>Tangible fixed assets</u>	
<u>Buildings</u>	4%
<u>Plant and equipment</u>	12,5%, 25%
<u>Furniture and vehicles</u>	
Office furniture	10%
Transport, electrical office, printing and mailing equipment	25%
Kitchen, Printshop and postroom equipment	12.5%
<u>Computer hardware</u>	25%
<u>Other fixtures and fittings</u>	
Audiovisual and Telecommunications equipment	25%
Computer, scientific and general books, documentation	25%, 33%
Health, safety, protective, security and medical equipment,	12.5%
Other	10%
<u>Tangible fixed assets under construction</u>	0%

Intangible fixed assets:

An intangible asset is an identifiable non-monetary asset without physical substance.

Regarding the internally developed intangible assets (e.g. software), the requirements of the accounting rule n°6 from 1/1/2010 onwards are:

- costs directly linked to an internally developed intangible asset, providing they meet the necessary criteria, must be capitalised as asset under construction. Once the project goes live, the resulting asset will be amortised over its useful life,
- the amount of research expenses incurred on IT projects and development costs not capitalised (e.g. for small projects below threshold, see note 7.3.3. below) must be disclosed in the financial statements.

As of 31/12/2018, all projects identified were below the threshold of EUR 500 000.00 used by F4E for the capitalisation of internally generated intangible assets.

Tangible fixed assets:

A tangible asset is an identifiable non-monetary asset with physical substance.

Following the change in accounting policy described previously, the operational assets related to the in-kind contributions within the ITER and BA agreements are recognised as an expense.

The attached table provide the variation of the fixed assets in 2018, including the effect of the above change in accounting policy.

ASSETS		Intangible fixed assets			Tangible fixed assets							Fixed assets
2018		Intangible fixed assets internally generated	Computer Software	Total Intangible fixed assets	Buildings	Plant and Equipment	Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	Tangible Fixed Assets under Construction	Total Tangible fixed assets	Total fixed assets
Gross carrying amounts 01.01.2018	+	0.00	2 691 341.23	2 691 341.23	42 615 088.53	5 728 860.96	44 883 394.15	822 682.28	842 041.62	0.00	94 892 067.54	97 583 408.77
Additions	+		126 024.17	126 024.17			135 048.97	50 889.20			185 938.17	311 962.34
Disposals	-			0.00			-39 941 557.50	-38 269.69			-39 979 827.19	-39 979 827.19
Transfer between headings	+/-			0.00							0.00	0.00
Other changes : change in accounting policy	+/-		-6 222.00	-6 222.00	-31 119 149.00	4 298 023.85	-17 070.00	-23 625.00	-4 575.00		-26 866 395.15	-26 872 617.15
Gross carrying amounts 31.12.2018		0.00	2 811 143.40	2 811 143.40	11 495 939.53	10 026 884.81	5 059 815.62	811 676.79	837 466.62	0.00	28 231 783.37	31 042 926.77
Accumulated amortization and impairment 01.01.2018	-	0.00	-2 073 511.23	-2 073 511.23	-9 784 410.53	-3 625 709.96	-44 065 268.15	-611 819.28	-783 272.62	0.00	-58 870 480.54	-60 943 991.77
Depreciation	-		-282 484.17	-282 484.17	-1 711 529.00	-6 384 515.85	-362 509.97	-64 713.20	-27 030.00		-8 550 298.02	-8 832 782.19
Write-back of depreciation	+			0.00							0.00	0.00
Disposals	+			0.00			39 941 557.50	34 642.69			39 976 200.19	39 976 200.19
Impairment	-			0.00							0.00	0.00
Write-back of impairment	+			0.00							0.00	0.00
Transfer between headings	+/-			0.00							0.00	0.00
Other changes : depreciation on post capitalized assets	+/-			0.00							0.00	0.00
Accumulated amortization and impairment 31.12.2018		0.00	-2 355 995.40	-2 355 995.40	-11 495 939.53	-10 010 225.81	-4 486 220.62	-641 889.79	-810 302.62	0.00	-27 444 578.37	-29 800 573.77
Net carrying amounts 31.12.2018		0.00	455 148.00	455 148.00	0.00	16 659.00	573 595.00	169 787.00	27 164.00	0.00	787 205.00	1 242 353.00
Accounts				210000	221000	230000	241000	240000	242000	244000	200000	

7.2.2. Pre-financing

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the specific pre-financing agreement. The float or advance is repaid or used for the purpose for which it was provided during the period defined in the agreement. If the beneficiary does not incur eligible expenditures, he has the obligation to return the pre-financing to F4E.

The amount of the pre-financing is reduced (wholly or partially) by the acceptance of eligible costs and amounts returned.

At year-end, outstanding pre-financing amounts are valued at the original amount(s) paid less: amounts returned, eligible amounts cleared, estimated eligible amounts not yet cleared at year-end, and value reductions.

Account	Pre-financing without interest for F4E	31.12.2018	31.12.2017 (Restated)
298100	Pre-financing given to third parties (non-current)	52 354 537.35	107 433 519.03
406141	Pre-financing given to third parties (current)	85 831 970.24	119 639 781.18
406142	Accrued charges on PF TP	-60 627 595.45	-62 138 929.60
	Total	77 558 912.14	164 934 370.61

It is to be noted that the 2017 figure has been restated (from EUR 194.96 to EUR 164.93 million) following the acceptance of eligible costs incurred by a supplier in prior years.

It is estimated that EUR 52.35 million of the pre-financing open at 31/12/2018 will be cleared, with eligible amounts, within a period longer than one year (after 2019).

These pre-financings are related mainly to the following operational procurement contracts:

Contract Reference	Contractor	Amount
OPE-301_TB04_Buildings	AXIMA	45 260 845.87
OPE-285_TB02_Tokamak cargo lift and crane	NKM NOELL SPECIAL CRANES	4 848 872.08
OMF-605-01-02 Supply of beam source for MITICA	ALSYOM	4 685 788.56
OMF-444-03-01 First of a kind standard cassette bodies	WALTER TOSTO	4 211 887.00
OPE-570_PF Coils manufacturing and cold test	CNIM	4 085 141.74
OPE-068-01_Supply VV Sectors	ANSALDO NUCLEARE	3 693 660.20
OPE-376_Test LN2 Plant & auxiliary systems	AIR LIQUIDE	2 847 127.91
OMF-444-01-01 Fabrication of ITER Divertor cassette bodies	SIMIC	1 850 159.00
OPE-083_Supply of high voltage decks/bushings	SIEMENS	971 730.34
OPE-414_Cold test of 10 winding packs and insertion process of TF Coils	SIMIC	965 750.61
OMF-567-03-01 Supply full scale tungsten inner vertical target prototype	RI RESEARCH INSTRUMENTS	841 520.00
OPE-0781_Supply of Pre Compression Rings	CNIM	827 281.00

7.2.3. Current receivables

All receivables are carried out at the original amount less write-down for impairment when there is objective evidence that F4E will not be able to collect all amounts due according to the original payment terms.

Current receivables: EUR 28 127 695.12 referring mainly to the recoverable VAT from France.

Sundry receivables: EUR 56 009.59 composed mainly of advances to staff (salaries and missions) and amounts due by other EU bodies.

Deferrals and accruals: EUR 214 779 433.68 corresponding to the deferred charges related to the 2019 cash contribution to IO.

Accrued income: EUR 498 590.79 corresponding to the accrued revenue from the ITER Reserve fund (Cf. point below 7.4.3.2).

7.2.4. Cash and cash equivalents

Account	Description	31.12.2018	31.12.2017
505000	<i>Unrestricted cash:</i>		
505300	Current accounts (bank accounts)	1 516 471.93	865 230.81
505600	Transfers (Cash in transit)	0.00	0.00
505500	Imprest accounts/Cash in hand	45 000.00	25 000.00
505700	Short-term deposits ("Euratom account")	4 003 831.33	3 013 391.87
505700	Short-term deposits ("ITER Host State account")	0.00	200.20
500000	Total	5 565 303.26	3 903 822.88

The cash position at the end of 2018 is composed of one current account, two short-term deposits (for the Euratom and ITER-Host State contribution) and three imprest accounts (petty cash).

The bank interests generated in 2018 amount to EUR 1 153.99.

7.2.5. Net assets

Following the change in accounting policy described above, the net asset for the year 2017 has been restated to EUR 11 922 775.91.

F4E net assets are decreased by the negative financial performance of the year (EUR 39 967 648.84) totalling **EUR – 28 044 872.93** as of 31 December 2018.

The resources of F4E consist of contributions from Euratom and from the ITER Host State, annual membership, voluntary contributions from the Members other than Euratom and additional resources.

It is to be noted that according to F4E FR, if the balance of the outturn account is positive, it shall be repaid to the EC up to the amount of the Euratom contribution paid during the financial year (Cf. point 8.6. Budget outturn account).

7.2.6. Provisions

Provisions are recognised when F4E has a legal or constructive obligation towards third parties as a result of past events, for which it is more likely than not that an outflow of resources will be required to settle the obligation, and when 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 expenditures expected to be required to settle the present obligation at the reporting date. The EU Accounting rule 10 (Provision, contingent assets and liabilities) is applicable.

Non-current provision for additional financial contribution to Japan :

Regarding the arrangements signed between F4E, the JAEA and IO, the transfer of procurement responsibilities from Europe to Japan is implemented through annual cash contributions (Cf. point below 7.4.1.2. ITER Annexe to PAs).

In addition to the original agreements, in January 2014, Euratom and the Japanese Ministry of Science and Technology reached an agreement for settling the transfer of procurement responsibilities, following the request by Japan for an additional financial contribution.

The parties agreed to conclude a specific agreement (no later than 31 December 2021) with detailed provisions aiming at establishing the modalities under which F4E will transfer the additional cash contribution to JAEA equivalent to EUR 75.00 million (2014 value).

Therefore, in compliance with the accounting rules, an amount of **EUR 86 151 425.07** has been booked as non-current provision taking into account an annual inflation rate of 2 % and no discount due to negative rates.

Non-current provision for the decommissioning fund :

When the construction of an asset requires removal after the end of its useful life and restoration of the site, then a present obligation arises at the time of its construction.

F4E shall contribute jointly through the Budget of the IO to the accumulation of the Decommissioning Fund from the date of First Plasma through the Operation Phase. This will be done by making regular payments through the IO budget.

Based on the Overall Project Cost approved by the ITER Council⁸, the Decommissioning cost is estimated to EUR 530.0 million in 2001 value (not including the Deactivation cost). The EU share of the estimated costs for Decommissioning is EUR 180.2 million (34 % of EUR 530.0 million).

Based on :

- the percentage of completion as of 31.12.2018 (36.7 % according to CAS Milestone achievement - see graph below under point 7.4.1.1.), this results in an applicable cost base of EUR 66.1 million in 2001 value (36.7 % of EUR 180.2 million),
- the assumption that the cost contributions will be done in equal annual instalments of EUR 15.0 million in 2001 value (180.2 divided by 12 years) during the Operation Phase 2026 to 2037,

⁸ Updated Overall Project Cost (OPC) – ITER_D_X7TT2Y – ITER Council – 23rd Meeting (14-15 November 2018)

- the assumption that the contributions relating to the applicable cost of EUR 66.1 million will be paid into the fund in the years 2026 to 2030 (4 times EUR 15.0 million and the remaining balance of EUR 6.0 million),
- an annual inflation rate of 2 % to reflect future prices,
- the contributions in future prices are discounted using annual discount rates ranging from 0.12 % for payments in 2026 to 0.47 % for payments in 2030 in line with the ECB zero coupon Euro bond yield curve,

the resulting provision is recognised at the reporting period for an amount of **EUR 108 942 008.23** (in 2018 value).

7.2.7. Accounts payable

Current and sundry payables are **EUR 77 781 765.54** and are composed of the balance of the 2019 cash contribution to IO (EUR 77.3 million) and suppliers' invoices received but not paid at year end and reimbursements to staff.

Pre-financing received from Euratom totalled **EUR 1 316 734.17** refers to the balance of the budget outturn account 2018, to be reimbursed to the EC in 2018 (Cf. point 8.6. Budget outturn account).

7.2.8. Accrued charges and deferred income

In accordance with EU Accounting Rule n° 3, accruals are made to recognize the amounts to be paid for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. The accruals are based on project analysis performed by the Authorizing Officer and cross-checked with the amounts actually invoiced at the time of finalization of the accounts.

The amount of **EUR 81 673 979.90** which represents mainly invoices to be received in 2019 for services rendered in 2018, includes:

- EUR 76 902 301.89 for services rendered in 2018 on operational activities and not invoiced at 31/12/2018.
- EUR 3 503 803.95 for services rendered in 2018 on administrative expenditures and not invoiced at 31/12/2018.
- EUR 1 267 874.06 for F4E staff's untaken leave as at the end of December 2018. In conformity with EC Accounting Rule n° 12, an entity shall recognize the cost of holidays carried over to the following years during the year the services were rendered by the staff members.

7.2.9. Post balance sheet events

No significant post balance sheet event occurred between 31st December 2018 and the final closing of the accounting year.

7.3. Notes to the statement of financial performance

7.3.1. Revenue

F4E's revenues consist mainly of contributions granted by Euratom as a participation in the financing of F4E, the ITER Host State, annual membership contributions from other members than Euratom, the ITER Reserve Fund, recoveries of expenses as well as revenue from the interest received on the bank accounts.

A distinction is made in the Statement of financial performance between :

- revenue from **non-exchange transactions** (mainly from contributors) : the related receivables and revenue are recognized when the recovery orders are issued by F4E (in line with the payment needs and within the Budget approved by F4E's GB). At the end of each financial year, the surplus assessed for budget purposes on a modified cash basis is returned to Euratom (see point 8.6. Budget outturn account). The EU Accounting rule 17 – Revenue from non-exchange transactions is applicable.
- revenue from **exchange transactions** (mainly from the ITER Reserve Fund) : the revenue recognition criteria applied are those described in the EU Accounting rule n° 4.

The operating revenues, **EUR 808 262 855.47** (EUR 832 649 289.10 in 2017), include mainly the 2018:

- Euratom contribution: EUR 658 594 110.15
- ITER Host State contribution: EUR 130 000 000.00
- Membership contributions: EUR 4 920 000.00
- Revenue from ITER: EUR 13 646 994.26

7.3.2. Operational expenses – EUR 790 847 485.72 (EUR 697 504 172.99 in 2017)

The types of expenses that F4E reports include exchange expenses (where F4E receives goods or services in return) and non-exchange expenses (where F4E transfers value to another entity without receiving anything in exchange).

In line with IPSAS rule n° 11, the construction contracts for which no inflow of service potential will arise to F4E are accounted as expense (operational items that are being built by F4E's contractors and directly handed over to IO after acceptance by the latter – including tooling and work in progress).

The operational expenses include mainly the following items:

Contract Reference	Contractor	2018 Expenses	% cumulative expenses as of 31/12/2018 (*)
OPE-286_TB03_Building	VINCI CONSTRUCTION	161 382 534.93	76.69%
2018 Cash contribution for ITER IO	ITER IO	141 012 000.53	100.00%
OPE-301_TB04_Buildings	AXIMA/IO	137 578 871.28	41.92%
OPE-414_Cold test of 10 Winding packs and insertion process of 10 TF coils	SIMIC	45 152 242.54	60.67%
OPE-068_Supply VV Sectors	ANSALDO NUCLEARE	30 679 995.33	43.64%
OPE-636_TB16_Site infrastructure works	SPIE BATIGNOLLES	25 663 663.08	54.25%
OPE-058_Civil engineering	ENGAGE	25 471 811.52	91.76%
Transfer of supply of sectors #7 and #8 of the Vacuum Vessel	ITER IO	23 850 952.00	45.46%
OPE-053 TOROIDAL FIELD COILS WINDING PACKS	IBERDROLA	18 081 581.35	91.43%
OPE-428_TB06_EPD_Buildings	FERROVIAL AGROMAN	12 112 310.69	64.87%
OPE-376 LN2 Plant & auxiliary systems	AIR LIQUIDE	11 415 960.67	78.84%
OPE-285_TB02_Building	NKM NOELL	9 552 263.00	64.26%
OPE-378_TB05_Buildings	FERROVIAL AGROMAN	9 006 721.10	93.10%
OPE-090_Civil engineering & construction consultancy	ALTRAN TECHNOLOGIES	8 210 902.29	77.35%
NBTF AGREEMENT_F4E-RFX-FMS_A-WP2018	CONSORZIO RFX	6 771 780.00	98.97%
PF Coils cooperation agreement between ASIIP & F4E	EVERFIT CO	6 624 369.64	77.92%
OPE-429_TB07_Building	FERROVIAL AGROMAN	6 431 854.23	91.44%
OPE-065_Anti-seismic bearings	NUVIA	4 418 543.96	94.62%
OFC-755-01 TB11 TO-1 Finishing and retrofit works	DALKIA FRANCE	3 604 448.76	40.05%
OPE-304 Transportation Contracts	DAHER	3 349 161.77	58.30%
OPE-046 Supply of 2 ION Source and Extraction Power Supplies (ISEPS)	ENERGY TECHNOLOGY	3 331 765.65	54.00%
OPE-018 - PF and TF Coils	ICAS	3 262 808.79	95.47%
OPE-278-01 Supply of the acceleration grids power supply conversion system (AGPS-CS)_Options	NIDEC ASI	3 000 602.33	37.47%
Cash contributions to Japan	QST	2 822 517.74	93.84%
OPE-570 PF Coils manufacturing and cold test	CNIM	2 789 099.67	15.78%
OPE-443-02_Supply of 1 full scale prototype of NHF 1st wall panel	FRAMATOME	2 776 603.75	76.87%
OPE-025-01-Health and safety protection coordination for the Constructions	APAVE	2 547 023.29	84.11%
OPE-307_Cryogenic plant for the MITICA	AIR LIQUIDE	2 484 393.00	80.09%

(*) In relation to amounts financially committed at 31/12/2018

The expenses related to experts with contracts amount to EUR 504 553.77 (EUR 629 873.90 in 2017).

7.3.3. Other expenses – EUR 57 383 018.59 (EUR 54 757 819.44 in 2017)

- **Staff expenses: EUR 46 196 428.14** (EUR 42 220 210.75 in 2017)
This includes the total gross salaries (including allowances, social contributions, taxes and pension contributions), employer's contribution for social security, allowances for seconded national experts and other staff related costs. The above social contributions and taxes are transferred to and managed by the EU Paymaster Office (PMO).
- **Property, plant and equipment related expenses: EUR 2 037 117.72** (EUR 1 079 881.40 in 2017) refers to the yearly depreciation of fixed assets and the cost for building maintenance and security.
- **Other administrative expenses:** the amount of **EUR 9 149 472.73** includes mainly the following items:

	2018	2017	Variation
IT costs – operational/support	2 799 590.04	3 274 802.64	-475 212.60
IT costs - development	293 490.73	466 279.51	-172 788.78
Missions	2 810 701.45	2 975 030.18	-164 328.73
Communications & publications	829 871.44	547 313.55	282 557.89
Interim staff	524 629.36	693 070.06	-168 440.70
Experts and related expenditure	546 837.98	466 087.75	80 750.23
Training	516 700.51	484 375.99	32 324.52
Office supplies & maintenance	146 294.29	384 548.18	-238 253.89
Recruitment	22 431.69	116 023.57	-93 591.88
Legal expenses	7 655.74	68 587.02	-60 931.28
Interest expense on late payment	4 451.97	5 866.98	-1 415.01
Total	8 502 655.20	9 481 985.43	-979 330.23

7.4. Off balance sheet items and notes

7.4.1. Contingent liabilities

A contingent liability is:

- A possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of F4E; or
- A present obligation that arises from past events but is not recognised because:
 - It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - The amount of the obligation cannot be measured with sufficient reliability

The information provided under this note refers to the F4E open obligations (not covered by a budgetary commitment) under the ITER and BA activities.

To ensure a fair cost sharing of ITER by “value”, around 90% of the project is built by in-kind contributions. In-kind contributions have been classified into about 85 procurement “packages” which were divided among the seven parties to the ITER Agreement.

ITER is being constructed at Cadarache in the South of France. Europe supports 45.46% of the construction cost and 34% of the cost of operation, deactivation and decommissioning of the facility as well as preparing the site.

Most of the components that make up the ITER facility are to be manufactured by each of the ITER Parties and contributed in-kind to ITER through Domestic Agencies. F4E will provide components to ITER on behalf of the EU.

The contractual commitments for which budgetary commitments have not yet been placed refers to the PAs which establish a detailed common understanding of each Party on the in-kind contribution to be provided to IO for each domain of activities in accordance with the procurement allocation and values (in ITER Unit of Accounts - IUA) as defined in the ITER Agreement.

Regarding the update of the conversion rate between IUA (ITER Unit of Accounts) and EUR, the ITER Council (IC-1, November 2007), decided that the annual average change in the Harmonised Indices of Consumer Prices (HICP) for the euro area as published by EUROSTAT should be used. The 2018 exchange rate euro/IUA amounts to 1 718.90.

In addition to the in-kind procurements F4E has also an obligation to finance the transportation of the non-EU components from the entry site in France (i.e. either Fos-sur-Mer or the Marignane airport) to Cadarache. This commitment is part of the ITER site agreement and not compensated by any ITER credit.

As far as the Test Blanket System is concerned, in 2014 F4E has signed two TBM Arrangements for the delivery of two systems to the ITER site. This programme is fully funded by the EU and is not compensated by any ITER credit.

7.4.1.1. ITER PA (with IO)

(kIUA)

PA-EU in Kind Systems*	Current Value (1)	Original value (2)	Earned Credit (3)	Balance (4)=(1)-(3)	Achieved Credit (5)
Buildings and Power Supplies	514.34	423.30	195.60	318.74	222.27
Magnet	185.82	183.39	76.24	109.58	95.79
Vaccum vessel	93.99	99.36	30.08	63.91	36.64
Neutral beam Heating and Current Drive	83.50	35.80	18.22	65.28	24.22
Blanket system	40.33	26.10	0.00	40.33	1.80
Remote Handling Equipment	39.97	26.20	0.80	39.17	1.60
Divertor	27.99	31.40	2.19	25.80	2.49
Electron Cyclotron Heating & Current Drive	32.27	17.49	4.06	28.21	4.06
Diagnostics	32.05	1.14	0.02	32.03	0.30
Cryoplant & Distribution	26.37	31.50	21.69	4.68	22.98
Tritium Plant	16.72	2.55	3.11	13.61	3.11
Ion Cyclotron Heating & Current Drive	14.73	0.00	0.00	14.73	0.00
Vacuum Pumping & Fuelling	13.85	14.26	0.28	13.57	0.32
Waste Management	10.06	0.00	0.00	10.06	0.00
Radiological Protection	4.20	0.60	0.00	4.20	0.00
Total in Kind	1 136.19	893.09	352.29	783.90	415.58

*Each system may group one or more PAs

The amount of 1 136.19 kIUA (EU Current Share⁹) in the above table corresponds to the EU share of the ITER Project, provided by in-kind contributions according to the ITER Agreement and Common Understanding on Procurement Allocation plus any Amendment and PA Value Refinement agreed by ITER Council afterwards. This is the total value for EU included into the Update to the OPC document presented at the ITER Council in November 2018. This value changes frequently due to the credit adjustments through the Project Change Request (PCR) mechanism. Since the IUA value is only a “virtual” currency to share contributions among the seven parties to the ITER Agreement – according to respective percentages of contribution to the programme - the actual cost of the ITER project differs from the allocated credits. In order to consider that the PA obligations have been fulfilled by each party, the PA value has to be fully earned, independently of the actual cost incurred for executing the scope of work of each PA. For each PA key milestone an ITER credit is associated and this is released to the specific Party whenever the milestone has been achieved and the related documentation verified by IO.

Therefore the progress in the execution of the work and in discharging the EU from its obligation toward the ITER Agreement is recognized by means of credit earned by F4E (i.e. formally released by IO to F4E) depending on the achievement of project milestones laid down in each PA (see earned credit column in the table above).

The complete execution of each scope of work for a PA would imply an earned credit matching the PA current value, hence with a balance that is zero with all EU PA signed, scope of work completed and credited. The amount of 893.09 kIUA in the table corresponds to the original value of the EU PA when it was signed between IO and the EU Domestic Agency. The difference between this value and the current one is due to

⁹ Values from the “Proposal for the Update of the Overall Project Cost (OPC)” ITER_D_X7TT2Y v1.1 presented to IC-23

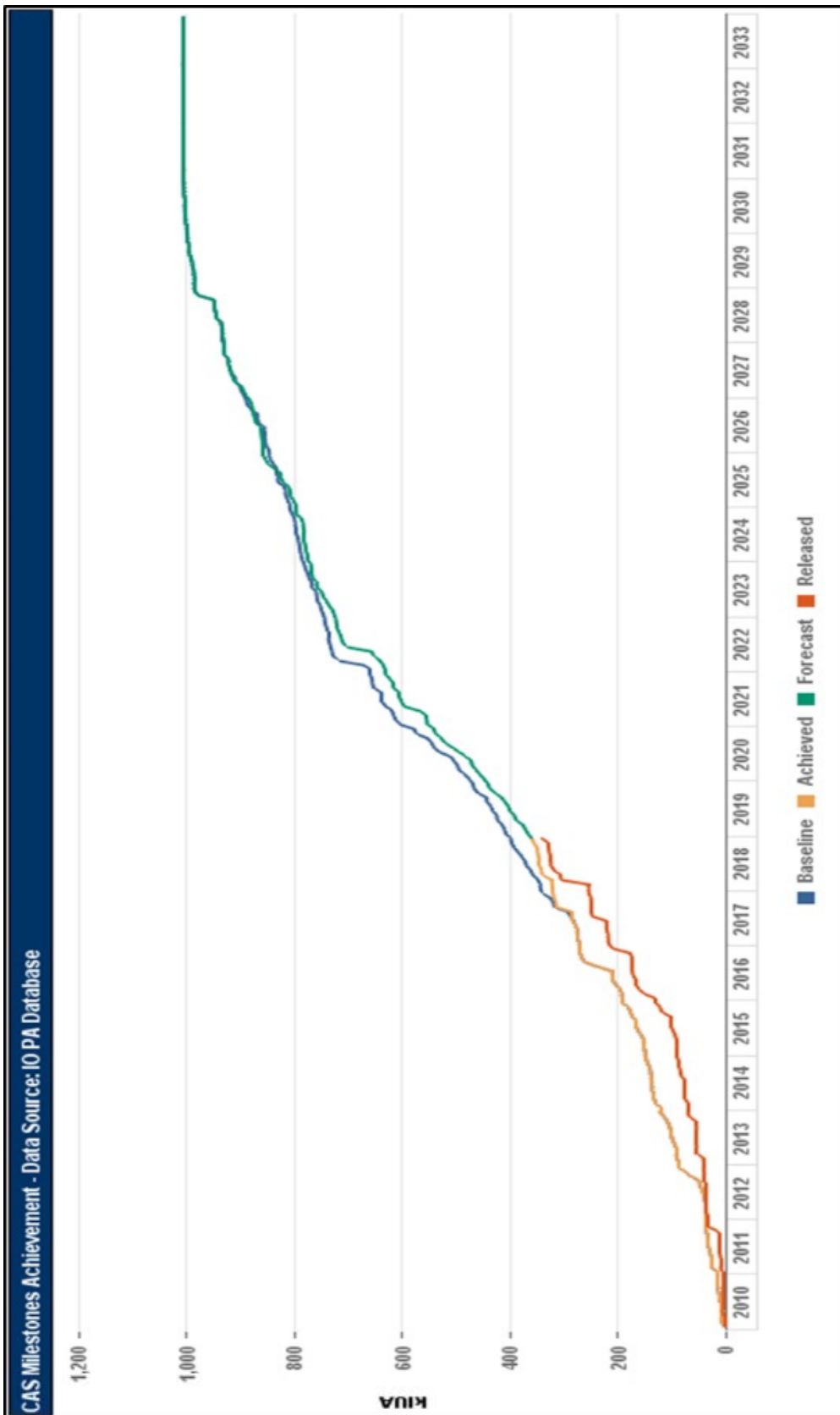
the fact that some PAs still need to be signed (for about 11% in value) or to the value refinements approved by the ITER Council in order to take into account changes to the initial scope of work.

As far as the earned ITER credit is concerned (352.29 kIUA as of 31/12/2018 – representing about 31 % of the current total PAs value), F4E and IO have completed a modification of the credit distribution along the life of the PAs in a way that reflects more accurately the real progress achieved by the EU during the procurement life cycle of that component. The achieved credit in the table above corresponds to all milestones achieved for that area until end 2018, even if the release of that credit has not been requested by F4E to IO, yet. Therefore, in terms of progress of work, it is the achieved credit that should be considered and this was 415.58 kIUA at the end of 2018, corresponding to 36.6 % of the current total PAs value. The graph on the following page shows the actual values of the achieved (but not yet released by IO) and earned credit (released by IO) vs the forecast value.

The chart shows the credit value that F4E should have earned up to end 2018 (Baseline) against the credit that was actually achieved (Achieved) and that IO should have already released as acknowledgement of the achieved milestones and the earned (Released) one. The difference between the achieved and the released (earned) credits is explained by the fact that once F4E achieves a credit milestone, all necessary data, reports and other information has to be collected and provided to IO. This information is linked to the delivery by the supplier of all the necessary documents and to the F4E approval of these deliverables. Furthermore, IO has to revise and validate the whole set of documents provided in order to confirm such achievement. For this reason, the process can last some months and hence the difference.

As for the PAs signed with IO, F4E only enters into a legal obligation which results in a budgetary commitment by signing contracts or grant agreements with third parties in accordance with its financing decision.

More details on the actual advancement of the works achieved at the end of the year are available in the F4E Annual report 2018.



CAS milestone achievement for signed PAs. The actuals and forecast are those in the latest integrated Detailed Working Schedule (end December 2018). Milestones are achieved when marked as completed in the schedule and credit is earned when the credit note for the milestone is released by IO.

7.4.1.2. ITER Annexe to PAs (JAEA)

Transfers of Procurement to Japan	(kIUA)		(EUR)
	Value of Cash Contribution (1)	Cumulative Payments (2)	Indicative balance (3)=(1)-(2) x 1 718.90 x 1 000
Magnet	168.60	163.37	8 989 847.00
Tritium Plant	15.10 (15.10 not yet signed)	0.00	0.00
Neutral Beam H&CD	44.99 (20.29 not yet signed)	24.70	0.00
Total to Japan	228.69	188.07	8 989 847.00

Regarding the arrangements signed between F4E, JAEA and IO, the transfer of procurement responsibilities from Europe to Japan is implemented through annual cash contributions or, in a limited number of cases, according to the credit released by IO upon the achievement of the milestones. In the former case, the cash contributions are based on an adequate evidence of the payments performed by QST (i.e. the Japanese Domestic Agency) to its suppliers and on a progress report on their work.

As from 2012, the corresponding budgetary commitments cover the full amount of the PAs signed.

7.4.1.3. ITER Task Agreement

Number ITAs open as of 31/12/2018	Amount	Currency	2018 Exchange rate to Euro	Amount (EUR)
2	4 645.00	IUA	1 718.90	7 984 290.50
17	17 157 063.65	EUR		17 157 063.65
3	Voluntary	n/a		
22				25 141 354.15

3 ITA were signed during 2018 for a total value of EUR 110 560.20.

F4E supports the ITER IO in the preparation of the technical specifications to be included in the PAs for the components under the EU in-kind contribution through these Task Agreements (ITAs).

As for the PA signed with ITER IO, F4E only enters into a legal obligation which results in a budgetary commitment by signing contracts or grant agreements with third parties in accordance with its financing decision.

7.4.1.4. Broader Approach Agreement

(kBAUA)

BA Projects	EU Share	PA signed	PA credit awarded	Of which F4E Contribution	PA signed (1)	PA credit awarded (2)	Balance (3)=(1)-(2)
JT60SA	236.41	236.40	225.60	44.06	44.05	41.19	2.86
IFMIF/EVEDA	147.84	147.33	133.06	20.79	20.79	17.13	3.66
IFERC	115.75	115.75	114.17	2.55	2.55	2.21	0.34
BA_Total	500.00	499.48	472.83	67.40	67.39	60.53	6.86

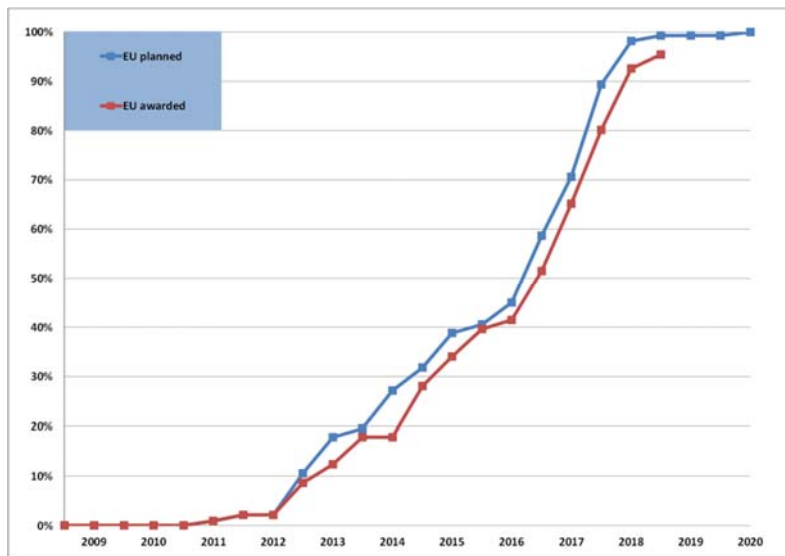
The Broader Approach Agreement between Euratom and the Government of Japan envisages two Implementing Agencies, F4E and QST, who are responsible for providing the Parties individual contributions. F4E's contribution is mostly provided by Voluntary Contributors agreed at the time of the ITER site decision. Their contribution is formalised by Agreements of Collaboration which match the obligations entered into by F4E with QST in each PA. The Agreements of Collaboration signed between the respective Voluntary Contributors and F4E result in contracts being placed and managed by a Voluntary Contributors Designated Institution. Some items are procured directly by F4E.

Each BA project is executed by its own Integrated Project Team, consisting of QST and F4E staff, as well as staff from the Voluntary Contributors Designated Institution. This is coordinated by a Project Team of experts proposed by each Implementing Agency.

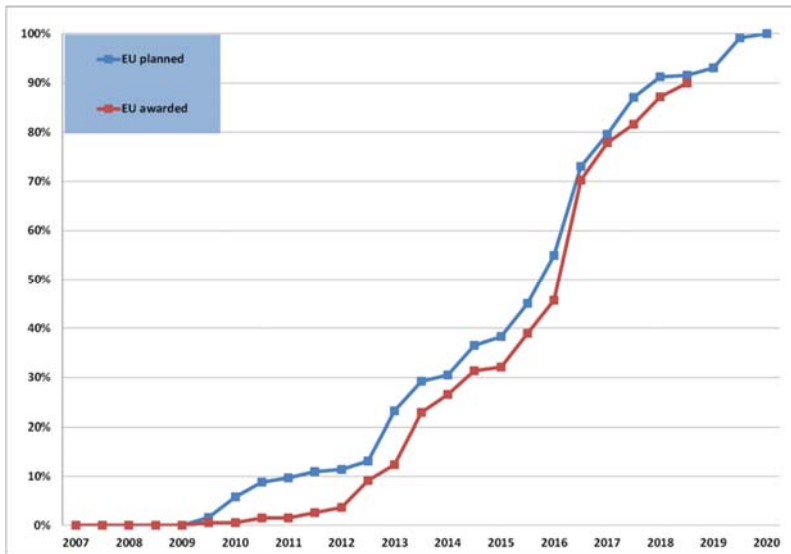
The contribution of each Party to the BA Activities is evaluated by a system of credits similar to the approach followed in the ITER project. The complete scope of work covered by the BA Agreement is assessed with a value of 1 000 000.00 BA Units of Account (BAUA), 500 000.00 of which are provided by Euratom. In the joint declaration establishing the BA Activities the overall scope of the Euratom contribution was evaluated at EUR 339 million in 2005, which means that 1 BAUA = EUR 678 in values of that time.

Further details of the BA activities may be found on the BA web site (www.ba-fusion.org).

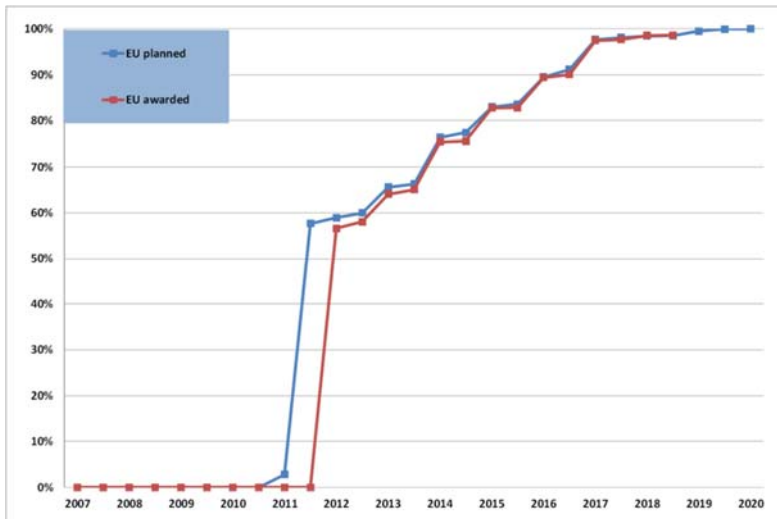
The graphs below show the % of total EU credits by semester up to the end of 2018 by project.



JT-60SA



IFMIF



IFERC

Components of the prototype accelerator (LIPAc) mentioned in Art. 6 of Annex I of the BA agreement provided by the Voluntary Contributor (CEA), have been delivered and installed on site (Japan). The agreement foresees that F4E shall retain the ownership of the components (Injector, Radio frequency power supplies, generators and their auxiliaries and control system) and shall take responsibility for shipping these components back after the dismantling of the prototypical accelerator. The transport cost are estimated to EUR 280 000. It is currently not clear if these components will be shipped back as no alternative use is foreseen after decommissioning.

7.4.2. Contingent assets

A contingent asset is a possible asset that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of F4E. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

Contingent assets are assessed at each balance sheet date to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

Guarantees are possible assets (or obligations) that arise from past events and whose existence will be confirmed by the occurrence or non-occurrence of the object of the guarantee. Guarantees can thus qualify as contingent assets (or liabilities). A guarantee is settled when the object of the guarantee no longer exists. It is crystallised when the conditions are fulfilled for calling a payment from the guarantor.

Account	Description	31.12.2018	31.12.2017
901120	Guarantees for pre-financing (nominal-on going)	183 964 271.91	223 577 755.33
901180	Performance guarantees	185 234 184.81	196 157 063.76
901100	Total - Guarantees received	369 198 456.72	419 734 819.09

Guarantees received in respect of pre-financing:

These are guarantees that F4E in certain cases requests from beneficiaries when paying out advance payments (pre-financing). There are two values to disclose for this type of guarantee, the "nominal" and the "on-going" values. For the "nominal" value, the generating event is linked to the existence of the guarantee. For the "on-going" value, the guarantee's generating event is the pre-financing payment and/or subsequent clearings.

Performance guarantees are sometimes requested to ensure that beneficiaries of F4E funding meet the obligations of their contracts with F4E.

7.4.3. Other significant disclosures

7.4.3.1. Commitment for future funding

A commitment for future funding represents a legal or constructive commitment, usually contractual, that F4E has entered into and which may require a future outflow of resources.

Account	Commitments for future fundings	31.12.2018	31.12.2017
902500	Commitments against appropriations not yet consumed*	1 155 812 961.10	1 356 826 635.01
903200	Operating lease	0.00	0.00
903300	Contractual commitment/obligations to deliver (open PAs/ITA's)**	2 644 928 157.85	2 852 764 639.92
903100	Other	0.00	0.00

* the majority of the leftovers on budgetary commitments are derived from PAs and therefore included under ** here below

** see above points 6.4.1.1, 6.4.1.2, 6.4.1.3 and 6.4.1.4. for details.

7.4.3.2. Reserve fund

The terms of reference of the ITER Reserve Fund were approved in 2015 in order to compensate the Domestic Agencies for cost increases incurred due to changes which are driven by the IO and have cost impacts. The Executive Project Board (EPB) has approved the eligibility to finance from the Reserve Fund Project Change Requests (PCRs) amounting to EUR 112 902 612.58. An additional amount of 1 000 565.00 EUR has been allocated to F4E under the ITER Undistributed Budget (see also point 8.4.1.1 below). F4E recognises the revenue in the year of approval of the legal commitment/contract amendment by the IO DG (EUR 13 646 994.26 for 2018).

7.4.3.3. Services in-kind

Under the Host agreement with Spain, the office building used by F4E is free of charge. For the year 2018, this service in-kind amounts to EUR 2 885 446.99.

7.5. Financial instruments

Financial instruments comprise cash, current receivables and recoverables, current payables, amounts due to and from consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks. Information about which and how they are managed is set out below. Pre-financings, accrued income, accruals and deferred income are not included.

The carrying amounts of financial instruments are as follows:

Financial assets	2018	2017
Current receivables	28 127 695.12	29 934 310.67
Other receivables	56 009.59	72 402.33
Cash and deposits	5 565 303.26	3 903 822.88
TOTAL	33 749 007.97	33 910 535.88

Financial liabilities	2018	2017
Current payables	77 404 386.83	268 412.37
Other payables	377 378.71	204 202.20
Accounts payable with EU entities	1 323 991.77	136 390 703.87
TOTAL	79 105 757.31	136 863 318.44

7.5.1. Liquidity Risk

Liquidity risk is the risk that arises from selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation. Liquidity risk arises from the ongoing financial obligations, including the settlement of payables.

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

Bank accounts opened in the name of F4E may not be overdrawn. Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the FR, the internal control standards, and audit principles. EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

F4E's liabilities have remaining contractual maturities as summarised below:

31 December 2018	< 1 year	1 - 5 years	> 5 years	Total
Payables with third parties	77 781 765.54	0.00	0.00	77 781 765.54
Payables with consolidated entities	1 323 991.77	0.00	0.00	1 323 991.77
Total liabilities	79 105 757.31	0.00	0.00	79 105 757.31

7.5.2. Credit Risk

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Treasury resources are kept with commercial banks. F4E recovers contributions from EURATOM and the ITER Host State in average 3 times per year to ensure appropriate cash management and to maintain a minimum cash balance on its bank account. This is with a view to limit its risk exposure. Requests to the EC are accompanied by cash forecasts. The overall treasury balances fluctuated between approximately EUR 0.30 million and EUR 270.00 million taking into account payment time limits for the recovery of contributions and the total of payments executed in 2018.

In addition, specific guidelines are applied for the selection of commercial banks in order to further minimise counterparty risk to which F4E is exposed.

All commercial banks are selected by call for tenders. The minimum short term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1). A lower level may be accepted in specific and duly justified circumstances.

Name of the bank	Credit quality/rating	Balance at 31/12/2018
ING Belgium	Upper medium grade	5 561 634.99
BNP Paribas Fortis		3 668.27

The credit ratings of the commercial banks where F4E has accounts are reviewed at least on a monthly basis or higher frequency if and when needed.

The table below shows the maximum exposure to credit risk by F4E.

Credit quality/rating	Amount of receivables with Member States
Prime and high grade	28 003 127.66
Upper medium grade	124 000.00
Lower medium grade	0.00
Non-investment grade	0.00

7.5.3. Market Risk

Market Risk can be split into interest rate risk and currency risk.

F4E is mainly concerned by the interest rate risk. Interest rate risk arises from cash. It is recognised that interest rates fluctuate and F4E accepts the risk and does not consider it to be material. F4E's treasury does not borrow any money. As a consequence, it is not exposed to interest rate risk. It does, however, earn interest on balances it holds on its bank accounts.

Overnight balances held on commercial bank accounts earn interest on a daily basis. This is based on variable market rates to which a contractual margin (positive or negative) is applied. For most of the accounts, the interest calculation is linked to the EONIA (Euro over night index average) or EURIBOR (Euro InterBank Offer Rate) and is adjusted to reflect any fluctuation of this rate (interests negotiated with the commercial banks may not be negative). As a result, no risk exists that F4E earns interest at rates lower than market rates or negative.

7.6. Related party disclosure

The related parties of F4E are the key management personnel. Transactions between F4E and the key management personnel take place as part of the normal operations and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU Accounting rules.

Highest grade description	Grade	Number of persons of this grade
Director	AD14	1

The transactions of F4E with key management personnel during financial year 2018 consist only of the payment of their remuneration, allowances and other entitlements in accordance with the Staff Regulations of the European Communities.

Section II. 2018 Budget Implementation

8. Budgetary implementation

8.1. Main Facts on the implementation of the 2018 budget of F4E

Revenue	100.0%	of the revenue was collected	Revenue : 831.31	Cashed: 831.18	EUR million
Commitments	98.4%	of Implementation of the final available budget	Final Budget: 706.23	Execution: 694.99	EUR million
	113.8%	compared to the original budget	Original Budget: 610.93	Execution: 694.99	EUR million
	99.9%	in individual commitments	Execution: 694.99	Ind.Commit.: 694.53	EUR million
Payments	96.1%	of implementation of the final available budget	Final Budget: 847.37	Execution: 813.99	EUR million
	128.4%	compared to the original budget	Original Budget: 634.12	Execution: 813.99	EUR million

8.2. The principles for the budgetary implementation

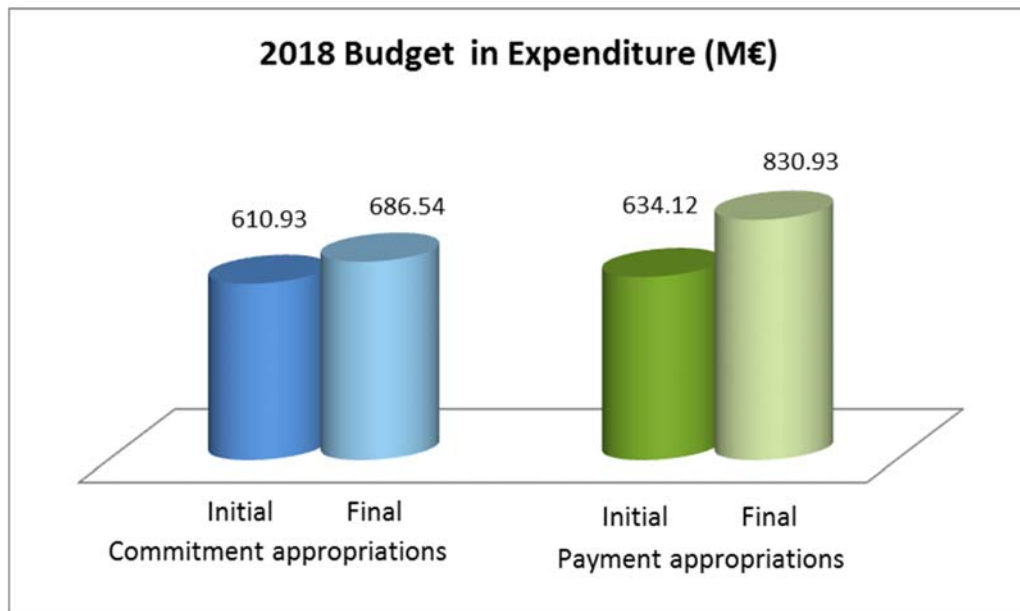
The budget is the instrument which, for each financial year, forecasts and implements the revenue and expenditure considered necessary for F4E.

The budget is established and implemented in compliance with the principles of unity, budgetary accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency.

- **unity and budget accuracy:** all F4E's expenditure and revenue must be incorporated in a single budget document, must be booked on a budget line and expenditure must not exceed authorised appropriation;
- **annuality:** the appropriation entered are authorised for a single year and must therefore be used during that year;
- **equilibrium:** the revenue and expenditure shown in the budget must be in balance (estimated revenue must equal payment appropriation);
- **unit of account:** the budget is drawn up and implemented in euro (EUR) and the accounts are presented in euro;
- **universality:** this principle comprises two rules: – the rule of non-assignment, meaning that budget revenue must not be earmarked for specific items of expenditure (total revenue must cover total expenditure); – the gross budget rule, meaning that revenue and expenditure are entered in full in the budget without any adjustment against each other;

- **specification:** each appropriation is assigned to a specific purpose and a specific objective;
- **sound financial management:** budget appropriations are used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness;
- **transparency:** the budget is established and implemented and the accounts presented in compliance with the principle of transparency - the budget and amending budgets are published in the website of F4E.

8.3. Evolution of the Budget



F4E 2018 budget was initially adopted by F4E's GB¹⁰ for the amount of EUR 610.93 million in commitment appropriations and EUR 634.12 million in payment appropriations.

It was successively amended in the June¹¹ and in the December¹² GB meetings.

The final available budget was EUR 686.54 million in commitment appropriations and EUR 830.93 million in payment appropriations.

¹⁰ Decision of the F4E GB F4E(17)-GB39-5.6 adopted on 01/12/2017

¹¹ Decision of the F4E GB F4E_D_2B298L adopted on 05/07/2018

¹² Decision of the F4E GB F4E_D_2B65MF adopted on 12/12/2018

8.4. Statement of Revenue

8.4.1. Evolution of the Statement of Revenue

8.4.1.1. Evolution of the Statement of Revenue in Commitment Appropriations

Commitment Appropriations (EUR)

Heading of the 2018 Budget	Initial budget 01 Dec. 2017 (1)	Amending budget 05 July 2018 (2)	Amending budget 12 Dec. 2018 (3)	Final Budget (4)=(1)+(2)+(3)	Additional 2018 revenue (5)	Final Revenue (6)=(4)+(5)
I - 1 10 PARTICIPATION FROM THE EUROPEAN UNION TO OPERATIONAL EXPENDITURE	321 108 018.00	11 920 764.00		333 028 782.00		333 028 782.00
I - 1 11 RECOVERY FROM PREVIOUS YEARS OPERATIONAL EXPENDITURE	93 706 781.00		26 300 000.00	120 006 781.00		120 006 781.00
I - 1 20 PARTICIPATION FROM THE EUROPEAN UNION TO ADMINISTRATIVE EXPENDITURE	48 016 981.00		790 000.00	48 806 981.00		48 806 981.00
I - 1 21 RECOVERY FROM PREVIOUS YEARS ADMINISTRATIVE EXPENDITURE	1 183 099.32			1 183 099.32		1 183 099.32
I - 2 10 ANNUAL MEMBERSHIP CONTRIBUTIONS	4 920 000.00			4 920 000.00		4 920 000.00
I - 3 10 ASSIGNED REVENUE ACCRUING FROM THE CONTRIBUTION OF ITER HOST STATE	142 000 000.00			142 000 000.00		142 000 000.00
I - 4 10 MISCELLANEOUS REVENUE	p.m.		1 474.19	1 474.19	23 246 750.28	23 248 224.47
I - 5 10 OTHER ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	p.m.			p.m.	0.00	0.00
I - 5 20 OTHER ASSIGNED REVENUE FROM THE IO RESERVE FUND	p.m.			p.m.	13 646 994.25	13 646 994.25
Total Revenue	610 934 879.32	11 920 764.00	27 091 474.19	649 947 117.51	36 893 744.53	686 840 862.04

The changes to the statement of revenue in commitment appropriations are:

- **+ EUR 11 920 764.00** of additional Euratom contribution originated from the Swiss contribution to the EU Fusion programme;
- **+ EUR 26 300 000.00** called from the previous unused appropriations, reutilised to balance the level of expenditure according to the work programme;
- **+ EUR 790 000.00** of additional Euratom contribution to administrative expenditure collected from unused appropriations in other EU energy domains;
- **+ EUR 1 474.19** of bank interests collected on the F4E's bank accounts from the fourth quarter 2017 to the third quarter 2018;
- **+ EUR 23 246 750.28** of commitment additional revenue from re-imbusement (repayment), automatically assigned to the corresponding heading of expenditure according to article 23 FR. It corresponds to various recoveries of payments made in excess, mainly on operational contracts. Those recoveries generally happen following the implementation of audit recommendations or are due to changes in scope of contracts;
- **+ EUR 13 646 994.25** of assigned revenue from the ITER Reserve Fund and from the ITER Undistributed Budget.

According to the Terms of reference of the ITER Reserve Fund¹³ and to the ITER Reserve Fund Management Plan¹⁴, the requests for changes introduced by IO shall be financed from the ITER Reserve Fund, subject to:

- The authorisation for financing from the Reserve Fund given by the Director General of ITER Organization (IO-DG), implemented through the decisions of the Executive Project Board (EPB);
- The approval of the related contractual amendment, also given by the IO-DG.

The revenue from the ITER Undistributed Budget covers the cost incurred by F4E on specific requests of IO-DG, to resolve cases of non-conformities in the best interest of the project¹⁵.

The following revenue in commitment appropriations were opened since 2015 according to the procedures above for the Reserve Fund and the Undistributed Budget:

Obligations from the Reserve Fund and the Undistributed Budget					(EUR)
Procedure	2015	2016	2017	2018	Total
RESERVE FUND / EPB DECISION					
IO obligations to F4E for the Reserve Fund	47 103 414.76	12 933 863.30	39 411 090.98	13 454 243.54	112 902 612.58
UNDISTRIBUTED BUDGET / CONTRACT APPROVAL					
IO obligations to F4E from the Undistributed budget	-	-	-	1 000 565.00	1 000 565.00
Total IO obligations	47 103 414.76	12 933 863.30	39 411 090.98	14 454 808.54	113 903 177.58
Commitment appropriations from the Reserve Fund and the Undistributed Budget					(EUR)
RESERVE FUND / CONTRACT APPROVAL					
Commitment appropriations on budget chapter 36	1 301 314.76	14 983 791.90	714 815.39	12 646 429.26	29 646 351.31
Reduction due to non approval of PCR 670		-450 000.00			-450 000.00
UNDISTRIBUTED BUDGET / CONTRACT APPROVAL					
Commitment appropriations on budget chapter 36	-	-	-	1 000 565.00	1 000 565.00
Total Commitment appropriations received from IO	1 301 314.76	14 533 791.90	714 815.39	13 646 994.26	30 196 916.31

It should be noted that the PCR-670 is not yet approved by EPB. The corresponding appropriations amounting to EUR 0.45 million is not implemented in expenditure.

¹³ Approved by ITER Council on 17 July 2017

¹⁴ ICS/2015/OUT/0071(RML3XE)

¹⁵ IC-23/10.2 (MAC-26/05.2) Proposal for Inter- Organization Non-Conformity Resolution Mechanism and Process

8.4.1.2. Evolution of the Statement of Revenue in Payment Appropriations

Payment appropriations (EUR)

Heading of the 2018 Budget	Initial budget 01 Dec. 2017 (1)	Amending budget 05 July 2018 (2)	Amending budget 12 Dec. 2018 (3)	Final Budget (4)=(1)+(2)+(3)	Additional 2018 revenue (5)	Final Revenue (6)=(4)+(5)
I - 1 10 PARTICIPATION FROM THE EUROPEAN UNION TO OPERATIONAL EXPENDITURE	445 301 679.00	159 920 764.00		605 222 443.00		605 222 443.00
I - 1 11 RECOVERY FROM PREVIOUS YEARS OPERATIONAL EXPENDITURE	4 698 321.00			4 698 321.00		4 698 321.00
I - 1 20 PARTICIPATION FROM THE EUROPEAN UNION TO ADMINISTRATIVE EXPENDITURE	48 016 981.00		790 000.00	48 806 981.00		48 806 981.00
I - 1 21 RECOVERY FROM PREVIOUS YEARS ADMINISTRATIVE EXPENDITURE	1 183 099.32			1 183 099.32		1 183 099.32
I - 2 10 ANNUAL MEMBERSHIP CONTRIBUTIONS	4 920 000.00			4 920 000.00		4 920 000.00
I - 3 10 ASSIGNED REVENUE ACCRUING FROM THE CONTRIBUTION OF ITER HOST STATE	130 000 000.00			130 000 000.00		130 000 000.00
I - 4 10 MISCELLANEOUS REVENUE	p.m.		1 474.19	1 474.19	23 246 750.28	23 248 224.47
I - 5 10 OTHER ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	p.m.			p.m.	0.00	0.00
I - 5 20 OTHER ASSIGNED REVENUE FROM THE IO RESERVE FUND	p.m.			p.m.	13 148 645.00	13 148 645.00
Total Revenue	634 120 080.32	159 920 764.00	791 474.19	794 832 318.51	36 395 395.28	831 227 713.79

The changes to the statement of revenue in payment appropriations are:

- **+ EUR 159 920 764.00** of the Euratom operational contribution. This additional amount is made of :
 - the EUR 11 920 764.00 from the Swiss contribution to the Fusion programme mentioned in the evolution of the revenue in commitments (see note 8.4.1.1.) and
 - from an additional contribution of EUR 148 000 000.00 from the 2018 EU budget.

The initial request for the 2018 budget, established at the end of 2016, was lowered due to past underperformances in the implementation in payments. The actual advancement of the execution of the contracts made necessary an important reinforcement. The GB was informed about the situation described with the 2017 annual accounts in its December 2017 (GB (39) meeting) allowing to take corrective measure in July 2018 (GB (41) meeting).

If the reinforcement in payment appropriations facilitated the financial management of F4E, it shall be noted that the original budget was already granting the respect of all F4E financial obligations related to contract with third parties.

- **+ EUR 790 000.00** of additional Euratom contribution for administrative expenditure, together with the revenue in commitment mentioned at under the note 8.4.1.1.
- **+ EUR 13 148 645.00** requested to IO for the ITER Reserve Fund.
- **+ EUR 23 246 750.28** and **EUR 1 474.19** of miscellaneous and additional revenue as described above under point 8.4.1.1. in commitment appropriations.

8.4.2. Implementation of the Statement of Revenue

8.4.2.1. Implementation of the Statement of Revenue in Commitment Appropriations

Commitment Appropriations (EUR)

Heading of the 2018 Budget	Final Revenue from 2018 (1)	Not Cashed and/or Non budgeted revenue (2)	Final Revenue from the 2018 Budget (3)=(1)+(2)
I - 1 10 PARTICIPATION FROM THE EUROPEAN UNION TO OPERATIONAL EXPENDITURE	333 028 782.00		333 028 782.00
I - 1 11 RECOVERY FROM PREVIOUS YEARS OPERATIONAL EXPENDITURE	120 006 781.00		120 006 781.00
I - 1 20 PARTICIPATION FROM THE EUROPEAN UNION TO ADMINISTRATIVE EXPENDITURE	48 806 981.00		48 806 981.00
I - 1 21 RECOVERY FROM PREVIOUS YEARS ADMINISTRATIVE EXPENDITURE	1 183 099.32		1 183 099.32
I - 2 10 ANNUAL MEMBERSHIP CONTRIBUTIONS	4 920 000.00		4 920 000.00
I - 3 10 ASSIGNED REVENUE ACCRUING FROM THE CONTRIBUTION OF ITER HOST STATE	142 000 000.00		142 000 000.00
I - 4 10 MISCELLANEOUS REVENUE	23 248 224.47	-297 818.11	22 950 406.36
I - 5 10 OTHER ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	0.00		0.00
I - 5 20 OTHER ASSIGNED REVENUE FROM THE IO RESERVE FUND	13 646 994.25		13 646 994.25
Total Revenue	686 840 862.04	-297 818.11	686 543 043.93

The implementation of the revenue foreseen in the budget is automatic, by virtue of the fact that the commitment appropriations are not revenue but authorisation of expenditure only based on the amounts adopted by the GB in the annual F4E budget.

8.4.2.2. Reconciliation revenue / available commitment

In the table below is provided the list of the revenue received, not included in any budget amendment for approval by the GB and therefore cancelled:

(EUR)

Total revenue in commitment appropriations			686 840 862.04
F4E-OMF-0457-01-07 FP LIQUIDATED DAMAGES	Cashed, Not budgeted	-2 435.20	-297 250.65
F4E-OMF-0466-02-07 & 08 FP LIQUIDATED DAMAGES	Cashed, Not budgeted	-1 920.78	
F4E-OMF-0577-01-02 FP LIQUIDATED DAMAGES	Cashed, Not budgeted	-231 054.83	
COURT OF JUSTICE DECISION IN CASE T-553/13	Cashed, Not budgeted	-26 000.00	
COURT OF JUSTICE DECISION IN CASE T-668/15	Cashed, Not budgeted	-35 839.84	
F4E-2016-EXP-250 PRE-FINANCING AMOUNT EXCEED WORK PERFORMED	Not Cashed, Not budgeted	-567.46	-567.46
Total revenue according to the 2018 Budget			686 543 043.93
CARRY OVER OF COMMITMENT APPROPRIATIONS FROM 2017 TO 2018			19 687 187.84
Total available in Commitment appropriations			706 230 231.77

The cancelled revenue are therefore included in the Budget Outturn account in payment appropriations and shall be made available in commitment and payment at the time of recovery of the outturn with the budget 2020.

Finally, automatic carry-over from the budget 2017, amounting to EUR 19 687 187.84 were added in revenue and expenditure.

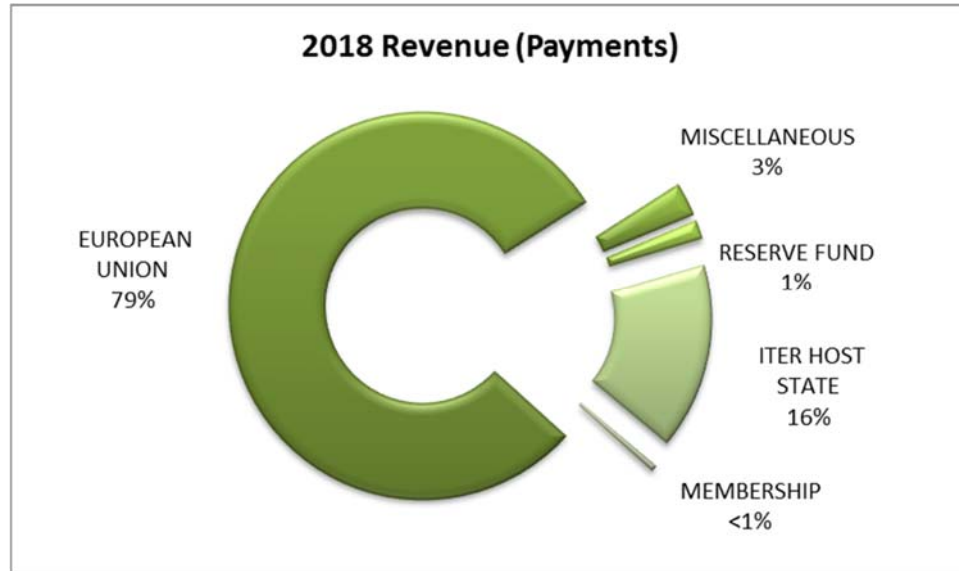
8.4.2.3. Implementation of the Statement of Revenue in Payment Appropriations

Payment appropriations (EUR)

Heading of the 2018 Budget	Final Revenue from 2018 (1)	Outstanding revenue from previous years (2)	Final actual revenue (Debit note cashed) (3)	Outstanding Revenue at the year end (4) = (1)+(2)-(3)	Cancelled Revenue (outturn)
I - 1 10 PARTICIPATION FROM THE EUROPEAN UNION TO OPERATIONAL EXPENDITURE	605 222 443.00	-	605 222 443.00	-	
I - 1 11 RECOVERY FROM PREVIOUS YEARS OPERATIONAL EXPENDITURE	4 698 321.00	-	4 698 321.00	-	
I - 1 20 PARTICIPATION FROM THE EUROPEAN UNION TO ADMINISTRATIVE EXPENDITURE	48 806 981.00	-	48 806 981.00	-	
I - 1 21 RECOVERY FROM PREVIOUS YEARS ADMINISTRATIVE EXPENDITURE	1 183 099.32	-	1 183 099.32	-	
I - 2 10 ANNUAL MEMBERSHIP CONTRIBUTIONS	4 920 000.00	79 000.00	4 875 000.00	124 000.00	
I - 3 10 ASSIGNED REVENUE ACCRUING FROM THE CONTRIBUTION OF ITER HOST STATE	130 000 000.00	-	130 000 000.00	-	
I - 4 10 MISCELLANEOUS REVENUE	23 248 224.47		23 247 657.01	567.46	297 818.11
I - 5 10 OTHER ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	0.00	-	0.00	-	
I - 5 20 OTHER ASSIGNED REVENUE FROM THE IO RESERVE FUND	13 148 645.00	-	13 148 645.00	-	
Total Revenue	831 227 713.79	79 000.00	831 182 146.33	124 567.46	297 818.11

The final statement of revenue was almost entirely cashed.

The breakdown of revenue by contributor in 2018 in payment appropriations is as follows :



8.4.2.4. Reconciliation cashed revenue / payment available

The revenue from Euratom and France is budgeted in full for the year of the budget and has been entirely cashed.

For the membership contribution and miscellaneous revenue, some delays in cashing introduced discrepancies between the actual total amount received by F4E and the amount adopted with the budget:

- The 2017 membership contribution from Portugal, outstanding at the end of 2017, has been cashed in 2018;
- The 2018 membership contribution from Spain was received in January 2019 only;
- A small amount from the miscellaneous revenue was not cashed at the end of 2018;
- Some miscellaneous revenue, in most cases not yet available at the time of preparation of the amendment to the budget, was not submitted to the GB and is therefore not budgeted. This revenue is budgeted with the recovery of the outturn in the following year.

(EUR)

Total cashed revenue		831 182 146.33
PORTUGAL 2017 MEMBERSHIP CONTRIBUTION	Cashed, Not budgeted	-79 000.00
LIQUIDATED DAMAGES & COURT OF JUSTICE DECISIONS	Cashed, Not budgeted	-297 250.65
SPAIN 2018 MEMBERSHIP CONTRIBUTION	Budgeted, Not cashed	124 000.00
Total revenue according to the 2018 Budget		830 929 895.68
CARRY OVER OF PAYMENT APPROPRIATIONS FROM 2017 TO 2018		16 437 092.48
Total available revenue in payment appropriations		847 366 988.16

8.5. Statement of Expenditure

8.5.1. Evolution of the Statement of Expenditure in Commitment

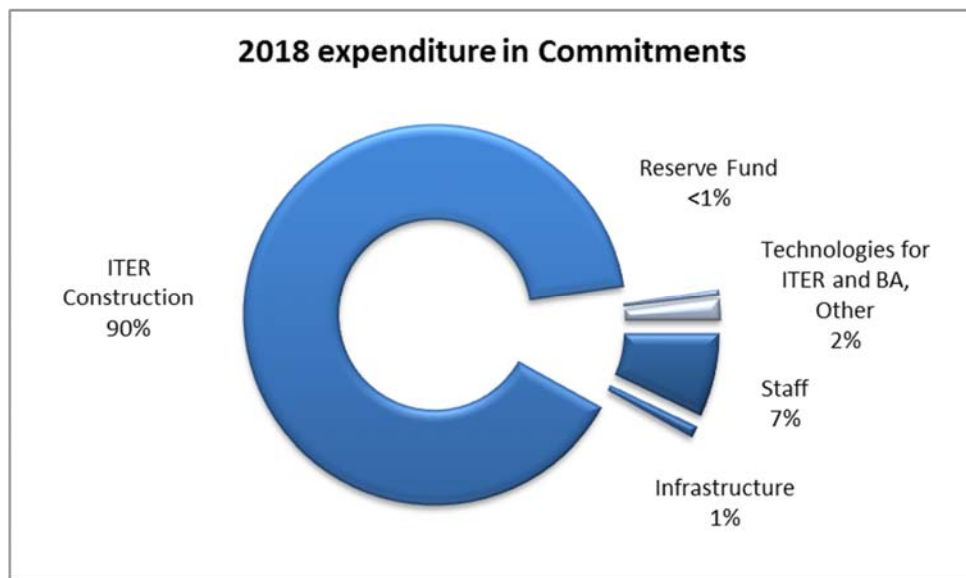
In line with the F4E budgetary procedure, the statement of expenditure adopted with the initial 2018 budget was established on the basis of the 2016 edition of the Resource Estimates Plan, and adjusted to the final outcome of the budgetary procedures of Euratom and France.

The statement of expenditure is aligned with the original 2018 Work Programme (WP), and further adjusted in the course of its implementation in accordance with the successive changes in the statement of revenue and with the amendments to the WP.

These adjustments were implemented with the two amending budgets and through the transfers approved by the Director within the limits foreseen in article 27 F4E FR. The GB is duly informed about the transfers at each GB meetings with the update of the “status of commitments and payments” document.

The appropriations accruing from assigned revenue and not used at the end of 2017 were automatically carried over to 2018.

The final breakdown of the statement of expenditure in commitment appropriations is as follows:



Evolution of the Statement of Expenditure in Commitment (EUR)

Heading of the 2018 Budget	Initial budget 01 December 17 (1)	Amending Budget 05 July 18 12 December 18 (2)	Transfers adopted by F4E Director (3)	Additional revenue (4)	Final budget (5)=Σ(1 to 4)	Carried over from 2017 (6)	Final budget for implementation (7)=(5)+(6)
CH 11 STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	29 283 030.32	791 474.19	2 553 432.52		32 627 937.03		32 627 937.03
CH 12 EXTERNAL STAFF EXPENDITURE (CA, IS AND SNE)	10 744 000.00		-147 211.98	787.34	10 597 575.36		10 597 575.36
CH 13 MISSIONS AND DUTY TRAVEL	1 400 000.00		415 000.00		1 815 000.00		1 815 000.00
CH 14 MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	1 137 000.00		-492 244.49		644 755.51		644 755.51
CH 15 REPRESENTATION	10 000.00		0.00		10 000.00		10 000.00
CH 16 TRAINING	831 000.00		-200 060.00		630 940.00		630 940.00
CH 17 OTHER STAFF MANAGEMENT EXPENDITURE	2 300 000.00		508 000.00		2 808 000.00		2 808 000.00
CH 18 TRAINEESHIPS	148 000.00		-20 683.09		127 316.91		127 316.91
TITLE 1 - Commitment	45 853 030.32	791 474.19	2 616 232.96	787.34	49 261 524.81	0.00	49 261 524.81
CH 21 BUILDINGS AND ASSOCIATED COSTS	1 489 000.00		-107 500.00	489 339.68	1 870 839.68		1 870 839.68
CH 22 INFORMATION AND COMMUNICATION TECHNOLOGIES	3 500 000.00		-9 187.31		3 490 812.69		3 490 812.69
CH 23 MOVABLE PROPERTY AND ASSOCIATED COSTS	856 050.00		-698 345.00		157 705.00		157 705.00
CH 24 EVENTS AND COMMUNICATION	299 000.00		-61 850.00		237 150.00		237 150.00
CH 25 OUTSOURCING AND OTHER CURRENT EXPENDITURE	1 384 000.00		-319 550.50		1 064 449.50		1 064 449.50
CH 26 POSTAGE AND TELECOMMUNICATIONS	425 000.00		-76 665.28		348 334.72		348 334.72
CH 27 EXPENDITURE ON FORMAL AND OTHER MEETINGS	314 000.00		44 000.00		358 000.00		358 000.00
CH 28 APPROPRIATION ACCRUING FROM THIRD PARTIES TO THE BUILDING REFURBISHMENT EXPENDITURE	p.m.		0.00		0.00		0.00
TITLE 2 - Commitment	8 267 050.00	0.00	-1 229 098.09	489 339.68	7 527 291.59	0.00	7 527 291.59
Total TITLE 1 & 2 - Commitment	54 120 080.32	791 474.19	1 387 134.87	490 127.02	56 788 816.40	0.00	56 788 816.40
CH 31 ITER CONSTRUCTION - INCLUDING SITE PREPARATION	393 176 799.00	42 626 075.00	-3 578 925.43	22 458 805.15	454 682 753.72	187 101.16	454 869 854.88
CH 32 TECHNOLOGY FOR ITER	6 468 000.00	528 792.00	2 086 840.35		9 083 632.35		9 083 632.35
CH 33 TECHNOLOGY FOR BROADER APPROACH AND DEMO	6 693 000.00	-2 515 696.00	-575 158.81		3 602 145.19		3 602 145.19
CH 34 OTHER EXPENDITURE	8 477 000.00	-2 418 407.00	680 109.02		6 738 702.02		6 738 702.02
CH 35 ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	142 000 000.00				142 000 000.00	18 941 939.90	160 941 939.90
CH 36 APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	p.m.			13 646 994.25	13 646 994.25	558 146.78	14 205 141.03
TITLE 3 - Commitment	556 814 799.00	38 220 764.00	-1 387 134.87	36 105 799.40	629 754 227.53	19 687 187.84	649 441 415.37
Total BUDGET in Commitment Appropriations	610 934 879.32	39 012 238.19	0.00	36 595 926.42	686 543 043.93	19 687 187.84	706 230 231.77

8.5.1.1. Evolution of the Administrative Expenditure

The administrative expenditure are non-differentiated appropriations (commitment and payment appropriations are in unison), therefore any transfers or budget amendments are authorised or adopted in both commitment and payment appropriations.

The additional revenue amounting to EUR 791 474.19 from the second amendment of the budget, adopted in December 2018, was allocated to the chapter 11 – Staff expenditure in the establishment plan.

The additional revenue from recovery amounting to EUR 787.34 was allocated to the chapter 12 – External Staff expenditure (Contractual Agent, Interim Staff, and Seconded National Expert).

It shall be noted that an additional revenue from recovery amounting to EUR 489 339.34 was allocated to the chapter 21 by error in the accounting system. As the 2018 financial year is closed, the amount has been transferred to the operational expenditure in the 2019 budget.

The transfers approved by the Director increased the administrative budget from the operational budget by EUR 1 387 134.87 and modified the detailed allocation of the administrative expenditure according to the final needs.

The major changes (> +/-10%) in the statement of administrative expenditure:

For the Title 1 – Staff expenditure (+7%):

- **Chapter 11** – Salaries of officials and temporary agents (+11%): Compared to the initial draft budget established in the 2016 edition of the Resource Estimate Plan, the additional needs are mainly due to the positive adjustments of salaries since 2017, while the vacancy rate was maintained at low level all along the year 2018.
Together with the chapter 12 for salaries of external staff, the additional needs for salaries for all F4E staff represents about 75 % of the reinforcement of the administrative budget.
- **Chapter 13** – Missions (+30%): The number of missions in the frame of the follow-up of the manufacturing contracts has been maintained, in order to take into account the recommendations of F4E's Management Assessors, as endorsed by the GB (i.e. F4E staff should be more present at the manufacturing sites). Those fees are of operational nature.
- **Chapter 14** – Miscellaneous expenditure on staff recruitment and transfer (-43%): These expenditures, depending on the number of recruitment, the size of family and the place of origin of the newcomers, are highly variable.
- **Chapter 16** – Training (-24%): The decrease confirms the effect of the revised training policy adopted in the previous year, in particular with a strict budget allocation by unit and team.
- **Chapter 17** – Other staff expenditure (+22%): The increase is linked to the cost of International Schooling and medical services.
- **Chapter 18** – Traineeships (-14%): The decrease is due to a lower number of requests for trainees than originally forecasted.

For the Title 2 – Building and associated cost (-9%):

- **Chapter 23** – Movable properties (-82%): The delay in the refurbishment of the building has also postponed the procurement of office furniture.
- **Chapter 24** – Events and communication (-21%): The implementation of the new external website has been postponed.
- **Chapter 25** – Outsourcing and other expenditure (-23%): The decrease is due to the non-utilisation of a reserve made for potential court cases and mediation.
- **Chapter 26** – Postage and telecommunication (-18%): F4E has signed a telephone contract with a new provider two years ago. As a result, the fixed and mobile telephone costs are lower than the estimate.
- **Chapter 27** – Expenditure on formal and other meetings (+14%): The increase is due to a higher number of meetings than forecasted.

8.5.1.2. Evolution of the Operational Expenditure in commitment appropriations

The statement of operational expenditure was modified with the two amending budgets to reflect the changes in the statement of revenue and to align the operational budget in commitment appropriations with the successive amendments to the 2018 WP in June and December 2018.

To be noted, the figures for the budget chapters 35 and 36 refer to the available appropriations for the 2018 budget only, whereas the details of the 2018 implementation by funds source provided in annex 7.7.3. from ABAC refers to the appropriations of the year plus the amounts left over on the commitments carried over from the previous years, respectively EUR 461.9 million for B035 and EUR 26.0 million for B036. This is due to the specific management of assigned revenue in the accounting system.

The major changes (> +/-10%) for the Title 3 - Operational expenditure (+13%):

- **Chapter 31** – ITER Construction (+16%): This chapter has the capacity to absorb additional revenue and impact of the changes from the other chapters, allowing to finance additional actions foreseen in the Work Programme.
- **Chapter 32** – Technology for ITER (+40%): The amount of the NBTF Work programme under the budget line 3.2 has increased with respect to the forecast.
- **Chapter 33** – Broader Approach (-46%): On the JT-60 project, some contracts for installation for TF coils were shifted to 2019. The Amendment to the Agreement of Collaboration on Cold Test Facility Nr. 2 moved to 2019 as the Procurement strategy changed. The work for Cryoplant spare/replacement parts shifted to 2019, as the definition with Japanese counterpart is delayed. For the other projects, there was a change of the scope for materials and components for LIPAc in order to advance priorities of LIPAc installation and some contracts were cancelled as no tenders were received.
- **Chapter 34** – Other Expenditure (-21%): The amount initially foreseen in the 2018 WP represented a ceiling according to the needs of the services. Each proposal for contract is scrutinised and the budget is adjusted at the end of the year with the actual implementation.

To be noted that, as foreseen in the budget, this Chapter contains expenditures of administrative nature directly linked to the projects : mainly experts but also Missions expenses (EUR 1.2 million), ICT expenses (EUR 1.2 million) and others such as scientific journals and databases related to Fusion (EUR 0.2 million).

8.5.2. Evolution of the Statement of Expenditure in Payment

8.5.2.1. Evolution in Administrative Expenditure

Due to the non-differentiated nature of the administrative expenditure, the main changes compared to the original budget are identical in commitment and in payment. They are described at section 7.5.1.

Nevertheless, the statement of expenditure in payment appropriations includes carried over appropriations from 2017, corresponding to administrative contract committed but not yet paid at the end of 2017.

8.5.2.2. Evolution of the Operational Expenditure in Payment Appropriations

The statement of expenditure was modified in the course of its implementation in accordance with the successive changes in the statement of revenue. Additional adjustments between budgetary chapters were implemented through transfers authorised by the Director, to honour all contractual obligations toward suppliers and to reach the highest possible rate of budget implementation at the year end.

The carry over made of appropriations adopted with the previous year budget is presented in a separate column from the 2018 budget, to show the total appropriations available for execution during 2018.

Evolution of the Statement of Expenditure in Payment Appropriations (EUR)

Heading of the 2018 Budget	Initial budget 01 December 17 (1)	Amending Budget 05 July 18 12 December 18 (2)	Transfers adopted by F4E Director (3)	Additional revenue (4)	Final budget (5)= Σ(1 to 4)	Carried over from 2017 (6)	Final budget for implementation (7)=(5)+(6)
CH 11 STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	29 283 030.32	791 474.19	2 553 432.52		32 627 937.03		32 627 937.03
CH 12 EXTERNAL STAFF EXPENDITURE (CA, IS AND SNE)	10 744 000.00		-147 211.98	787.34	10 597 575.36	238 791.30	10 836 366.66
CH 13 MISSIONS AND DUTY TRAVEL	1 400 000.00		415 000.00		1 815 000.00	723 637.91	2 538 637.91
CH 14 MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	1 137 000.00		-492 244.49		644 755.51	118 538.01	763 293.52
CH 15 REPRESENTATION	10 000.00		0.00		10 000.00	2 091.77	12 091.77
CH 16 TRAINING	831 000.00		-200 060.00		630 940.00	253 980.44	884 920.44
CH 17 OTHER STAFF MANAGEMENT EXPENDITURE	2 300 000.00		508 000.00		2 808 000.00	205 674.21	3 013 674.21
CH 18 TRAINEESHIPS	148 000.00		-20 683.09		127 316.91	21 927.73	149 244.64
TITLE 1 - Payment	45 853 030.32	791 474.19	2 616 232.96	787.34	49 261 524.81	1 564 641.37	50 826 166.18
CH 21 BUILDINGS AND ASSOCIATED COSTS	1 489 000.00		-107 500.00	489 339.68	1 870 839.68	619 254.80	2 490 094.48
CH 22 INFORMATION AND COMMUNICATION TECHNOLOGIES	3 500 000.00		-9 187.31		3 490 812.69	755 014.47	4 245 827.16
CH 23 MOVABLE PROPERTY AND ASSOCIATED COSTS	856 050.00		-698 345.00		157 705.00	169 727.86	327 432.86
CH 24 EVENTS AND COMMUNICATION	299 000.00		-61 850.00		237 150.00	115 100.67	352 250.67
CH 25 OUTSOURCING AND OTHER CURRENT EXPENDITURE	1 384 000.00		-319 550.50		1 064 449.50	449 498.93	1 513 948.43
CH 26 POSTAGE AND TELECOMMUNICATIONS	425 000.00		-76 665.28		348 334.72	250 366.26	598 700.98
CH 27 EXPENDITURE ON FORMAL AND OTHER MEETINGS	314 000.00		44 000.00		358 000.00	175 454.83	533 454.83
CH 28 APPROPRIATION ACCRUING FROM THIRD PARTIES TO THE BUILDING REFURBISHMENT EXPENDITURE	p.m.		0.00		0.00		0.00
TITLE 2 - Payment	8 267 050.00	0.00	-1 229 098.09	489 339.68	7 527 291.59	2 534 417.82	10 061 709.41
Total TITLE 1 & 2 - Payment	54 120 080.32	791 474.19	1 387 134.87	490 127.02	56 788 816.40	4 099 059.19	60 887 875.59
CH 31 ITER CONSTRUCTION - INCLUDING SITE PREPARATION	426 500 000.00	159 920 764.00	2 116 852.62	22 458 805.15	610 996 421.77	187 101.16	611 183 522.93
CH 32 TECHNOLOGY FOR ITER	9 000 000.00		-1 128 926.64		7 871 073.36		7 871 073.36
CH 33 TECHNOLOGY FOR BROADER APPROACH AND DEMO	6 500 000.00		1 647 792.42		8 147 792.42		8 147 792.42
CH 34 OTHER EXPENDITURE	8 000 000.00		-4 022 853.27		3 977 146.73		3 977 146.73
CH 35 ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	130 000 000.00				130 000 000.00	1 516 602.86	131 516 602.86
CH 36 APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	p.m.			13 148 645.00	13 148 645.00	10 634 329.27	23 782 974.27
TITLE 3 - Payment	580 000 000.00	159 920 764.00	-1 387 134.87	35 607 450.15	774 141 079.28	12 338 033.29	786 479 112.57
Total BUDGET in Payment Appropriations	634 120 080.32	160 712 238.19	0.00	36 097 577.17	830 929 895.68	16 437 092.48	847 366 988.16

8.5.3. Implementation of the Statement of Expenditure

8.5.3.1. Implementation of the Budget in Commitment Appropriations

Implementation of the Statement Expenditure in Commitment Appropriations (EUR)

Heading of the 2018 Budget	Commitment Appropriation		
	Final budget for implementation (1)	Final implementation (2)	% implementation (3)= (2)/(1)
CH 11 - STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	32 627 937.03	32 627 937.03	100.0%
CH 12 - EXTERNAL STAFF EXPENDITURE (CA, IS AND SNE)	10 597 575.36	10 597 575.36	100.0%
CH 13 - MISSIONS AND DUTY TRAVEL	1 815 000.00	1 815 000.00	100.0%
CH 14 - MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	644 755.51	644 755.51	100.0%
CH 15 - REPRESENTATION	10 000.00	10 000.00	100.0%
CH 16 - TRAINING	630 940.00	630 940.00	100.0%
CH 17 - OTHER STAFF MANAGEMENT EXPENDITURE	2 808 000.00	2 808 000.00	100.0%
CH 18 - TRAINEESHIPS	127 316.91	127 316.91	100.0%
TITLE 1 Commitment appropriations	49 261 524.81	49 261 524.81	100.0%
CH 21 - BUILDINGS AND ASSOCIATED COSTS	1 870 839.68	1 381 500.00	73.8%
CH 22 - INFORMATION AND COMMUNICATION TECHNOLOGIES	3 490 812.69	3 490 812.69	100.0%
CH 23 - MOVABLE PROPERTY AND ASSOCIATED COSTS	157 705.00	157 705.00	100.0%
CH 24 - EVENTS AND COMMUNICATION	237 150.00	237 150.00	100.0%
CH 25 - OUTSOURCING AND OTHER CURRENT EXPENDITURE	1 064 449.50	1 064 449.50	100.0%
CH 26 - POSTAGE AND TELECOMMUNICATIONS	348 334.72	348 334.72	100.0%
CH 27 - EXPENDITURE ON FORMAL AND OTHER MEETINGS	358 000.00	358 000.00	100.0%
CH 28 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO THE BUILDING REFURBISHMENT EXPENDITURE	0.00	0.00	-
TITLE 2 - Commitment appropriations	7 527 291.59	7 037 951.91	93.5%
Total TITLE 1 & 2	56 788 816.40	56 299 476.72	99.1%
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	454 869 854.88	454 717 178.33	100.0%
CH 32 - TECHNOLOGY FOR ITER	9 083 632.35	9 083 632.35	100.0%
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	3 602 145.19	3 602 145.19	100.0%
CH 34 - OTHER EXPENDITURE	6 738 702.02	6 726 502.02	99.8%
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	160 941 939.90	160 941 939.90	100.0%
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	14 205 141.03	3 614 631.65	25.4%
TITLE 3 - Commitment appropriations	649 441 415.37	638 686 029.44	98.3%
Total implementation	706 230 231.77	694 985 506.16	98.4%

A full implementation of the 2018 budget shall be considered.

Implementation of the administrative budget:

There are no specific observations regarding the implementation of the administrative budget for which the permanent monitoring of the needs allows reaching a fair balance between actual needs and budget.

EUR 0.49 million of additional revenue received in the last days of December were not implemented and carried over to the 2019 budget.

Implementation of the operational budget:

Regarding the operational expenditure, 98.3% of the budget has been implemented, of which 99.9% in individual commitments.

The amounts not implemented correspond to:

- **Chapter 31:** EUR 0.15 million were not implemented (C4) and carried over to 2019,
- **Chapter 34:** EUR 0.01 million not implemented (C1) and have been cancelled,
- **Chapter 36:** EUR 10.60 million have not been implemented mainly corresponding to regularisations from CH31 to CH36 and they will be carried over.

Flexibility Clause of the Work Programme

A **'flexibility' clause** has been introduced in the WP 2018 in order to limit the changes in the implementation of the budget compared to the substance of the WP adopted by the GB, and last defined in the article 2 of the GB decision approving the second amendment to the WP 2018¹⁶:

The GB hereby delegates to the Director of Fusion for Energy the power to make non substantial amendments to the annual Work Programme approved by the GB. Amendments are considered to be "non-substantial" if

(a) they do not lead to an increase of:

i. more than 10% of the Financial Resources allocated to the corresponding Action in the Annex V of the annual Work Programme for the year, or more than EUR 0.2 million for Actions with allocation of below EUR 2 million for the year; and

ii. more than 3% of the total operational expenditure in Title 3 of the annual Budget for the given year and if :

(b) any related changes to the scope of the annual Work Programme do not have significant impact on the nature of the Actions or on the achievement of objectives of the multiannual Project Plan.

Non-substantial amendments shall not lead to any increase in the total operational expenditure for Title 3 of the annual Budget approved by the GB."

The Budget 2018 has been implemented in full respect of this flexibility clause:

¹⁶ F4E(17)-GB39-5.4_2nd Amendment of the 2018 Work Programme

Implementation of the Work Programme (EUR)

Actions of the 2018 Work Programme	Commitment Appropriation				
	Original WP (1)	First Amending WP (2)	Second Amending WP (Final) (3)	Final Implementation (4)	% implementation (5)=((4)-(3))/(3)
Action 1: Magnets	7 847 990.00	9 056 648.39	9 745 950.00	9 148 497.53	-6.1%
Actions 2,3,4,10: Main Vessel systems	42 943 516.87	42 075 026.42	37 126 710.00	37 575 422.11	1.2%
Action 5: Remote Handling	15 133 570.00	13 796 859.75	4 612 591.00	4 109 392.53	-10.9%
Action 6: Cryoplant & Fuel Cycle	13 102 020.00	18 647 080.00	10 246 793.00	9 464 386.65	-7.6%
Action 7: Antennas and Plasma Engineering	4 030 000.00	3 695 283.60	3 347 594.00	3 407 216.05	1.8%
Action 8: Neutral Beam and EC Power Supplies and Sources	24 571 450.00	49 675 395.84	44 000 000.00	44 934 792.52	2.1%
Action 9: Diagnostics	18 265 970.79	7 819 648.41	9 039 000.00	8 414 764.16	-6.9%
Action 11: Buildings, Infrastructures & Power Supplies	220 006 401.66	245 310 525.62	315 981 877.00	313 186 831.76	-0.9%
Action 12: Cash Contributions	207 987 160.00	204 104 569.00	214 780 434.00	193 285 597.57	-10.0%
Action 13: Supporting Activities	32 385 800.00	16 332 841.84	14 322 181.00	11 191 797.42	-21.9%
Action 14: Broader Approach	6 743 000.00	6 746 970.36	4 086 304.00	3 999 757.84	-2.1%
TOTAL	593 016 879.32	617 260 849.23	667 289 434.00	638 718 456.14	-4.3%

To be noted, the “final” work programme is prepared in October for adoption by the GB in December. It cannot be directly compared to the “final” budget representing the implementation at the 31/12/2018. The final budget and the final implementation of the work programme are the same.

8.5.3.2. Implementation of the Budget in Payment Appropriations

Implementation of the Statement of Expenditure in Payment Appropriations(EUR)

Heading of the 2018 Budget	Payment Appropriation				
	Final budget for implementation (1)	On B 2018 commitments (2)	On B 2017 commitments (3)	Final implementation (4)=(2)+(3)	% implementation (5)= (4)/(1)
CH 11 - STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	32 627 937.03	32 627 937.03	0.00	32 627 937.03	100.0%
CH 12 - EXTERNAL STAFF EXPENDITURE (CA, IS AND SNE)	10 836 366.66	10 387 303.62	111 659.52	10 498 963.14	96.9%
CH 13 - MISSIONS AND DUTY TRAVEL	2 538 637.91	524 758.41	719 992.13	1 244 750.54	49.0%
CH 14 - MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	763 293.52	596 676.81	48 833.70	645 510.51	84.6%
CH 15 - REPRESENTATION	12 091.77	3 635.23	0.00	3 635.23	30.1%
CH 16 - TRAINING	884 920.44	413 264.52	153 529.72	566 794.24	64.1%
CH 17 - OTHER STAFF MANAGEMENT EXPENDITURE	3 013 674.21	2 452 613.13	152 381.48	2 604 994.61	86.4%
CH 18 - TRAINEESHIPS	149 244.64	127 316.91	0.00	127 316.91	85.3%
TITLE 1 - Payment appropriations	50 826 166.18	47 133 505.66	1 186 396.55	48 319 902.21	95.1%
CH 21 - BUILDINGS AND ASSOCIATED COSTS	2 490 094.48	801 754.25	481 615.17	1 283 369.42	51.5%
CH 22 - INFORMATION AND COMMUNICATION TECHNOLOGIES	4 245 827.16	1 647 247.80	670 376.78	2 317 624.58	54.6%
CH 23 - MOVABLE PROPERTY AND ASSOCIATED COSTS	327 432.86	53 024.78	102 414.31	155 439.09	47.5%
CH 24 - EVENTS AND COMMUNICATION	352 250.67	155 234.15	44 895.25	200 129.40	56.8%
CH 25 - OUTSOURCING AND OTHER CURRENT EXPENDITURE	1 513 948.43	685 013.75	274 802.17	959 815.92	63.4%
CH 26 - POSTAGE AND TELECOMMUNICATIONS	598 700.98	152 049.56	137 543.83	289 593.39	48.4%
CH 27 - EXPENDITURE ON FORMAL AND OTHER MEETINGS	533 454.83	209 848.43	136 341.00	346 189.43	64.9%
CH 28 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO THE BUILDING REFURBISHMENT EXPENDITURE	0.00	0.00	0.00	0.00	-
TITLE 2 - Payment appropriations	10 061 709.41	3 704 172.72	1 847 988.51	5 552 161.23	55.2%
Total TITLE 1 & 2 - Payment appropriations	60 887 875.59	50 837 678.38	3 034 385.06	53 872 063.44	88.5%
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	611 183 522.93	-	-	601 329 468.31	98.4%
CH 32 - TECHNOLOGY FOR ITER	7 871 073.36	-	-	7 871 073.36	100.0%
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	8 147 792.42	-	-	8 147 792.42	100.0%
CH 34 - OTHER EXPENDITURE	3 977 146.73	-	-	3 977 146.73	100.0%
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	131 516 602.86	-	-	129 318 457.43	98.3%
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	23 782 974.27	-	-	9 471 448.93	39.8%
TITLE 3 - Payment appropriations	786 479 112.57	0.00	0.00	760 115 387.18	96.6%
Total implementation	847 366 988.16	50 837 678.38	3 034 385.06	813 987 450.62	96.1%

Implementation of the administrative budget:

The EUR 0.49 million of additional revenue received in the last days of December were not implemented and carried over to the 2019 budget.

The amounts from the 2018 budget committed but not paid at the year-end were carried over to the 2019 budget according to the rule on non-differentiated appropriations.

EUR 1.06 million of unused payment appropriations carried over from 2017 were cancelled.

Implementation of the operational budget:

96.6% of the operational budget was implemented, and EUR 26.36 million were carried over to the 2019 budget, according to the rules for assigned revenue. The execution of the 2018 budget was limited by the available treasury, considering the recoverable VAT amounted to EUR 27.90 million at the end of 2018.

8.5.3.3. Additional information on the final implementation of the 2017 Budget

Final implementation of the Administrative expenditure 2017

The definitive execution of the administrative budget 2017 is determined at the end of 2018, when the amount carried over from the previous year corresponding to administrative actions committed but not yet paid are completed or cancelled.

The execution of the payment carried over is shown with the implementation of the statement of expenditure above. The final execution of the 2017 administrative budget is therefore as follows:

(EUR)	Title 1	Title 2	Total
Final 2017 administrative budget in commitment and payment appropriations	46 342 918.52	6 022 684.30	52 365 602.82

Final implementation of the Global commitments 2017

The level of global commitments at the end of 2017 was low and 88.2 % of those global commitments have been transformed into individual commitments during 2018.

Final implementation of the 2017 Global Commitments (EUR)	Appropriations available on 01/01/18	Appropriations made available again	Total available 2018	Implementation	%
individual Commitments placed in 2018	20 604 724.48	2 047 330.54	22 652 055.02	18 173 329.82	88.2%

8.5.4. Open commitments at 31 December 2018

The F4E obligations amount to EUR 1 314.90 million at the closure of the 2018 budget.

The total amount of open commitments is decreased by EUR 237.70 million compared to the situation at the end of 2017¹⁷.

The total amount left over on open budgetary commitments is detailed as follows:

Open commitments carried forward from 2018 to 2019

(EUR)

2018 budget Heading	Open Commitments beginning of 2019				
	from previous year (1)	from 2018 budget (2)	Total (3)=(1)+(2)	To be de-committed (4)	Net Total (5)=(3)-(4)
TITLE 1 - STAFF EXPENDITURE	0.00	2 128 019.15	2 128 019.15	0.00	2 128 019.15
TITLE 2 - OTHER OPERATING EXPEND.	53.36	3 333 779.19	3 333 832.55	53.36	3 333 779.19
Total TITLE 1 & 2	53.36	5 461 798.34	5 461 851.70	53.36	5 461 798.34
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	796 904 040.05	213 193 134.37	1 010 097 174.42	69 896 267.55	940 200 906.87
CH 32 - TECHNOLOGY FOR ITER	4 585 887.19	8 965 796.05	13 551 683.24		13 551 683.24
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	9 330 072.29	1 922 042.70	11 252 114.99		11 252 114.99
CH 34 - OTHER EXPENDITURE	2 257 789.97	4 162 535.78	6 420 325.75		6 420 325.75
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	180 369 392.28	152 228 753.15	332 598 145.43		332 598 145.43
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	2 364 216.61	3 093 575.65	5 457 792.26	44 234.81	5 413 557.45
Total TITLE 3	995 811 398.39	383 565 837.70	1 379 377 236.09	69 940 502.36	1 309 436 733.73
Total	995 811 451.75	389 027 636.04	1 384 839 087.79	69 940 555.72	1 314 898 532.07

Note :

- **Title 1:** There is no left over on the 2018 commitments related to direct staff cost, normally cancelled at the end of the current year. The balance as shown in the table above corresponds to other expenses linked to staff: missions, interim, schooling, training, etc. for which the commitments are carried over for one year.
- **Title 2:** The commitments are carried over and should be consumed at the latest by 31 December of the following year.
- **Title 3:** The open operational commitments are carried over to the following year with no limitation in time, to be paid according to the advancement of the contracts.

There are no global commitments from the 2018 budget to be carried over for implementation in individual commitments/contracts in 2019. Only a technical global commitment on the chapter 36 to be de-committed (EUR 0.268 million).

¹⁷ F4E(17)-GB38-16.1 2017 Final Annual Accounts

8.5.4.1. Status of unused commitment appropriation

According to the annuality principle of the F4E Financial Regulation, the unused commitment appropriations at the end of each year and the de-commitments made on the budget of the previous years are cancelled, except for assigned revenue.

The FR also foresees the possibility to make the cancelled appropriations available again in future budget. The corresponding amounts are as follows:

Commitment appropriation for operational expenditure (EUR)		CH 31-CH 34 Budgets	CH 35/CH 36 Assigned revenue	Total
Amount de-committed/not implemented as of 31/12/2018 (since 2008)	+	734 343 000.78	178 303 435.68	912 646 436.46
Amount budgeted again or carried over (since 2008)	-	225 766 541.00	178 303 435.68	404 069 976.68
Amount available for future budgets	=	508 576 459.78	-	508 576 459.78

From 2008 to 2018, the total of de-commitments amounts to EUR 912.65 million, mainly due to partial implementation of global commitments in individual contracts.

From this amount:

- EUR 178.30 million have been automatically carried over following the external assigned revenue rules,
- EUR 225.77 million have been reintroduced in the subsequent budgets on decision of the GB.

It results in a cumulative amount of unassigned commitment appropriations of EUR 508.57 million, to be entered in future F4E annual budgets.

8.5.4.2. Cancelled Payment appropriations**Cancelled Payment appropriations**

2018 budget Heading	(EUR)		
	Unused Appropriations (1)	Appropriations carried over to 2019 (2)	Cancelled appropriation (3)=(1)-(2)
TITLE 1	2 506 263.97	2 128 019.15	378 244.82
TITLE 2	4 509 548.18	3 823 118.87	686 429.31
Total TITLE 1 & 2 Payment	7 015 812.15	5 951 138.02	1 064 674.13
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	9 854 054.62	9 854 054.62	0.00
CH 32 - TECHNOLOGY FOR ITER	0.00	0.00	0.00
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	0.00	0.00	0.00
CH 34 - OTHER EXPENDITURE	0.00	0.00	0.00
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	2 198 145.43	2 198 145.43	0.00
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	14 311 525.34	14 311 525.34	0.00
TITLE 3 - Payment	26 363 725.39	26 363 725.39	0.00
Total BUDGET in Payment	33 379 537.54	32 314 863.41	1 064 674.13

The Payment appropriations not used by the 31/12/2018 are cancelled except the amount automatically carried over for Non Differentiated appropriations (Title 1 and Title 2) and assigned revenue (B035 and B036), according to the respective rules in the F4E FR.

Due to the almost full implementation of the 2018 budget and the automatic carry over, there are no cancelled appropriations except the amounts not paid in 2018 on open administrative commitments carried over from 2017. This represents about 1.7% of the total budget.

8.6. Budget Outturn account 2018

The outturn for the financial year is calculated according to the total revenue actually cashed minus the total payment incurred during the year, minus the appropriation carried over to the following year.

2018 Budget Outturn Account (EUR)

Budget Outturn Account		2018	2017
REVENUE			
Euratom contribution	+	659 910 844.32	717 684 707.74
ITER Host state and Membership contributions	+	134 875 000.00	129 905 500.00
ITER Reserve Fund	+	13 148 645.00	11 184 575.01
Other revenue	+	22 950 406.36	893 589.77
Other non budgeted revenue	+	297 250.65	464 414.47
TOTAL REVENUE (a)		831 182 146.33	860 132 786.99
EXPENDITURE			
<i>Title I: Staff</i>			
Payments	-	47 133 505.66	45 157 309.31
Appropriations carried over	-	2 128 019.15	1 564 641.37
<i>Title II: Infrastructure Expenditure</i>			
Payments	-	3 704 172.72	4 174 695.79
Appropriations carried over	-	3 823 118.87	2 534 417.82
<i>Title III: Operational Expenditure</i>			
Payments	-	760 115 387.18	783 304 603.91
Appropriations carried over	-	26 363 725.39	12 338 033.29
<i>Total Payments (b)</i>		<i>810 953 065.56</i>	<i>832 636 609.01</i>
<i>Total Appropriations carried over (c)</i>		<i>32 314 863.41</i>	<i>16 437 092.48</i>
TOTAL EXPENDITURE (d)=(b)+(c)		843 267 928.97	849 073 701.49
OUTTURN FOR THE FINANCIAL YEAR (a-d)		-12 085 782.64	11 059 085.50
Cancellation of unused payment appropriations carried over from previous year	+	1 064 674.13	943 268.23
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	12 338 033.29	5 214 390.36
Exchange differences for the year (gain +/loss -)	+/-	-190.61	19 448.54
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		1 316 734.17	17 236 192.63
Of which Administrative expenditure		1 064 483.52	963 132.40
Of which Operational expenditure		252 250.65	16 273 060.23

For the 2018 financial year, the balance of the budget outturn amounts to EUR 1.32 million.

8.7. Annexes

8.7.1. Multi-annual payment schedule for the operational budget

Year	Commitments	Paid <=2007	Paid 2008	Paid 2009	Paid 2010	Paid 2011	Paid 2012	Paid 2013	Paid 2014	Paid 2015	Paid 2016	Paid 2017	Paid 2018	Outstanding amount
<= 2007	115 445 438.21	44 786 869.53	17 483 367.00	22 159 849.68	6 661 575.00	5 814 938.04	10 677 563.35	5 536 846.81	2 062 547.93	261 880.87	-	-	-	-
2008	162 505 480.01	-	66 535 002.37	25 675 909.44	12 397 585.34	22 041 158.79	16 926 171.12	10 755 158.98	8 026 734.12	-	-	-	-	147 759.85
2009	295 658 870.68	-	-	63 201 452.03	40 413 138.03	72 962 663.48	34 136 990.20	23 997 122.64	26 549 875.43	13 259 338.45	8 008 925.36	9 541 166.89	1 995 858.00	1 592 340.17
2010	389 925 510.27	-	-	-	102 542 780.43	60 943 579.59	58 266 404.13	52 784 759.28	34 717 587.59	39 227 964.72	9 607 653.62	15 107 792.58	7 052 706.24	9 674 282.09
2011	370 805 860.98	-	-	-	-	57 876 015.77	118 112 199.21	48 623 561.70	29 962 742.34	26 739 952.54	35 305 192.97	42 950 825.08	1 186 051.53	10 049 319.84
2012	1 099 974 130.46	-	-	-	-	-	83 739 910.79	144 231 319.33	128 364 796.05	164 239 683.64	189 718 067.75	152 829 836.45	59 686 026.83	177 164 489.62
2013	827 151 882.92	-	-	-	-	-	-	67 053 699.98	181 415 330.39	96 759 662.07	124 738 904.24	85 677 718.98	80 349 613.29	191 156 953.97
2014	580 417 479.08	-	-	-	-	-	-	-	52 626 681.58	93 676 757.92	116 670 110.66	78 631 340.28	68 952 541.72	169 860 046.92
2015	369 837 127.74	-	-	-	-	-	-	-	-	46 616 552.99	123 149 761.09	50 541 171.89	57 643 284.14	91 886 357.63
2016	414 871 260.17	-	-	-	-	-	-	-	-	-	58 687 305.83	229 014 259.88	59 591 457.06	67 578 237.40
2017	494 765 443.06	-	-	-	-	-	-	-	-	-	-	119 010 491.88	168 993 842.63	206 761 108.55
2018	638 686 029.44	-	-	-	-	-	-	-	-	-	-	-	254 664 005.74	384 022 023.70
Total	5 760 044 513.02	44 786 869.53	84 018 369.37	111 037 211.15	162 015 078.80	219 638 355.67	321 859 238.80	352 982 468.72	463 726 295.43	480 781 793.20	665 885 921.52	783 304 603.91	760 115 387.18	1 309 892 919.74

Notes:

- The 2018 commitments include the global commitment to be executed in individual commitment during 2019.
- The actions accounted to F4E projects and implemented by the Commission and the CEA before F4E financial autonomy in 2008 are included.
- For information, 1 052 commitment positions are open in ABAC on the 31/12/18.

8.7.2. Reconciliation between budgetary and accrual based accounts

	sign +/-	Amount (EUR)
Economic result (+ for surplus and - for deficit)	+/-	-39 967 648.84
<i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i>		
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	+/-	57 529 371.83
Adjustments for Accrual Cut-off (cut- off 31.12.N)	+/-	-72 976 449.12
Unpaid invoices at year end but booked in charges (class 6)	+	77 348 248.50
Depreciation of intangible and tangible assets	+	6 607 174.28
Provisions (impact of the year)	+/-	23 711 039.23
Recovery Orders issued in 2018 in class 7 and not yet cashed	-	-124 000.00
Prefinancing given in previous year and cleared in the year	+	117 482 849.88
Prefinancing received in previous year and cleared in the year	-	0.00
Payments made from carry over of payment appropriations	+	3 034 385.06
Other	+/-	-40 918 976.90
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
Asset acquisitions (less unpaid amounts)	-	-284 743.63
New pre-financing paid in the year 2018 and remaining open as at 31.12.2018	-	-28 596 057.26
New pre-financing received in the year 2018 and remaining open as at 31.12.2018	+	1 316 734.17
Budgetary recovery orders issued before 2018 and cashed in the year	+	79 000.00
Budgetary recovery orders issued in 2018 on balance sheet accounts (not 7 or 6 accounts) and cashed	+	0.00
Payment appropriations carried over to 2019	-	-32 314 863.41
Cancellation of unused carried over payment appropriations from previous year	+	1 064 674.13
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	12 338 033.29
Other : Invoices paid in 2018 but booked in charges in previous years	+/-	-84 012 000.53
total		1 316 770.68
Budgetary result (+ for surplus)	+/-	1 316 734.17
Including amount of exchange rate differences		-190.61
Delta not explained		36.51

8.7.3. 2018 Budget – Detail of the evolution and execution of the statement of revenue

Detail of the evolution and execution of the statement of revenue

Commitment Appropriations (EUR)

Heading of the 2018 Budget	Initial budget 01 Dec. 2017 (1)	Amending budget 05 July 2018 (2)	Amending budget 12 Dec. 2018 (3)	Final Budget (4)=(1)+(2)+(3)	Additional cash revenue (5)	Cancelled revenue (outturn) (6)	Final Available Revenue (7)=(4)+(5)-(6)	Carry over from 2017 (8)	Final Available Budget (9)=(7)+(8)
I - 1 10 PARTICIPATION FROM THE EUROPEAN UNION TO OPERATIONAL EXPENDITURE	321 108 018.00	11 920 764.00		333 028 782.00			333 028 782.00		333 028 782.00
I - 1 11 RECOVERY FROM PREVIOUS YEARS OPERATIONAL EXPENDITURE	93 706 781.00		26 300 000.00	120 006 781.00			120 006 781.00		120 006 781.00
I - 1 20 PARTICIPATION FROM THE EUROPEAN UNION TO ADMINISTRATIVE EXPENDITURE	48 016 981.00		790 000.00	48 806 981.00			48 806 981.00		48 806 981.00
I - 1 21 RECOVERY FROM PREVIOUS YEARS ADMINISTRATIVE EXPENDITURE	1 183 099.32			1 183 099.32			1 183 099.32		1 183 099.32
I - 2 10 ANNUAL MEMBERSHIP CONTRIBUTIONS	4 920 000.00			4 920 000.00			4 920 000.00		4 920 000.00
I - 3 10 ASSIGNED REVENUE ACCRUING FROM THE CONTRIBUTION OF ITER HOST STATE	142 000 000.00			142 000 000.00			142 000 000.00	18 941 939.90	160 941 939.90
I - 4 10 MISCELLANEOUS REVENUE	p.m.		1 474.19	1 474.19	23 246 182.82	297 250.65	22 950 406.36	187 101.16	23 137 507.52
I - 5 10 OTHER ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	p.m.			p.m.			0.00		0.00
I - 5 20 OTHER ASSIGNED REVENUE FROM THE IO RESERVE FUND	p.m.			p.m.	13 646 994.25		13 646 994.25	558 146.78	14 205 141.03
Total Revenue	610 934 879.32	11 920 764.00	27 091 474.19	649 947 117.51	36 893 177.07	297 250.65	686 543 043.93	19 687 187.84	706 230 231.77

Detail of the evolution and execution of the statement of revenue
 Payment appropriations (EUR)

Heading of the 2018 Budget	Initial budget 01 Dec. 2017 (1)	Amending budget 05 July 2018 (2)	Amending budget 12 Dec. 2018 (3)	Final Budget (4)=(1)+(2)+(3)	Additional cashd revenue (5)	Cancelled revenue (outturn) (6)	Final Available Revenue (7)=(4)+(5)-(6)	Carry over from 2017 (8)	Final Available Budget (9)=(7)+(8)	Outstanding revenue from 2017, cashed (10)	Outstanding Revenue at year end (11)	Final cash Available (12) =(9)+(6)+(10)-(11)
I - 1 10 PARTICIPATION FROM THE EUROPEAN UNION TO OPERATIONAL EXPENDITURE	445 301 679.00	159 920 764.00		605 222 443.00			605 222 443.00		605 222 443.00			605 222 443.00
I - 1 11 RECOVERY FROM PREVIOUS YEARS OPERATIONAL EXPENDITURE	4 698 321.00			4 698 321.00			4 698 321.00		4 698 321.00			4 698 321.00
I - 1 20 PARTICIPATION FROM THE EUROPEAN UNION TO ADMINISTRATIVE EXPENDITURE	48 016 981.00		790 000.00	48 806 981.00			48 806 981.00	4 099 059.19	52 906 040.19			52 906 040.19
I - 1 21 RECOVERY FROM PREVIOUS YEARS ADMINISTRATIVE EXPENDITURE	1 183 099.32			1 183 099.32			1 183 099.32		1 183 099.32			1 183 099.32
I - 2 10 ANNUAL MEMBERSHIP CONTRIBUTIONS	4 920 000.00			4 920 000.00			4 920 000.00		4 920 000.00	79 000.00	124 000.00	4 875 000.00
I - 3 10 ASSIGNED REVENUE ACCRUING FROM THE CONTRIBUTION OF ITER HOST STATE	130 000 000.00			130 000 000.00			130 000 000.00	1 516 602.86	131 516 602.86			131 516 602.86
I - 4 10 MISCELLANEOUS REVENUE	p.m.		1 474.19	1 474.19	23 246 182.82	297 250.65	22 950 406.36	187 101.16	23 137 507.52		567.46	23 434 190.71
I - 5 10 OTHER ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	p.m.			p.m.			0.00		0.00			0.00
I - 5 20 OTHER ASSIGNED REVENUE FROM THE IO RESERVE FUND	p.m.			p.m.	13 148 645.00		13 148 645.00	10 634 329.27	23 782 974.27			23 782 974.27
Total Revenue	634 120 080.32	159 920 764.00	791 474.19	794 832 318.51	36 394 827.82	297 250.65	830 929 895.68	16 437 092.48	847 366 988.16	79 000.00	124 567.46	847 618 671.35

8.7.4. 2018 Budget – Detail of the implementation of the statement of expenditure by fund source

Fund Source: C1 - Credits of the year (EUR)

Official Budget Item	Budget Line Description	Fund Source	Commitment			Payment		
			Credit Com Amount (1)	Commitment Accepted Amount (2)	% Committed (2)/(1)	Credit Pay Amount (4)	Payment Accepted Amount (5)	% Paid (5)/(4)
A01100	STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	C1	32 627 937.03	32 627 937.03	100.00%	32 627 937.03	32 627 937.03	100.00%
A01200	EXTERNAL STAFF EXPENDITURE (CA, SNE, INTERIM STAFF)	C1	10 596 788.02	10 596 788.02	100.00%	10 596 788.02	10 386 516.28	98.02%
A01300	MISSIONS AND DUTY TRAVEL	C1	1 815 000.00	1 815 000.00	100.00%	1 815 000.00	524 758.41	28.91%
A01400	MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT	C1	644 755.51	644 755.51	100.00%	644 755.51	596 676.81	92.54%
A01500	REPRESENTATION	C1	10 000.00	10 000.00	100.00%	10 000.00	3 635.23	36.35%
A01600	TRAINING	C1	630 940.00	630 940.00	100.00%	630 940.00	413 264.52	65.50%
A01700	OTHER STAFF MANAGEMENT EXPENDITURE	C1	2 808 000.00	2 808 000.00	100.00%	2 808 000.00	2 452 613.13	87.34%
A01800	TRAINEESHIPS	C1	127 316.91	127 316.91	100.00%	127 316.91	127 316.91	100.00%
Total Title 1			49 260 737.47	49 260 737.47	100.00%	49 260 737.47	47 132 718.32	95.68%
A02100	BUILDINGS AND ASSOCIATED COSTS	C1	1 381 500.00	1 381 500.00	100.00%	1 381 500.00	801 754.25	58.04%
A02200	INFORMATION AND COMMUNICATION TECHNOLOGIES	C1	3 490 812.69	3 490 812.69	100.00%	3 490 812.69	1 647 247.80	47.19%
A02300	MOVABLE PROPERTY AND ASSOCIATED COSTS	C1	157 705.00	157 705.00	100.00%	157 705.00	53 024.78	33.62%
A02400	EVENTS and COMMUNICATION	C1	237 150.00	237 150.00	100.00%	237 150.00	155 234.15	65.46%
A02500	OUTSOURCING AND OTHER CURRENT EXPENDITURE	C1	1 064 449.50	1 064 449.50	100.00%	1 064 449.50	685 013.75	64.35%
A02600	POSTAGE AND TELECOMMUNICATIONS	C1	348 334.72	348 334.72	100.00%	348 334.72	152 049.56	43.65%
A02700	EXPENDITURE ON FORMAL AND OTHER MEETINGS	C1	358 000.00	358 000.00	100.00%	358 000.00	209 848.43	58.62%
Total Title 2			7 037 951.91	7 037 951.91	100.00%	7 037 951.91	3 704 172.72	52.63%

Fund Source: C1 - Credits of the year (EUR)

Official Budget Item	Budget Line Description	Fund Source	Commitment			Payment		
			Credit Com Amount (1)	Commitment Accepted Amount (2)	% Committed (2)/(1)	Credit Pay Amount (4)	Payment Accepted Amount (5)	% Paid (5)/(4)
B03100	ITER CONSTRUCTION - INCL. SITE PREPARATION	C1	432 223 948.57	432 223 948.57	100.00%	588 537 616.62	588 537 616.62	100.00%
B03200	TECHNOLOGY FOR ITER	C1	9 083 632.35	9 083 632.35	100.00%	7 871 073.36	7 871 073.36	100.00%
B03300	TECHNOLOGY FOR BROADER APPROACH AND DEMO	C1	3 602 145.19	3 602 145.19	100.00%	8 147 792.42	8 147 792.42	100.00%
B03400	OTHER EXPENDITURE	C1	6 738 702.02	6 726 502.02	99.82%	3 977 146.73	3 977 146.73	100.00%
Total Title 3			451 648 428.13	451 636 228.13	100.00%	608 533 629.13	608 533 629.13	100.00%
Total C1			507 947 117.51	507 934 917.51	100.00%	664 832 318.51	659 370 520.17	99.18%

Fund Source: C4 - Internal assigned revenues (EUR)

Official Budget Item	Budget Line Description	Fund Source	Commitment			Payment		
			Credit Com Amount (1)	Commitment Accepted Amount (2)	% Committed (2)/(1)	Credit Pay Amount (4)	Payment Accepted Amount (5)	% Paid (5)/(4)
A01200	EXTERNAL STAFF EXPENDITURE (CA, SNE, INTERIM STAFF)	C4	787.34	787.34	100.00%	787.34	787.34	100.00%
Total Title 1			787.34	787.34	100.00%	787.34	787.34	100.00%
A02100	BUILDINGS AND ASSOCIATED COSTS	C4	489 339.68		0.00%	489 339.68		
Total Title 2			489 339.68	0.00	0.00%	489 339.68	0.00	0.00%
B03100	ITER CONSTRUCTION - INCL. SITE PREPARATION	C4	22 458 805.15	22 306 128.60	99.32%	22 458 805.15	12 604 750.53	56.12%
Total Title 3			22 458 805.15	22 306 128.60	99.32%	22 458 805.15	12 604 750.53	56.12%
Total C4			22 948 932.17	22 306 915.94	97.20%	22 948 932.17	12 605 537.87	54.93%

NB : the additional revenue from recovery amounting to EUR 489 339.68 allocated to the chapter A021 by error end 2018, has been transferred to the operational chapter B031 in the 2019 budget

Fund Source: C5 - Carried-over internal assigned revenues (EUR)

Official Budget Item	Budget Line Description	Fund Source	Commitment			Payment		
			Credit Com Amount (1)	Commitment Accepted Amount (2)	% Committed (2)/(1)	Credit Pay Amount (4)	Payment Accepted Amount (5)	% Paid (5)/(4)
B03100	ITER CONSTRUCTION - INCL. SITE PREPARATION	C5	187 101.16	187 101.16	100.00%	187 101.16	187 101.16	100.00%
Total Title 3			187 101.16	187 101.16	100.00%	187 101.16	187 101.16	100.00%
Total C5			187 101.16	187 101.16	100.00%	187 101.16	187 101.16	100.00%

Fund Source: C8 - Carried over credits from previous years (EUR)

Official Budget Item	Budget Line Description	Fund Source	Commitment			Payment		
			Credit Com Amount (1)	Commitment Accepted Amount (2)	% Committed (2)/(1)	Credit Pay Amount (4)	Payment Accepted Amount (5)	% Paid (5)/(4)
A01200	EXTERNAL STAFF EXPENDITURE (CA, SNE, INTERIM STAFF)	C8	238 791.30	111 659.52	46.76%	238 791.30	111 659.52	46.76%
A01300	MISSIONS AND DUTY TRAVEL	C8	723 637.91	719 992.13	99.50%	723 637.91	719 992.13	99.50%
A01400	MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT	C8	118 538.01	48 833.70	41.20%	118 538.01	48 833.70	41.20%
A01500	REPRESENTATION	C8	2 091.77	0.00	0.00%	2 091.77		
A01600	TRAINING	C8	253 980.44	153 529.72	60.45%	253 980.44	153 529.72	60.45%
A01700	OTHER STAFF MANAGEMENT EXPENDITURE	C8	205 674.21	152 381.48	74.09%	205 674.21	152 381.48	74.09%
A01800	TRAINEESHIPS	C8	21 927.73	0.00	0.00%	21 927.73		
Total Title 1			1 564 641.37	1 186 396.55	75.83%	1 564 641.37	1 186 396.55	75.83%
A02100	BUILDINGS AND ASSOCIATED COSTS	C8	619 254.80	481 615.17	77.77%	619 254.80	481 615.17	77.77%
A02200	INFORMATION AND COMMUNICATION TECHNOLOGIES	C8	755 014.47	670 376.78	88.79%	755 014.47	670 376.78	88.79%
A02300	MOVABLE PROPERTY AND ASSOCIATED COSTS	C8	169 727.86	102 414.31	60.34%	169 727.86	102 414.31	60.34%
A02400	EVENTS and COMMUNICATION	C8	115 100.67	44 895.25	39.01%	115 100.67	44 895.25	39.01%
A02500	OUTSOURCING AND OTHER CURRENT EXPENDITURE	C8	449 498.93	274 855.53	61.15%	449 498.93	274 802.17	61.14%
A02600	POSTAGE AND TELECOMMUNICATIONS	C8	250 366.26	137 543.83	54.94%	250 366.26	137 543.83	54.94%
A02700	EXPENDITURE ON FORMAL AND OTHER MEETINGS	C8	175 454.83	136 341.00	77.71%	175 454.83	136 341.00	77.71%
Total Title 2			2 534 417.82	1 848 041.87	72.92%	2 534 417.82	1 847 988.51	72.92%

Fund Source: C8 - Carried over credits from previous years (EUR)

Official Budget Item	Budget Line Description	Fund Source	Commitment			Payment		
			Credit Com Amount (1)	Commitment Accepted Amount (2)	% Committed (2)/(1)	Credit Pay Amount (4)	Payment Accepted Amount (5)	% Paid (5)/(4)
B03100	ITER CONSTRUCTION - INCL. SITE PREPARATION	C8	1 185 260 321.47	1 156 709 464.40	97.59%	Payment appropriations under C1 Fund source		
B03200	TECHNOLOGY FOR ITER	C8	12 552 623.69	12 339 124.25	98.30%			
B03300	TECHNOLOGY FOR BROADER APPROACH AND DEMO	C8	16 755 597.40	15 797 762.22	94.28%			
B03400	OTHER EXPENDITURE	C8	3 881 353.88	3 670 970.46	94.58%			
Total Title 3			1 218 449 896.44	1 188 517 321.33	97.54%			
Total C8			1 222 548 955.63	1 191 551 759.75	97.46%	4 099 059.19	3 034 385.06	74.03%

Fund Source: C9 - Carried over credits from previous years (EUR)

Official Budget Item	Budget Line Description	Fund Source	Commitment			Payment		
			Credit Com Amount (1)	Commitment Accepted Amount (2)	% Committed (2)/(1)	Credit Pay Amount (4)	Payment Accepted Amount (5)	% Paid (5)/(4)
	No administrative appropriations from B2016 carried over from B2017 to B2018	C9	-	-	-	-	-	-

Fund Source: R0 - Assigned revenues (EUR)

Official Budget Item	Budget Line Description	Fund Source	Commitment			Payment		
			Credit Com Amount (1)	Commitment Accepted Amount (2)	% Committed (2)/(1)	Credit Pay Amount (4)	Payment Accepted Amount (5)	% Paid (5)/(4)
B3-500	ITER CONSTRUCTION - APPROPRIATION ACCRUING FROM THE ITER HOST STATE CONTRIBUTION	R0	461 916 602.86	461 916 602.86	100.00%	131 516 602.86	129 318 457.43	98.33%
B3-600	APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	R0	25 975 936.58	15 385 427.19	59.23%	23 782 974.27	9 471 448.93	39.82%
Total Title 3			487 892 539.44	477 302 030.05	97.83%	155 299 577.13	138 789 906.36	89.37%
Total R0			487 892 539.44	477 302 030.05	97.83%	155 299 577.13	138 789 906.36	89.37%

8.7.5. 2018 Establishment plan

Function group and grade	2018 Budget			
	Authorised under the EU Budget		Filled as 31/12/2018	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD 16				
AD 15		1		
AD 14	3	1		1
AD 13	14	7	8	6
AD 12	15	17	11	4
AD 11	4	21	5	21
AD 10		26	2	20
AD 9		35	5	49
AD 8	1	40	5	41
AD 7		28	1	18
AD 6	1	28	1	35
AD 5	1			
AD total	39	204	38	195
AST 11	4			
AST 10	2		1	
AST 9	3		2	
AST 8	2	1	1	
AST 7	1	1	2	1
AST 6		8	1	1
AST 5		12	2	13
AST 4		5	2	5
AST 3		1	1	11
AST 2			1	
AST 1				
AST total	12	28	13	31
AST/SC total	0	0	0	0
TOTAL	51	232	51	226
GRAND TOTAL	283		277	

8.7.6. Restatement 2017 accounts

ASSETS	2017 Accounts (original) (1)	Correction ante 2017 (2)	Correction FY 2017 (3)	2017 Accounts (Restated) (4)=(1)+(2)+(3)
A. NON-CURRENT ASSETS				
Intangible assets	617 830.00	-10 298.97	1 501.97	609 033.00
Tangible fixed assets	36 021 587.00	-37 226 778.42	2 251 378.42	1 046 187.00
Land and buildings	32 830 678.00	-34 535 281.00	1 704 603.00	0.00
Plant and equipment	2 103 151.00	-2 605 698.00	527 982.00	25 435.00
Furniture and vehicles	210 863.00	-30 375.00	3 375.00	183 863.00
Computer hardware	818 126.00	-28 253.42	4 120.42	793 993.00
Other fixtures and fittings	58 769.00	-27 171.00	11 298.00	42 896.00
Non-current pre-financing	0.00	0.00	107 433 519.03	107 433 519.03
TOTAL NON-CURRENT ASSETS	36 639 417.00	-37 237 077.39	109 686 399.42	109 088 739.03
B. CURRENT ASSETS				
Inventories	231 865 650.73	-90 034 730.40	-141 830 920.33	0.00
Current pre-financing	194 959 105.21	-30 024 734.60	-107 433 519.03	57 500 851.58
Current receivables	205 811 625.97	0.00	0.00	205 811 625.97
Cash and cash equivalents	3 903 822.88	0.00	0.00	3 903 822.88
TOTAL CURRENT ASSETS	636 540 204.79	-120 059 465.00	-249 264 439.36	267 216 300.43
TOTAL	673 179 621.79	-157 296 542.39	-139 578 039.94	376 305 039.46

LIABILITIES	2017 Accounts (original) (1)	Correction ante 2017 (2)	Correction FY 2017 (3)	2017 Accounts (Restated) (4)=(1)+(2)+(3)
A. NET ASSETS/LIABILITIES	308 797 358.24	-157 296 542.39	-139 578 039.94	11 922 775.91
Accumulated surplus/deficit	88 832 021.63	-157 296 542.39	0.00	-68 464 520.76
Economic result of the year Profit (+)/Loss (-)	219 965 336.61	0.00	-139 578 039.94	80 387 296.67
B. NON-CURRENT LIABILITIES	171 351 246.52	0.00	0.00	171 351 246.52
TOTAL A+B	480 148 604.76	-157 296 542.39	-139 578 039.94	183 274 022.43
TOTAL C. CURRENT LIABILITIES	193 031 017.03	0.00	0.00	193 031 017.03
TOTAL	673 179 621.79	-157 296 542.39	-139 578 039.94	376 305 039.46

SFP	2017 Accounts (original) (1)	Correction ante 2017* (2)	Correction FY 2017 (3)	2017 Accounts (Restated) (4)=(1)+(3)
A. NON-EXCHANGE REVENUES	831 492 724.03	0.00	0.00	831 492 724.03
B. EXCHANGE REVENUES	1 156 565.07	0.00	0.00	1 156 565.07
TOTAL REVENUE	832 649 289.10	0.00	0.00	832 649 289.10
A. OPERATIONAL EXPENSES	555 673 252.66	120 059 465.00	141 830 920.33	697 504 172.99
B. OTHER EXPENSES	57 010 699.83	37 237 077.39	-2 252 880.39	54 757 819.44
TOTAL EXPENSES	612 683 952.49	157 296 542.39	139 578 039.94	752 261 992.43
SURPLUS (+) / DEFCIT (-) OF THE YEAR	219 965 336.61	-157 296 542.39	-139 578 039.94	80 387 296.67

*Impacting the net asset

9. Glossary and Abbreviations

ABAC	Accrual Based Accounting (accounting system used by F4E and managed by the EC)
Accounts payable	Organisation's current payables due within one year. Accounts payable are current liabilities
Accounts receivable	Organisation's current receivables due within one year. Accounts receivable are current assets
Accrual accounting	Accounting methodology that recognises income when it is earned and expenses when they occur, rather than when they are actually received or paid, as opposed to cash accounting.
Actual = Actual amounts	Budget outturn = Budget execution = Budget implementation
Assets	Assets are items owned by an individual or an organisation, which have commercial or exchange value. Assets may consist of specific property or claims against others.
BA	Broader Approach
Cash accounting	Accounting methodology based on cash flows, i.e. transactions are recognised when cash is received or paid, as opposed to accrual accounting.
Current asset	The group of assets considered to be liquid in that they can be turned into cash within one year
Current liability	Liabilities to be paid within one year of the balance sheet date
EC	European Commission
EPB	Executive Project Board
EU	European Union
External assigned revenues	Funds received from sources other than the European Commission for specific purpose
FR	Financial regulation
Financial statements	Written reports which quantitatively describe the financial health of an organisation. They comprise the Statement of Financial Performance, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Net Assets (capital) and the explanatory notes.
GB	Governing Board
Imprest account	Bank accounts and/or cash at hand used for the payment of low value expenses
Internal assigned revenues	Funds received for specific assigned operations and activities from amounts recovered
IO	ITER Organisation
Liability	A financial obligation, debt, claim, payable or potential loss
PA	Procurement Arrangement: the PA between F4E and IO define the F4E deliverables to IO as well as the credit allocation scheme for each deliverable under the ITER unit of account
PCR	Project Change Request
RAL	Commitments resulting in payment appropriations remaining to be paid
TB	Tender Batches
WP	Annual Work Programme