



**FUSION
FOR
ENERGY**

FINAL ANNUAL ACCOUNTS

Financial statements & Budget implementation

Twelfth financial year – 2019

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 final accounts, together with the opinion of the F4E Governing Board, are 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:

<https://fusionforenergy.europa.eu/key-reference-documents/>

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1. Certification letter from F4E Accounting officer

The annual accounts of Fusion for Energy (F4E) for the year 2019 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.

[signed]

Mr Roberto Abad Villanueva
Accounting Officer

Done in Barcelona, 20 May 2020

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 cost 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.

For the next Multiannual Financial Framework (MFF) period 2021-2027, the European Commission has proposed Euratom contribution to F4E amounting to a total indicative value of EUR 6 070.0 million of which EUR 5 987.7 million (in current value)³ of direct contribution to the project. The ITER Host State and Membership contributions will be added to this figure still subject to the final decision by the EU Budgetary Authority on the next MFF 2021-2027

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 2014-2020⁴ as contribution to the financing of large scale projects.

The annual contribution is determined in the European Union General Budget in commitment and in payment appropriations, 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 and other tasks requested by IO**

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.

³ Legislative financial statement annexed to the Commission Proposal (2018) 445 for a Council Decision amending Decision 2007/198/Euratom, establishing the European Joint Undertaking for ITER and the Development of Fusion Energy.

⁴ Council regulation (EU, Euratom no 1311/2013) laying down the multiannual financial framework for the years 2014-2020 (2 December 2013)

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

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

2019 Accounts

The 2019 financial statements of F4E and its reports on budget implementation for 2019 have been prepared in conformity with:

- The Council Decision establishing F4E,
- The Financial Regulation (FR) applicable to the general budget of the European Union,
- The F4E FR⁶,
- The « Inventory directive » (EC n° 643/2005),
- The European Commission's consolidation manual for the 2019 closure.

The accounts have also been drawn up in accordance with the accounting rules adopted by the Accounting Officer of the European Commission (EC). As an EU body, F4E is fully consolidated in the EU accounts. 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 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 2019 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 2019 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.

⁶ F4E Financial Regulation adopted by F4E Governing Board on 9-10/12/2019 – F4E(19)-GB45-45.

Section I. 2019 Financial Statements

3. Balance Sheet

3.1. Assets

Consolidation account	ASSETS	Note n°	31.12.2019 (1)	31.12.2018 (2)	Variation (3)=(1)-(2)
210000	A. NON-CURRENT ASSETS				
	Intangible assets	7.2.1.	258 989.00	455 148.00	-196 159.00
	Tangible fixed assets	7.2.1.	1 211 007.00	787 205.00	423 802.00
	220000 Land and buildings		0.00	0.00	0.00
	230100 Plant and equipment		468 427.00	16 659.00	451 768.00
	240100 Furniture and vehicles		96 735.00	169 787.00	-73 052.00
	241100 Computer hardware		630 635.00	573 595.00	57 040.00
	242100 Other fixtures and fittings		15 210.00	27 164.00	-11 954.00
298100	Non-current pre-financing	7.2.2.	66 476 537.75	52 354 537.35	14 122 000.40
TOTAL NON-CURRENT ASSETS			67 946 533.75	53 596 890.35	14 349 643.40
310000	B. CURRENT ASSETS				
	Inventories		0.00	0.00	0.00
	Current pre-financing	7.2.2.	33 369 204.15	25 204 374.79	8 164 829.36
	406141 Current pre-financing (gross amount)		69 743 259.40	85 831 970.24	-16 088 710.84
	406142 Current pre-financing (cut off)		-36 374 055.25	-60 627 595.45	24 253 540.20
	Current receivables	7.2.3.	219 736 766.51	243 461 729.18	-23 724 962.67
	401200 Current receivables - Member States		16 051 235.73	28 127 695.12	-12 076 459.39
	410000 Sundry receivables		61 820.19	56 009.59	5 810.60
	490002 Deferrals/Accruals with IO		202 705 588.88	214 779 433.68	-12 073 844.80
	490013 Accrued income		918 121.71	498 590.79	419 530.92
500000	Central treasury, Cash and cash equivalents	7.2.4.	11 171 229.73	5 565 303.26	5 605 926.47
TOTAL CURRENT ASSETS			264 277 200.39	274 231 407.23	-9 954 206.84
TOTAL			332 223 734.14	327 828 297.58	4 395 436.56

Fig. 1 Balance Sheet – Assets

3.2. Liabilities

Consolidation account	LIABILITIES		Note n°	31.12.2019 (1)	31.12.2018 (2)	Variation (3)=(1)-(2)
100000 140000 141000 163000 170000	A. NET ASSETS/LIABILITIES		7.2.5.	-16 062 698.09	-28 044 872.93	11 982 174.84
		Reserves		0.00	0.00	0.00
		Accumulated surplus/deficit		-28 044 872.93	11 922 775.91	-39 967 648.84
		Economic result of the year - Profit (+)/Loss (-)		11 982 174.84	-39 967 648.84	51 949 823.68
	B. NON-CURRENT LIABILITIES		7.2.6.	213 222 656.19	195 093 433.30	18 129 222.89
		Non-current provisions		213 222 656.19	195 093 433.30	18 129 222.89
		Other non current financial liabilities		0.00	0.00	0.00
TOTAL A+B				197 159 958.10	167 048 560.37	30 111 397.73
483000 440000 441000 443000 440019 441009 491000 491010 491090	C. CURRENT LIABILITIES					
	Current provisions		7.2.6.	0.00	0.00	0.00
	Accounts payable		7.2.7.	63 551 321.37	79 105 757.31	-15 554 435.94
		Current payables vendors		62 637 547.38	77 404 386.83	-14 766 839.45
		Sundry payables		89 599.86	377 378.71	-287 778.85
		Pre-financing received from Euratom		824 174.13	1 316 734.17	-492 560.04
		Current payables with EU		0.00	7 257.60	-7 257.60
	Accrued charges and deferred income		7.2.8.	71 512 454.67	81 673 979.90	-10 161 525.23
		Accrued charges		69 520 747.37	81 482 479.90	-11 961 732.53
		Deferrals/accruals with EU/IO		1 991 707.30	191 500.00	1 800 207.30
	TOTAL C. CURRENT LIABILITIES				135 063 776.04	160 779 737.21
TOTAL				332 223 734.14	327 828 297.58	4 395 436.56

Fig. 2 Balance Sheet – Liabilities

4. Statement of Financial Performance

Consolidation account			Note n°	2019 (1)	2018 (2)	Variation (3)=(1)-(2)
745919 745911 744910 74*/75*	A. NON-EXCHANGE REVENUES		7.3.1	720 298 162.61	794 608 221.00	-74 310 058.39
		Revenue from Euratom		568 429 586.50	658 594 110.15	-90 164 523.65
		Revenue from other contributors (Member States)		150 600 000.00	134 920 000.00	15 680 000.00
		Other non exchange revenue		1 268 576.11	1 094 110.85	174 465.26
	B. EXCHANGE REVENUES			13 111 315.50	13 654 634.47	-543 318.97
		Reserve Fund		12 396 366.30	13 646 994.26	-1 250 627.96
		Other revenues		714 949.20	7 640.21	707 308.99
TOTAL REVENUE				733 409 478.11	808 262 855.47	-74 853 377.36
600140 620100 630199 64*/65*	A. OPERATIONAL EXPENSES		7.3.2.	661 225 934.13	790 847 485.72	-129 621 551.59
		Expenses with third parties		661 225 934.13	790 847 485.72	-129 621 551.59
	B. OTHER EXPENSES		7.3.3.	60 201 369.14	57 383 018.59	2 818 350.55
		Staff costs		47 451 130.62	46 196 428.14	1 254 702.48
		Property, plant and equipment related expenses		2 205 857.33	2 037 117.72	168 739.61
		Other expenses		10 544 381.19	9 149 472.73	1 394 908.46
	TOTAL EXPENSES				721 427 303.27	848 230 504.31
SURPLUS (+) / DEFICIT (-) OF THE YEAR				11 982 174.84	-39 967 648.84	51 949 823.68

Fig. 3 Statement of Financial Performance

5. Cash Flow Statement (indirect method)

		2019	2018
Cash Flows from ordinary activities			
Surplus/(deficit) from ordinary activities		11 982 174.84	-39 967 648.84
Operating activities	Amortization (intangible fixed assets) +	236 395.81	282 484.17
<u>Adjustments</u>	Depreciation (tangible fixed assets) +	500 864.99	-31 425 902.17
	Increase/(decrease) in Provisions for risks and liabilities	18 129 222.89	23 711 039.23
	Increase/(decrease) in Value reduction for doubtful debts	0.00	0.00
	(Increase)/decrease in Stock	0.00	0.00
	(Increase)/decrease in Long term Pre-financing	-14 122 000.40	55 078 981.68
	(Increase)/decrease in Short term Pre-financing	-8 164 829.36	32 296 476.79
	(Increase)/decrease in Long term Receivables	0.00	0.00
	(Increase)/decrease in Short term Receivables	23 724 962.67	-37 650 103.21
	(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	-27 016 350.83	104 049 054.81
	Increase/(decrease) in Liabilities related to consolidated EU entities	1 300 389.66	-136 269 187.08
Net cash Flow from operating activities		6 570 830.27	-29 894 804.62
Cash Flows from investing activities			
	Increase of tangible and intangible fixed assets (-)	-949 806.80	66 540 482.00
	Proceeds from tangible and intangible fixed assets (+)	-15 097.00	-34 984 197.00
Net cash flow from investing activities		-964 903.80	31 556 285.00
Net increase/(decrease) in cash and cash equivalents		5 605 926.47	1 661 480.38
Cash and cash equivalents at the beginning of the period		5 565 303.26	3 903 822.88
Cash and cash equivalents at the end of the period		11 171 229.73	5 565 303.26

Fig. 4 Cash Flow Statement

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 2018	11 922 775.91	-39 967 648.84	-28 044 872.93
Balance as of 1 January 2019	11 922 775.91	-39 967 648.84	-28 044 872.93
Fair value movements	0.00	0.00	0.00
Allocation of the Economic Result of Previous Year	-39 967 648.84	39 967 648.84	0.00
Economic result of the year	0.00	11 982 174.84	11 982 174.84
Balance as of 31 December 2019	-28 044 872.93	11 982 174.84	-16 062 698.09
Account	140000	141000	

Fig. 5 Statement of Changes in Net Assets

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 98 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.

IPSAS 11 – Construction contracts :

Most of the components that make up ITER will be delivered by the ITER parties (including F4E) “in-kind” (providing directly the components rather than contributing only cash).

The EU contribution to IO through F4E is established on the ITER Agreement and Common Understanding on Procurement Allocation and its amendments, and it comprises mainly buildings, magnets, vessels and other engineering components.

On the basis of the Procurement Arrangements (PA), F4E launches procurements and conclude contracts with the industry. The industry delivers usually directly to IO, which also performs the acceptance. IO then informs F4E about the acceptance, i.e. IO recognises the credits to F4E. 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 depending on the achievement of project milestones laid down in each PA.

As there is no specific EC accounting rule covering those operations, F4E refers to IPSAS rule n° 11 “Construction contracts”.

The ITER Agreement and Common Understanding on Procurement Allocation and its amendments together with the F4E Statutes can be considered as a binding arrangement and therefore as a construction contract according to IPSAS 11.

From an IPSAS 11 perspective, F4E can be considered as contractor and the agreement with Euratom as a construction contract.

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.

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.

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

Fig. 6 Depreciation Rate

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 31/12/2019, 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.

The following table Fig.7 provides the variation of the fixed assets in 2019 :

ASSETS		Intangible fixed assets			Tangible fixed assets							Fixed assets
2019		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
Net carrying amounts 31.12.2018			455 148.00	455 148.00		16 659.00	573 595.00	169 787.00	27 164.00		787 205.00	1 242 353.00
Adjustment 2018	+/-		6 222.00	6 222.00		20 686.00	10 570.00	-22 025.00	-356.00		8 875.00	15 097.00
Net carrying amounts 01.01.2019		0.00	461 370.00	461 370.00	0.00	37 345.00	584 165.00	147 762.00	26 808.00	0.00	796 080.00	1 257 450.00
Gross carrying amounts 01.01.2019	+	0.00	2 817 365.40	2 817 365.40	0.00	214 219.69	5 050 889.90	765 766.07	823 124.23	0.00	6 853 999.89	9 671 365.29
Additions	+		34 014.81	34 014.81		551 404.70	364 387.29				915 791.99	949 806.80
Disposals	-			0.00							0.00	0.00
Transfer between headings	+/-			0.00							0.00	0.00
Other changes :	+/-			0.00							0.00	0.00
Gross carrying amounts 31.12.2019		0.00	2 851 380.21	2 851 380.21	0.00	765 624.39	5 415 277.19	765 766.07	823 124.23	0.00	7 769 791.88	10 621 172.09
Accumulated amortization and impairment 01.01.2019	-	0.00	-2 355 995.40	-2 355 995.40	0.00	-176 874.69	-4 466 724.90	-618 004.07	-796 316.23	0.00	-6 057 919.89	-8 413 915.29
Depreciation	-		-236 395.81	-236 395.81		-120 322.70	-317 917.29	-51 027.00	-11 598.00		-500 864.99	-737 260.80
Write-back of depreciation	+			0.00							0.00	0.00
Disposals	+			0.00							0.00	0.00
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 :	+/-			0.00							0.00	0.00
Accumulated amortization and impairment 31.12.2019		0.00	-2 592 391.21	-2 592 391.21	0.00	-297 197.39	-4 784 642.19	-669 031.07	-807 914.23	0.00	-6 558 784.88	-9 151 176.09
Net carrying amounts 31.12.2019		0.00	258 989.00	258 989.00	0.00	468 427.00	630 635.00	96 735.00	15 210.00	0.00	1 211 007.00	1 469 996.00
Accounts			210000		221000	230000	241000	240000	242000	244000	200000	

Fig. 7 Intangible and Tangible Fixed Assets

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	31.12.2019	31.12.2018
298100	Pre-financing given to third parties (non-current)	66 476 537.75	52 354 537.35
406141	Pre-financing given to third parties (current)	69 743 259.40	85 831 970.24
406142	Accrued charges on PF TP	-36 374 055.25	-60 627 595.45
	Total	99 845 741.90	77 558 912.14

Fig. 8 Pre-Financing

It is estimated that EUR 66.5 million of the pre-financing open at 31/12/2019 will be cleared, with eligible amounts, within a period longer than one year (after 2020).

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

Contract Reference	Contractor	Amount
OPE-301_TB04_Buildings	AXIMA	34 881 861.22
OPE-0688_TB12_Buildings	DEMATHEU BARD CONSTRUCTION	24 943 102.97
OPE-0969 MAGNET SUPPLY CONTRACT	ASG SUPERCONDUCTORS	4 387 815.61
OPE-285_TB02_Tokamak cargo lift and crane	NKM NOELL SPECIAL CRANES	3 844 840.76
OPE-376_Test LN2 Plant & auxiliary systems	AIR LIQUIDE	3 830 965.77
OMF-444-03-01 First of a kind standard cassette bodies	WALTER TOSTO	3 511 887.00
OPE-570_PF Coils manufacturing and cold test	CNIM	2 827 709.96
OMF-0795-01-01 Supply of the beam components	AVS ADDED VALUE IND. ENG.	2 662 630.24
OPE-0966 Manufacture of the torus and cryostat cryopumping system	RI RESEARCH INSTRUMENTS	2 564 171.47
OMF-605-01-02 Supply of beam source for MITICA	ALSYOM	2 280 661.69
OPE-068-01_Supply VV Sectors	ANSALDO NUCLEARE	1 969 032.47
OPE-046 Supply of 2 Ion source and extraction power supplies	ENERGY TECHNOLOGY	1 607 167.68
OMF-444-01-01 Fabrication of ITER Divertor cassette bodies	SIOMIC	1 295 111.00
OPE-083_Supply of high voltage decks/bushings	SIEMENS	1 040 480.34

Fig. 9 Main Operational Pre-Financings

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 16 051 235.73 referring mainly to the recoverable VAT from France (EUR 10.9 million) and the amount due by IO for the last call for the Reserve fund in 2019 (EUR 4.6 million).

Sundry receivables: EUR 61 820.19 composed mainly of advances to staff (salaries and missions) and amounts due by other EU bodies.

Deferrals and accruals: EUR 202 705 588.88 corresponding to the deferred charges related to the 2020 cash contribution to IO.

Accrued income: EUR 918 121.71 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	31.12.2019	31.12.2018
505000	<i>Bank accounts:</i>		
505200	Central treasury (EC)	11 125 304.73	0.00
505300	Current accounts	925.00	1 516 471.93
505400	Imprest accounts/Cash in hand	45 000.00	45 000.00
505700	Short-term deposits	0.00	4 003 831.33
500000	Total	11 171 229.73	5 565 303.26

Fig. 10 Central treasury and Cash Equivalents

In view to increase the efficiency, F4E has externalised its treasury to the EC in May 2019. The cash position at the end of 2019 is composed of one account with the EC and three imprest accounts (petty cash). The bank interests generated in 2019 amount to EUR 249.07.

7.2.5. Net Assets

F4E net assets are increased by the positive financial performance of the year (EUR 11 982 174.84) totalling **EUR – 16 062 698.09** as of 31 December 2019.

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 Annex 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 75.0 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 Council⁷, 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 31.12.2019 (41.3 % according to CAS Milestone achievement - see graph below under point 7.4.1.1), this results in an applicable cost base of EUR 74.4 million in 2001 value (41.3 % 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,

⁷ Updated Overall Project Cost (OPC) – ITER_D_26B8X9 v1.1 presented to IC-25

- the assumption that the contributions relating to the applicable cost of EUR 74.4 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 14.4 million),
- an annual inflation rate of 2 % to reflect future prices,
- the contributions in future prices are not discounted due to negative interest rates,

the resulting provision is recognised at the reporting period for an amount of **EUR 127 071 231.12** (in 2019 value).

7.2.7. Accounts Payable

Current and sundry payables are **EUR 62 727 147.24** and are composed of the balance of the 2020 cash contribution to IO (EUR 61.6 million) and suppliers' invoices received but not paid at year end and reimbursements to staff.

Pre-financing received from Euratom totalled **EUR 824 174.13** refers to the balance of the budget outturn account 2019, to be reimbursed to the EC in 2020 (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 71 512 454.67** which represents mainly invoices to be received in 2020 for services rendered in 2019, includes:

- EUR 67 247 645.99 for services rendered in 2019 on operational activities and not invoiced at 31/12/2019.
- EUR 2 923 310.22 for services rendered in 2019 on administrative expenditures and not invoiced at 31/12/2019.
- EUR 1 341 498.46 for F4E staff's untaken leave as at the end of December 2019. 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.

7.3. 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 733 409 478.11** (EUR 808 262 855.47 in 2018), include mainly the 2019:

- Euratom contribution: EUR 568 429 586.50
- ITER Host State contribution: EUR 145 000 000.00
- Membership contributions: EUR 5 600 000.00
- Revenue from ITER: EUR 12 396 366.30

7.3.2. Operational Expenses – EUR 661 225 934.13 (EUR 790 847 485.72 in 2018)

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	2019 Expenses	% cumulative expenses as of 31/12/2019 (*)
2019 Cash contribution for ITER IO	ITER IO	214 779 433.68	100.00%
OPE-286_TB03_Building	VINCI CONSTRUCTION	94 017 799.37	90.99%
OPE-301_TB04_Buildings	AXIMA/IO	28 959 476.82	45.56%
Transfer of supply of sectors #7 and #8 of the Vacuum Vessel	ITER IO	28 620 000.00	100.00%
OPE-636_TB16_Site infrastructure works	SPIE BATIGNOLLES	25 868 617.29	61.95%
OPE-068_Supply VV Sectors	ANSALDO NUCLEARE	25 718 097.52	61.92%
OPE-058_Civil engineering	ENGAGE	23 583 507.56	89.74%
OPE-428_TB06_EPD_Buildings	FERROVIAL AGROMAN	19 129 396.55	78.19%
OFC-755_Finishing and retrofit works for buildings	DALKIA FRANCE	14 448 088.36	45.58%
OPE-090_Civil engineering & construction consultancy	ALTRAN TECHNOLOGIES	8 411 975.90	90.39%
Cash contributions to Japan	JAEA/QST	7 494 355.32	85.55%
NBTF AGREEMENT_F4E-RFX-PMS_A-WP2019	CONSORZIO RFX	7 471 600.00	100.00%
OPE-570_PF Coils manufacturing and cold test	CNIM	6 671 981.31	31.55%
OPE-0969_Magnet supply contract	ASG SUPERCONDUCTORS	5 283 408.64	13.68%
OPE-053_Toroidal Field coils winding packs	IBERDROLA	5 100 426.37	94.12%
OMF-605-01-02_Supply of beam source for MITICA	ALSYOM	4 610 253.74	19.66%
PF Coils cooperation agreement between ASIPP & F4E	EVERFIT CO	4 000 000.00	94.18%
OPE-0781_Supply 3 pre compression rings	CNIM	3 144 848.72	79.74%
OFC-433-04_Design of diagnostics ports and in-vessel feedouts	IDOM	2 781 991.49	37.90%
OPE-0654_Supply impreg syst. & add. toolings	ELYTT ENERGY	2 494 871.21	84.10%
OMF-444-03-01_First of a kind standard cassette bodies	WALTER TOSTO	2 384 755.00	11.32%
OPE-025-01_Health and safety protection coordination for the Constructions	APAVE	2 378 281.30	97.78%
OPE-0585_PF Coils cold test facility	CRITEC IMPIANTI	2 356 186.81	73.85%
OPE-378_TB05_Buildings	FERROVIAL AGROMAN	2 332 276.51	98.85%
OPE-0688_TB12_Buildings	DEMATHIEU BARD CONST.	2 231 440.67	2.33%
OMF-567-03-01_Supply of vertical target prototype	RI RESEARCH INSTRUMENTS	2 213 080.00	53.60%
OPE-443-02_Supply of 1 full scale prototype of NHF 1st wall panel	FRAMATOME	2 118 575.01	96.52%
OPE-443-03_CA01714_Supply of prototypes (NHF 1ST wall panels)	IBERDROLA	2 097 346.34	90.93%

(*) In relation to amounts financially committed and opened at 01/01/2019

Fig. 11 Main Operational Expenses

The expenses related to experts with contracts amount to EUR 706 854.15 (EUR 504 553.77 in 2018).

7.3.3. Other Expenses – EUR 60 201 369.14 (EUR 57 383 018.59 in 2018)

- Staff expenses: **EUR 47 451 130.62** (EUR 46 196 428.14 in 2018)
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 2 205 857.33** (EUR 2 037 117.72 in 2018) refers to the yearly depreciation of fixed assets and the cost for building rent, maintenance and security.
- Other administrative expenses: the amount of **EUR 10 544 381.19** includes mainly the following items:

	2019	2018	Variation
IT costs – operational/support	2 591 546.26	2 799 590.04	-208 043.78
IT costs - development	689 666.32	293 490.73	396 175.59
Missions	2 257 494.08	2 810 701.45	-553 207.37
Office supplies & maintenance	1 672 607.87	146 294.29	1 526 313.58
Communications & publications	683 799.58	829 871.44	-146 071.86
Training	556 939.83	516 700.51	40 239.32
Interim staff	497 432.59	524 629.36	-27 196.77
Experts and related expenditure	489 509.64	546 837.98	-57 328.34
Service level agreement with EU Paymaster Office	479 720.54	425 000.00	54 720.54
Recruitment	74 953.62	22 431.69	52 521.93
Car and transport expenses	59 058.24	14 458.57	44 599.67
Interest expense on late payment	5 608.27	4 451.97	1 156.30
Legal expenses	1 595.00	7 655.74	-6 060.74
Total	10 059 931.84	8 942 113.77	1 117 818.07

Fig. 12 Other Administrative Expenses

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 (DA). 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.

The value of each component is represented by an ITER credit, earned by the DA each time that a significant design or manufacturing milestone is achieved (i.e. CAS Milestones). The granularity of the distribution of the total credit for the specific component over the milestones that are part of the lifetime of the procurement is providing a good basis for evaluating the progress of the DA in procuring the agreed component.

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 2019 exchange rate euro/IUA amounts to 1 749.84.

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)

(klUA)

PA-EU in Kind Systems*	Original value (1)	Current Value (2)	Earned Credit (3)	Balance (4)=(2)-(3)	Achieved Credit (5)
Buildings and Power Supplies	423.30	513.88	223.88	290.00	244.33
Magnet	183.39	185.82	98.89	86.93	112.84
Vacuum vessel	99.36	91.43	37.15	54.28	44.84
Neutral beam Heating and Current Drive	46.30	83.50	18.22	65.28	28.91
Blanket system	26.10	40.33	0.00	40.33	0.08
Remote Handling Equipment	26.20	39.97	0.80	39.17	2.40
Divertor	31.40	27.99	2.19	25.80	2.93
Electron Cyclotron Heating & Current Drive	30.59	32.27	4.06	28.21	4.06
Diagnostics	33.27	32.05	0.29	31.76	0.51
Cryoplat & Distribution	31.50	26.37	22.98	3.39	22.98
Tritium Plant	18.22	16.72	3.25	13.47	3.25
Ion Cyclotron Heating & Current Drive	3.96	14.73	0.00	14.73	0.00
Vacuum Pumping & Fuelling	14.26	13.85	0.32	13.53	0.42
Waste Management	9.10	10.06	0.00	10.06	0.00
Radiological Protection	0.60	4.20	0.00	4.20	0.00
Total in Kind	977.55	1 133.17	412.03	721.14	467.55

*Each system may group one or more PAs

Fig. 13 ITER Procurement Arrangements

The amount of 1 133.17 klUA (EU Current Share⁸) in the above table corresponds to the credit associated 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 2019. 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 credit value has to be fully earned, independently of the actual cost incurred for executing the scope of work of each PA. As mentioned, 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 977.55 klUA in the table corresponds to the original value of the EU PAs as reported in the reference IO PA database. The difference between this value and the current one is due to the value refinements approved along the years by the ITER Council in order to take into account changes to the initial scope of work.

⁸ Values from the “Proposal for the Update of the Overall Project Cost (OPC)” ITER_D_26B8X9 v1.1 presented to IC-25

As far as the earned ITER credit is concerned, 412.03 kIUA (as of 31/12/2019) represents about 36.4 % of the current total PAs value. The achieved credit in the table above corresponds to all milestones achieved for that area until end 2019, even if the release of the formal 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 467.55 kIUA at the end of 2019, corresponding to 41.3 % of the current total PAs value. The graph below 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 2019 (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.

Regarding 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.

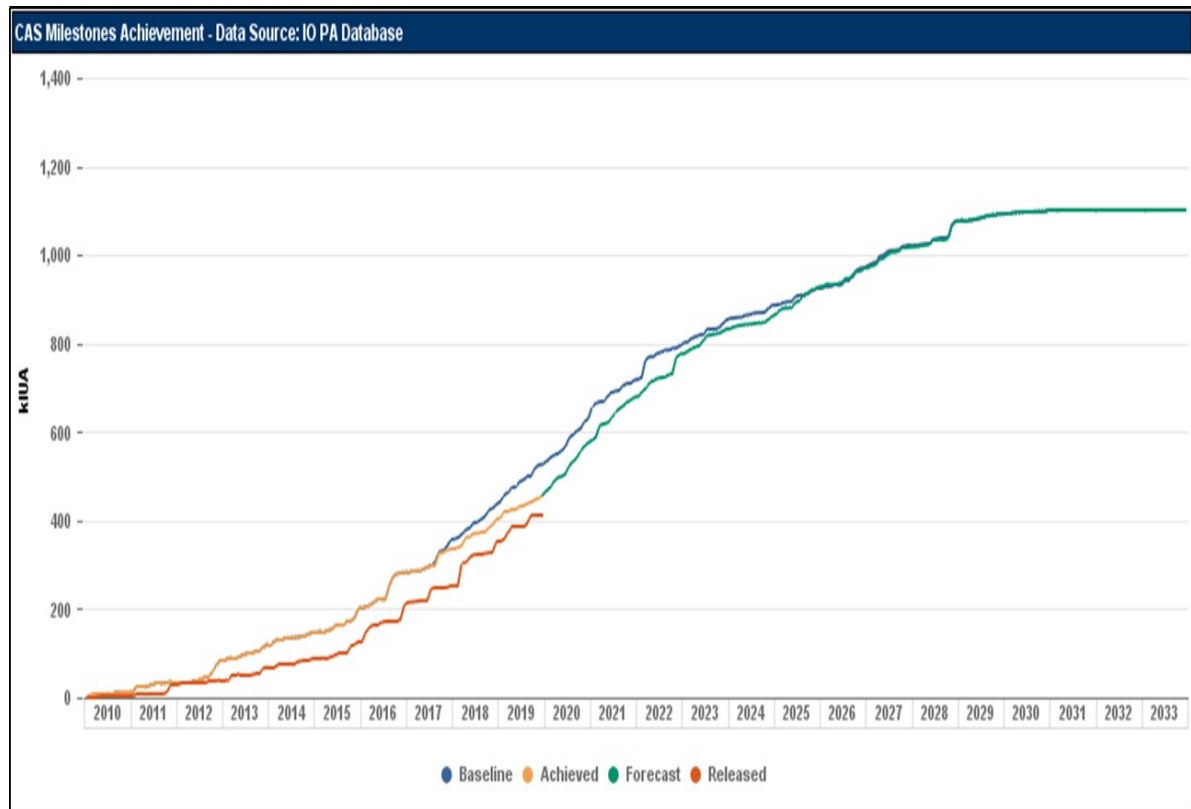


Fig. 14 CAS Milestone Achievement for Signed PAs

The baseline used for this chart is the F4E Current baseline (i.e. the schedule at the end of September 2016 plus approved baseline changes). The actuals and forecast are those in the December 2019 submitted Detailed Working Schedule. Milestones are achieved when marked as completed in the schedule and released when the credit note for the milestone is released by IO.

In April 2019, the F4E GB endorsed the F4E proposal for an Earned Value Management (EVM) system. Its deployment started in July 2019 and it is now regularly used to provide a monthly feedback to the Stakeholders on F4E performance.

The EVM scheme is based only on credited work, defined as all the PAs within which CAS milestones are found.

The Planned Value is the cumulative CAS curve in the baseline with the values recorded in the Primavera Detailed Working Schedule (DWS).

The Earned Value is the CAS curve of the achieved milestones only as recorded in the DWS and marked as completed. This does not depend on credit release from ITER (i.e. “earned credit”). Only milestones included in the Planned Value are included in the Earned value.

The Actual Costs are the payments made in ABAC for the credited work. As payments are in Euro, while credit is in IUA, a conversion is made through standard conversion rates considering their related commitments (i.e. real cost).

The graph here below shows the EVM as of end December 2019.

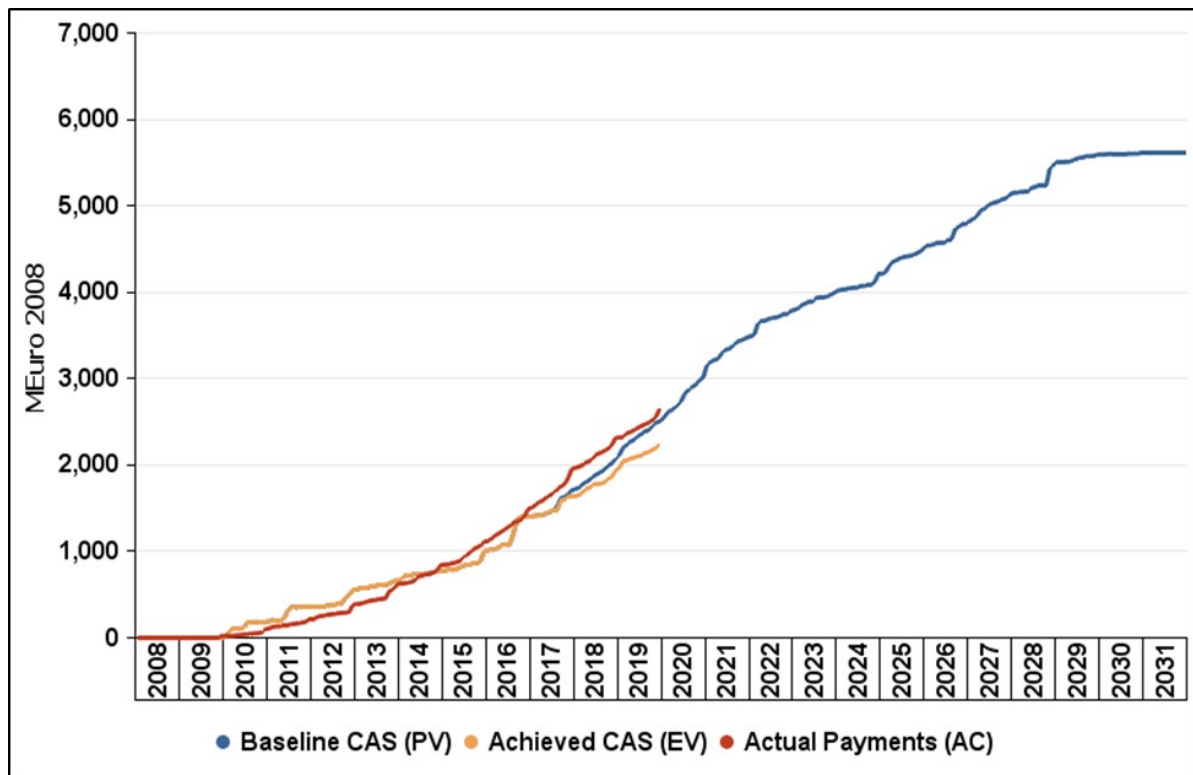


Fig. 15 Earned Value Management

More details on the actual advancement of the works achieved at the end of the year are available in the F4E Annual report 2019.

7.4.1.2. ITER Annex to PAs (JAEA)

(kIUA)			(EUR)
Transfers of Procurement to Japan	Value of Cash Contribution (1)	Cumulative Payments (2)	Indicative balance (3)=(1)-(2) x 1 749.84 x 1 000
Magnet	168.60	167.36	2 169 801.60
Tritium Plant	14.06 (14.06 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	227.65	192.06	2 169 801.60

Fig. 16 ITER Annex to Procurement Arrangements

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 DA) 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 31/12/2019	Amount	Currency	2019 Exchange rate to Euro	Amount (EUR)
2	4 645.00	IUA	1 749.84	8 128 006.80
16	17 547 597.80	EUR		17 547 597.80
4	Voluntary	n/a		
22				25 675 604.60

Fig. 17 ITER Task Agreements

4 ITA were signed during 2019 for a total value of EUR 1 175 757.00.

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

BA Projects	EU Share	PA signed	PA credit awarded	(kBAUA)			
				Of which F4E Contribution	PA signed (1)	PA credit awarded (2)	Balance (3)=(1)-(2)
JT60SA	236.41	236.41	228.76	44.16	44.16	42.19	1.97
IFMIF/EVEDA	148.03	148.03	135.40	22.74	22.74	20.20	2.54
IFERC	115.55	115.55	114.84	1.80	1.80	1.77	0.03
BA_Total	500.00	500.00	479.00	68.70	68.70	64.16	4.54

Fig. 18 Broader Approach Agreement

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 339.0 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 2019 by project.

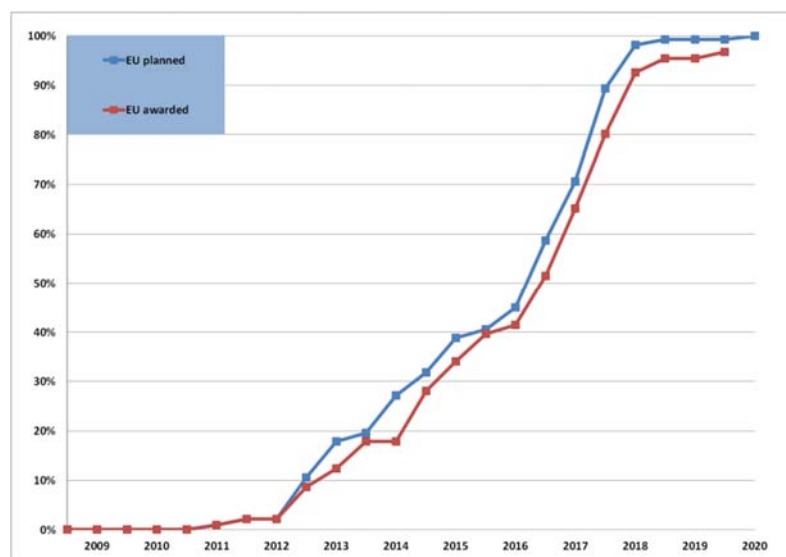


Fig. 19 JT-60SA

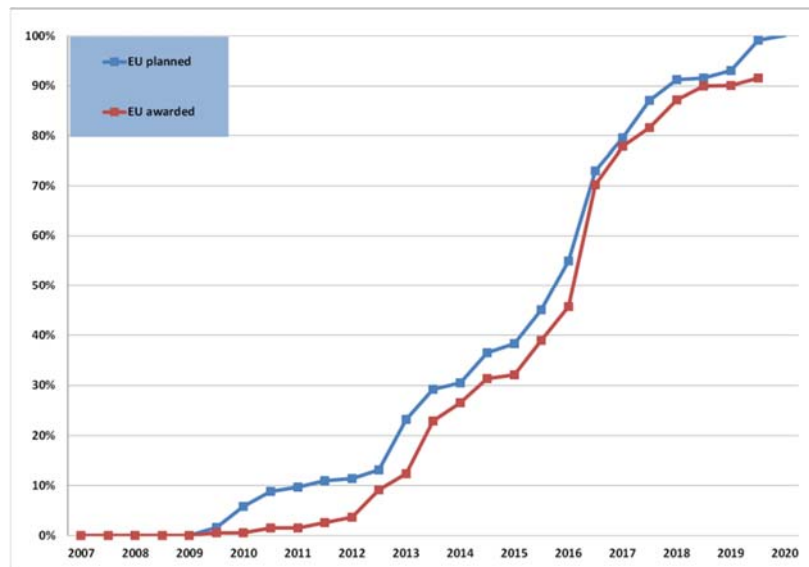


Fig. 20 IFMIF

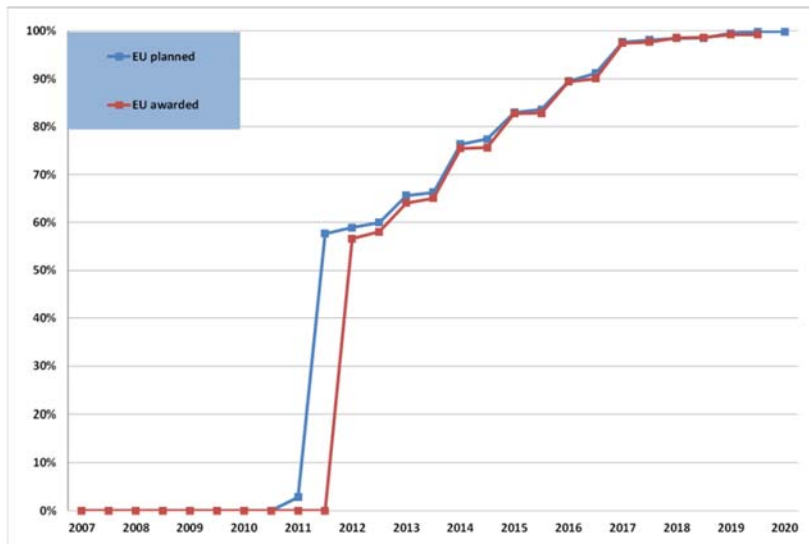


Fig. 21 IFERC

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	31.12.2019	31.12.2018
901120	Guarantees for pre-financing (nominal-on going)	129 820 784.75	183 964 271.91
901180	Performance guarantees	217 249 821.26	185 234 184.81
901100	Total - Guarantees received	347 070 606.01	369 198 456.72

Fig. 22 Guarantees

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	31.12.2019	31.12.2018
902500	Commitments against appropriations not yet consumed*	1 133 484 948.07	1 155 812 961.10
903200	Operating lease	0.00	0.00
903300	Contractual commitment/obligations to deliver (open PAs/ITA's)**	2 809 094 639.80	2 644 928 157.85
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 7.4.1.1, 7.4.1.2, 7.4.1.3 and 7.4.1.4 for details.

Fig. 23 Commitment for Future Funding

7.4.3.2. Reserve Fund

The terms of reference of the ITER Reserve Fund were approved in 2015 in order to compensate the DAs 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 123 196 613.68. An additional amount of 11 446 885.52 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 12 396 366.30 for 2019).

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 2019, this service in-kind amounts to EUR 2 916 570.32.

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	2019	2018
Current receivables	16 051 235.73	28 127 695.12
Other receivables	61 820.19	56 009.59
Cash and deposits	11 171 229.73	5 565 303.26
TOTAL	27 284 285.65	33 749 007.97
Financial liabilities	2019	2018
Current payables	62 637 547.38	77 404 386.83
Other payables	89 599.86	377 378.71
Accounts payable with EU entities	824 174.13	1 323 991.77
TOTAL	63 551 321.37	79 105 757.31

Fig. 24 Financial Instruments

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 2019	< 1 year	1 - 5 years	> 5 years	Total
Payables with third parties	62 727 147.24	0.00	0.00	62 727 147.24
Payables with consolidated entities	824 174.13	0.00	0.00	824 174.13
Total liabilities	63 551 321.37	0.00	0.00	63 551 321.37

Fig. 25 Liquidity Risk - Payables

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 the EC since May 2019. F4E recovers contributions from Euratom and the ITER Host State in average 3 times per year to ensure appropriate cash management, taking into account payment time limits for the recovery of contributions and the total of payments executed in 2019. Requests to the EC are accompanied by cash forecasts.

Following the externalisation of the treasury to the EC the counterparty risk to which F4E is exposed is minimized.

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	10 953 005.93
Upper medium grade	211 400.00
Lower medium grade	0.00
Non-investment grade	0.00
Receivable from IO	4 561 749.25

Fig. 26 Credit Risk - Receivables

7.5.3. Market Risk

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

Interest rate risk arises from cash. F4E treasury has been externalised to the EC and consequently it is not exposed to interest rate risk. F4E's treasury does not borrow any money.

The vast majority of transactions are executed in EUR. It is recognised that exchange rates fluctuate and F4E accepts the risk and does not consider it to be material.

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

Fig. 27 Related Party Disclosure

The transactions of F4E with key management personnel during financial year 2019 consist only of the payment of their remuneration, allowances and other entitlements in accordance with the EU Staff Regulations.

7.7. Events after the reporting date (material non-adjusting events)

COVID-19

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts. For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated.

BREXIT

Regarding the uncertainties related to the consequences of the exit of the United Kingdom from the EU, F4E has set up a working group composed of representatives of the different departments. This working group follows-up the evolution of the negotiations and the concrete terms of the exit itself as well as the possible impact on F4E activities.

The withdrawal agreement entered into force on 1 February 2020, setting a 'transition period' until the end of 2020. However, the possible impacts on the financial situation of F4E are still unknown, but seem to be of very limited impact according to first estimates.

Section II. Budget Implementation 2019

8. Budget Implementation

8.1. Main Facts on the Implementation of the 2019 Budget of F4E

Commitments	99.8%	of implementation of the final available budget	Final Budget: 729.71	Execution: 728.10	EUR million
	107.9%	compared to the original budget	Original Budget: 674.71	Execution: 728.10	EUR million
	100.0%	in individual commitments	Execution: 728.10	Ind.Commit.: 728.10	EUR million
Payments	97.1%	of implementation of the final available budget	Final Budget: 761.19	Execution: 738.90	EUR million
	94.6%	compared to the original budget	Original Budget: 781.35	Execution: 738.90	EUR million

Fig. 28 Budget Implementation 2019

8.2. The Principles for the Budget 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 budgetary accuracy:** all F4E's expenditure and revenue must be incorporated in a single budget document, must be booked on a Budget Chapter and expenditure must not exceed authorised appropriations;
- **annuality:** the appropriations 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 appropriations);
- **unit of account:** the budget is drawn up and implemented in euro (EUR) and the accounts are presented in EUR;
- **universality:** this principle comprises two rules: – the rule of non-assignment, meaning that revenue must not be earmarked for specific items of expenditure (total revenue must cover total expenditure); – the gross budget rule, meaning that all revenue and expenditure are entered in full in the budget without any adjustment against each other;

- **specification:** each item of appropriations is assigned to a specific purpose and a specific objective;
- **sound financial management:** 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 are 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

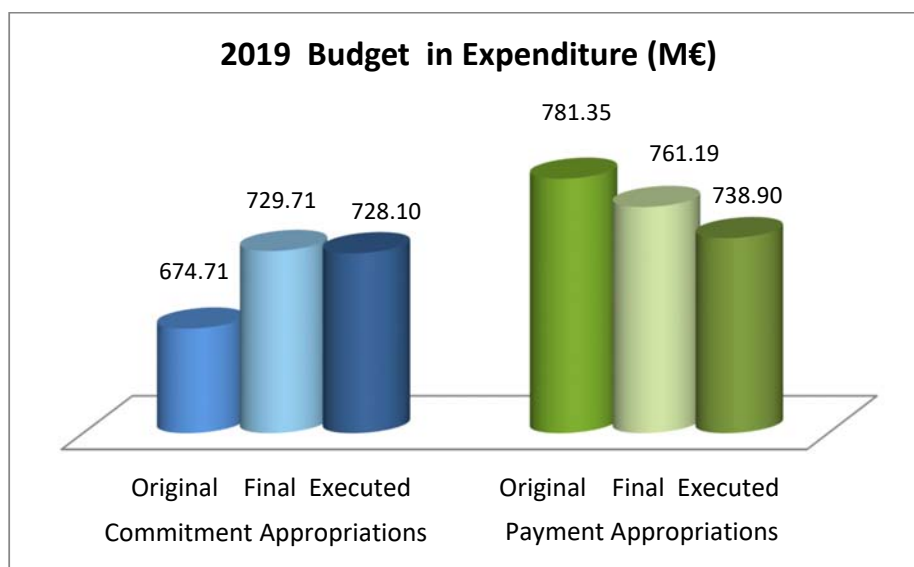


Fig. 29 Budget 2019 in Expenditure

F4E 2019 budget was originally adopted by F4E's GB⁹ for the amount of EUR 674.71 million in commitment appropriations and EUR 781.36 million in payment appropriations.

It was successively amended in the July¹⁰ and in the December¹¹ GB meetings.

The final available appropriations, including the carryover from the previous year were EUR 729.71 million in commitment appropriations and EUR 761.19 million in payment appropriations.

⁹ Decision of the F4E GB F4E_D_2BEFRX adopted on 12/12/2018

¹⁰ Decision of the F4E GB F4E_D_2ELKL3 adopted on 10/07/2019

¹¹ Decision of the F4E GB F4E_D_2HU9XW adopted on 10/12/2019

8.4. Statement of Revenue

8.4.1. Commitment Appropriations

The table in Fig. 30 describes the evolution of statement of revenue in commitment appropriations.

The changes to the statement of revenue are:

- **+ EUR 2 550 000.00** of additional Euratom contribution to align the F4E Budget with the EU budget as finally adopted by the EU Budgetary Authority;
- **+ EUR 1 900 000.00** of additional Euratom contribution to partially compensate the previous contribution from F4E to the EU defence initiative;
- **+ EUR 9 150 414.33** called from the previous unused appropriations, reutilised to balance the level of expenditure according to the final F4E Work Programme 2019;
- **+ EUR 1 231 519.90** of additional miscellaneous revenue linked to a claimed performance guarantee for non-conformities and received bank interests, both in commitments and payments appropriations (details in Fig. 45 in Annex 8.7.1);
- **+ EUR 383 961.24** of additional miscellaneous revenue cashed during 2019 and corresponding to reimbursements of undue payments (internal assigned revenue) (details in table Fig. 45 in Annex 8.7.1);
- **(-) EUR 11 250.00** of recovery order (C1) cashed but not budgeted (details in table Fig. 46 in Annex 8.7.1);
- **+ EUR 642 016.23** of carry-over from 2018 of revenue corresponding to internal assigned revenue mainly cashed at the end of 2018 (unused C4 from 2018 Accounts) (details in table Fig. 47 in Annex 8.7.1);
- **+ EUR 14 944 913.65** of assigned revenue accruing from the contribution of ITER Host State, from carry-over from 2018 accounts and from de-commitments done during 2019 – making the corresponding amounts immediately available again (external assigned revenue);
- **+ EUR 12 894 715.56** of assigned revenue from the ITER Reserve Fund and from the ITER Undistributed Budget from the same scheme as described for the ITER Host State contribution.
- **+ EUR 11 314 653.69** Carry-over from 2018 accounts and from de-commitments done during 2019 – making the corresponding amounts immediately available again (external assigned revenue).

Heading of the 2019 Budget	Original budget 12 Dec. 2018 (1)	Amending budget 1 10 July 2019 (2)	Amending budget 2 10 Dec. 2019 (3)	Final Budget (4)=(1)+(2)+(3)	Additional revenue (5)	Cancelled revenue (outturn) (6)	Final Available Revenue (7)=(4)+(5)+(6)	Carry over from Budget 2018 (8)	Final Available Budget (9)=(7)+(8)
I - 1 10 PARTICIPATION FROM THE EUROPEAN UNION TO OPERATIONAL EXPENDITURE	348 608 200.00	2 550 000.00	1 900 000.00	353 058 200.00			353 058 200.00		353 058 200.00
I - 1 11 RECOVERY FROM PREVIOUS YEARS OPERATIONAL EXPENDITURE	140 019 168.00		9 150 414.33	149 169 582.33			149 169 582.33		149 169 582.33
I - 1 20 PARTICIPATION FROM THE EUROPEAN UNION TO ADMINISTRATIVE EXPENDITURE	49 517 000.00			49 517 000.00			49 517 000.00		49 517 000.00
I - 1 21 RECOVERY FROM PREVIOUS YEARS ADMINISTRATIVE EXPENDITURE	963 132.40			963 132.40			963 132.40		963 132.40
I - 2 10 ANNUAL MEMBERSHIP CONTRIBUTIONS	5 600 000.00			5 600 000.00			5 600 000.00		5 600 000.00
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	14 944 913.65	144 944 913.65
I - 4 10 MISCELLANEOUS REVENUE	p.m.		1 231 519.90	1 231 519.90	383 961.24	-11 250.00	1 604 231.14	642 016.23	2 246 247.37
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.	12 894 715.56		12 894 715.56	11 314 653.69	24 209 369.25
Total Revenue	674 707 500.40	2 550 000.00	12 281 934.23	689 539 434.63	13 278 676.80	-11 250.00	702 806 861.43	26 901 583.57	729 708 445.00

Fig. 30 Evolution of Statement of Revenue in Commitment Appropriations

8.4.1.1. Reserve Fund and Undistributed Budget

According to the Terms of Reference of the ITER Reserve Fund¹² and to the ITER Reserve Fund Management Plan¹³, 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 assigned revenue from the ITER Undistributed Budget covers the cost incurred by F4E on specific requests of IO-DG, mainly for resolution of cases of non-conformities (NCR) and for Direct Implementation (DI) in the best interest of the project¹⁴.

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

IO Reserve Fund (RF), Undistributed Budget (UB)	2015	2016	2017	2018	2019	Total
Contribution of F4E to the RF through the payment of the in-cash contribution (EUR)						
RESERVE FUND IN	21 479 595.00	34 231 380.00	34 095 000.00	13 665 276.00	23 002 198.57	126 473 449.57
IO Budget (paid with cash contribution)						
Obligations from the RF and UB						
RF / EPB DECISION	47 103 414.76	13 847 194.93	39 426 794.50	13 657 059.26	9 162 150.23	123 196 613.68
<i>PCR</i>	47 103 414.76	12 933 863.30	39 281 090.98	13 454 203.74	9 162 150.23	121 934 723.01
<i>DI and NCR</i>		913 331.63	145 703.52	202 855.52		1 261 890.67
UB / CONTRACT APPROVAL	0.00	518 107.70	546 370.49	2 467 237.65	7 915 169.68	11 446 885.52
<i>PCR</i>				1 782 075.00	5 121 822.81	6 903 897.81
<i>DI and NCR</i>		518 107.70	546 370.49	685 162.65	2 793 346.87	4 542 987.71
Total IO obligations	47 103 414.76	14 365 302.63	39 973 164.99	16 124 296.91	17 077 319.91	134 643 499.20
Commitment appropriations from the RF and UB						
RF / CONTRACT APPROVAL	1 301 314.76	14 983 791.90	714 815.39	12 646 429.26	4 071 295.99	33 717 647.30
Commitment appropriations on Chapter 36						
Reduction due to non approval of PCR 670					-450 000.00	-450 000.00
Reduction due to regularization PCR 805					-306 263.00	-306 263.00
UB / CONTRACT APPROVAL	-	-	-	1 000 565.00	9 579 682.57	10 580 247.57
Commitment appropriations on chapter 36						
Total Commitment appropriations	1 301 314.76	14 983 791.90	714 815.39	13 646 994.26	12 894 715.56	43 541 631.87
Payment appropriations from the RF and UB						
RECOVERY ORDER						
Opening in Payment on Chapter 36 (cashed)	0.00	4 120 733.99	11 184 575.01	13 148 645.00	7 414 844.60	35 868 798.60
Budgetary execution of the RF and UB						
COMMITMENTS	1 077 591.26	13 690 226.67	1 405 999.03	3 158 445.65	22 870 710.91	42 202 973.52
<i>Of which Reserve Fund</i>	1 077 591.26	13 690 226.67	1 405 999.03	2 997 795.65	19 935 899.04	39 107 511.65
<i>Of which Undistributed budget</i>				160 650.00	2 934 811.87	3 095 461.87
PAYMENTS	0.00	0.00	4 670 979.73	9 471 448.93	5 094 087.85	19 236 516.51

Fig. 31 Obligations from Reserve Fund and Undistributed Budget

¹² Approved by ITER Council on 17 July 2017

¹³ ICS/2015/OUT/0071(RML3XE)

¹⁴ IC-23/10.2 (MAC-26/05.2) Proposal for ITER- Organization Non-Conformity Resolution Mechanism and Process

8.4.2. Payment Appropriations

Heading of the 2019 Budget	Original budget 12 Dec. 2018 (1)	Amending budget 1 10 July 2019 (2)	Amending budget 2 10 Dec. 2019 (3)	Final Budget (4)=(1)+(2)+(3)	Outstanding revenue from 2018 (5)	Additional requested revenue(*) (6)	Additional cashed revenue(*) (7)	Cancelled revenue (outturn) (8)	Outstanding Revenue at year end (9)	Carry over from Budget 2018 (10)	Final cash Available (11)=(4)+(5)+(6)+(9)+(10)	Final Available Budget(**) (12)=(11)+(8)
I - 1 10 PARTICIPATION FROM THE EUROPEAN UNION TO OPERATIONAL EXPENDITURE	564 000 568.00	-3 500 000.00	-58 000 000.00	502 500 568.00							502 500 568.00	502 500 568.00
I - 1 11 RECOVERY FROM PREVIOUS YEARS OPERATIONAL EXPENDITURE	16 273 060.23			16 273 060.23							16 273 060.23	16 273 060.23
I - 1 20 PARTICIPATION FROM THE EUROPEAN UNION TO ADMINISTRATIVE EXPENDITURE	49 517 000.00			49 517 000.00						5 461 798.34	54 978 798.34	54 978 798.34
I - 1 21 RECOVERY FROM PREVIOUS YEARS ADMINISTRATIVE EXPENDITURE	963 132.40			963 132.40							963 132.40	963 132.40
I - 2 10 ANNUAL MEMBERSHIP CONTRIBUTIONS	5 600 000.00			5 600 000.00	124 000.00		124 000.00		-211 400.00		5 512 600.00	5 600 000.00
I - 3 10 ASSIGNED REVENUE ACCRUING FROM THE CONTRIBUTION OF ITER HOST STATE	145 000 000.00			145 000 000.00						2 198 145.43	147 198 145.43	147 198 145.43
I - 4 10 MISCELLANEOUS REVENUE	p.m.		1 231 519.90	1 231 519.90	567.46	704 701.33	383 961.24	-11 250.00	-321 307.55	10 343 394.30	11 958 875.44	11 947 625.44
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.		11 976 593.85	7 414 844.60		-4 561 749.25	14 311 525.34	21 726 369.94	21 726 369.94
Total Revenue	781 353 760.63	-3 500 000.00	-56 768 480.10	721 085 280.53	124 567.46	12 681 295.18	7 922 805.84	-11 250.00	-5 094 456.80	32 314 863.41	761 111 549.78	761 187 699.78

(*) I410: Additional revenue requested (6) and cashed (7) on top of the budgeted amount.

(**) I210: The budget available is the amount adopted by the Governing Board.

Fig. 32 Evolution of Statement of Revenue in Payment Appropriations

The breakdown of revenue by contributors in 2019 in payment appropriations is:

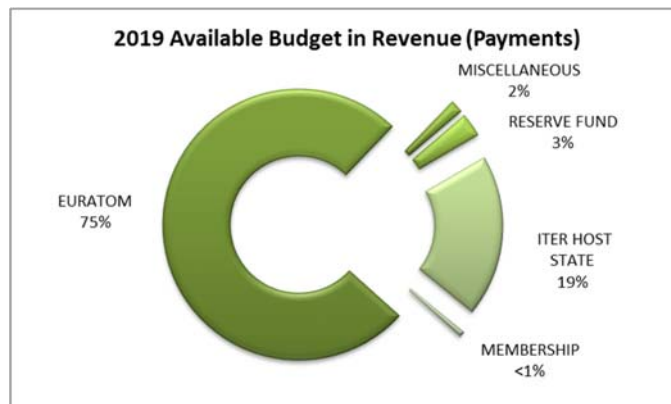


Fig.33 Revenue Breakdown in Payment Appropriations

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

- **(-) EUR 3 500 000.00** to align F4E budget with the EU Budget as finally adopted by EU Budgetary Authority;
- **(-) EUR -58 000 000.00** of transfer back of the Euratom contribution on request of F4E to align the budget for operational expenditure to the lower 2019 forecast of implementation in payments;
- **+ EUR 1 231 519.90** refer to the justification provided for the revenue in commitment appropriations, section 8.4.1;
- **+ EUR 383 961.24** refer to the justification provided for the revenue in commitments, section 8.4.1;
- **(-) EUR 11 250.00** refer to the justification provided for the revenue in commitments, section 8.4.1;
- **+ EUR 5 461 798.34** of carry-over from 2018 participation from the Euratom to the administrative expenditure; corresponding to the automatic carry-over of administrative expenditure committed in 2018 and not yet liquidated at the year-end (non-differentiated appropriations);
- **+ EUR 2 198 145.43** of additional assigned revenue accruing from the contribution of ITER Host State, carried over from 2018 accounts;
- **+ EUR 10 343 394.30** of additional miscellaneous revenue carried over from the 2018 budget and corresponding to the partial use of the recovery for the TB04 novation contract;
- **+ EUR 124 000.00** of outstanding revenue (balance of the 2018 membership contribution from Spain cashed in 2019)
- **(-) EUR 211 400.00** of outstanding revenue (2019 membership contribution from Spain partially cashed in 2019)
- **+ EUR 7 414 844.60** of 2019 assigned revenue from the ITER Reserve Fund and from the ITER Undistributed Budget;
- **+ EUR 14 311 525.34** of assigned revenue from the ITER Reserve Fund and from the ITER Undistributed Budget, carried-over from the 2018 accounts.

8.5. Statement of Expenditure

In line with the F4E budgetary procedure, the statement of expenditure adopted with the original 2019 budget was established based on the 2017 edition of the Resource Estimates Plan, and adjusted to the final outcome of the budgetary procedures of Euratom and France.

8.5.1. Commitment Appropriations

The statement of expenditure is aligned with the original 2019 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 of the F4E Financial Regulation. The Governing Board 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 2018 were automatically carried over to 2019.

A full implementation of the 2019 Budget shall be considered.

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

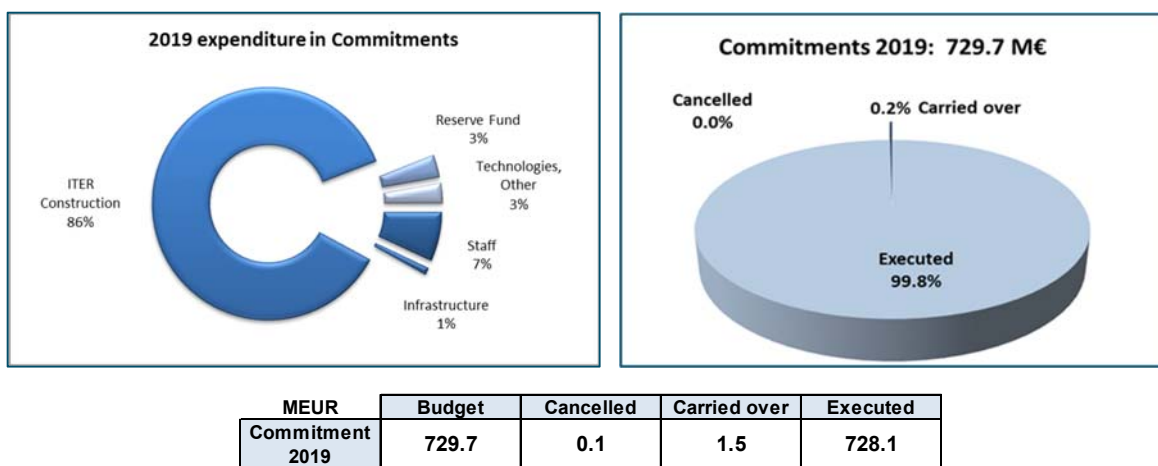


Fig. 34 Final breakdown of the Expenditure in Commitments

Evolution of the Statement of Expenditure in Commitment (EUR)

Heading of the 2019 Budget	Original budget 12 Dec. 2018 (1)	Amending budget 1 10 July 2019 (2)	Amending budget 2 10 Dec. 2019 (3)	Transfers adopted by F4E Director (4)	Final budget (5)= $\Sigma(1 \text{ to } 4)$	Additional revenue (6)	Carried over from 2018 (7)	Final appropriations (8)= $\Sigma(5 \text{ to } 7)$	Final implementation (9)	% implem. (10)= (9)/(8)
CH 11 STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	32 952 832.40			1 352 206.14	34 305 038.54			34 305 038.54	34 305 038.54	100.0%
CH 12 EXTERNAL STAFF EXPENDITURE (CA, IS AND SNE)	11 022 500.00			-217 094.65	10 805 405.35			10 805 405.35	10 805 405.35	100.0%
CH 13 MISSIONS AND DUTY TRAVEL	450 000.00			440 000.00	890 000.00			890 000.00	890 000.00	100.0%
CH 14 MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	853 000.00			-364 975.78	488 024.22			488 024.22	488 024.22	100.0%
CH 15 REPRESENTATION	10 000.00			-4 000.00	6 000.00			6 000.00	6 000.00	100.0%
CH 16 TRAINING	663 000.00			-67 633.24	595 366.76	2 031.26		597 398.02	597 398.02	100.0%
CH 17 OTHER STAFF MANAGEMENT EXPENDITURE	2 422 000.00			376 508.53	2 798 508.53	3 356.25		2 801 864.78	2 801 864.78	100.0%
CH 18 TRAINEESHIPS	151 000.00			25 186.84	176 186.84			176 186.84	176 186.84	100.0%
TITLE 1 - Commitment	48 524 332.40	0.00	0.00	1 540 197.84	50 064 530.24	5 387.51	0.00	50 069 917.75	50 069 917.75	100.0%
CH 21 BUILDINGS AND ASSOCIATED COSTS	1 428 000.00			-520 839.68	907 160.32		489 339.68	1 396 500.00	1 396 500.00	100.0%
CH 22 INFORMATION AND COMMUNICATION TECHNOLOGIES	3 570 400.00			-4 971.23	3 565 428.77			3 565 428.77	3 565 428.77	100.0%
CH 23 MOVABLE PROPERTY AND ASSOCIATED COSTS	261 000.00			-103 000.00	158 000.00			158 000.00	158 000.00	100.0%
CH 24 EVENTS AND COMMUNICATION	306 000.00			-6 291.83	299 708.17			299 708.17	299 708.17	100.0%
CH 25 OUTSOURCING AND OTHER CURRENT EXPENDITURE	1 244 000.00			5 488.02	1 249 488.02	567.46		1 250 055.48	1 249 488.02	100.0%
CH 26 POSTAGE AND TELECOMMUNICATIONS	391 000.00			-20 400.00	370 600.00			370 600.00	370 600.00	100.0%
CH 27 EXPENDITURE ON FORMAL AND OTHER MEETINGS	355 400.00			98 798.06	454 198.06			454 198.06	454 198.06	100.0%
CH 28 APPROPRIATION ACCRUING FROM THIRD PARTIES TO THE BUILDING REFURBISHMENT EXPENDITURE	p.m.			0.00	0.00			0.00	0.00	-
TITLE 2 - Commitment	7 555 800.00	0.00	0.00	-551 216.66	7 004 583.34	567.46	489 339.68	7 494 490.48	7 493 923.02	100.0%
Total TITLE 1 & 2 - Commitment	56 080 132.40	0.00	0.00	988 981.18	57 069 113.58	5 954.97	489 339.68	57 564 408.23	57 563 840.77	100.0%

Fig.35 Evolution of the Administrative Expenditure in Commitments

Evolution of the Statement of Expenditure in Commitment (EUR)

(cont'd)

Heading of the 2019 Budget	Original budget 12 Dec. 2018 (1)	Amending budget 1 10 July 2019 (2)	Amending budget 2 10 Dec. 2019 (3)	Transfers adopted by F4E Director (4)	Final budget (5)= Σ(1 to 4)	Additional revenue (6)	Carried over from 2018 (7)	Final appropriations (8)= Σ(5 to 7)	Final implementation (9)	% implem. (10)= (9)/(8)
CH 31 ITER CONSTRUCTION - INCLUDING SITE PREPARATION	468 541 368.00	-2 364 000.00	17 084 140.23	-890 076.68	482 371 431.55	337 824.27	152 676.55	482 861 932.37	482 595 361.97	99.9%
CH 32 TECHNOLOGY FOR ITER	3 304 000.00	-804 000.00	-500 000.00	-528 563.45	1 471 436.55			1 471 436.55	1 471 436.55	100.0%
CH 33 TECHNOLOGY FOR BROADER APPROACH AND DEMO	11 800 000.00	-1 300 000.00	-5 500 000.00	-731 189.51	4 268 810.49			4 268 810.49	4 268 810.49	100.0%
CH 34 OTHER EXPENDITURE	4 982 000.00	7 018 000.00	1 197 794.00	1 160 848.46	14 358 642.46	28 932.00		14 387 574.46	14 387 574.46	100.0%
CH 35 ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	130 000 000.00				130 000 000.00		14 944 913.65	144 944 913.65	144 944 913.17	100.0%
CH 36 APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	p.m.				0.00	12 894 715.56	11 314 653.69	24 209 369.25	22 872 935.91	94.5%
TITLE 3 - Commitment	618 627 368.00	2 550 000.00	12 281 934.23	-988 981.18	632 470 321.05	13 261 471.83	26 412 243.89	672 144 036.77	670 541 032.55	99.8%
Total BUDGET in Commitment Appropriations	674 707 500.40	2 550 000.00	12 281 934.23	0.00	689 539 434.63	13 267 426.80	26 901 583.57	729 708 445.00	728 104 873.32	99.8%

Fig.36 Evolution of the Operational Expenditure in Commitments

8.5.1.1. Administrative Expenditure

The administrative expenditure comprises 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 transfers approved by the Director increased the administrative budget from the operational budget by EUR 1 478 320.86 and modified the detailed allocation of the administrative expenditure according to the final needs.

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

The major changes (> +/-10%) in the administrative expenditure (variation of the final implementation in % of the initial budget) are:

Title 1 – Staff expenditure (+ 3%)

Chapter 13 Missions and duty travel: +98%

The development of a specific tool for the management of mission expenditure has allowed a precise allocation of missions between operational and administrative expenditure. The total expenditure for mission was decreased compared to the original budget.

Chapter 14 Miscellaneous expenditure on staff recruitment and transfer: (-) 43%

The recruitment rate was lower than the original forecast due to the need to reduce the establishment plan by 11 positions at the beginning of 2020, therefore a reduction in the expenditure linked to recruitment: removals, travel for taking up duties, daily and installation allowances, travel expenses for medical visits.

Chapter 15 Representation: (-) 40%

Minor change in value (from EUR 10 000 to EUR 6 000) resulting from a lower implementation.

Chapter 16 Training: (-) 10%

Expenditures for training lower than forecasted, in particular regarding the technical trainings and language courses.

Chapter 17 Other staff management expenditure: +16%

Increase in the expenditure for the international schooling and medical services due to a change in the procurement structure and increase of needs for the International school.

Chapter 18 Traineeships: +17%

This increase is due to the decision to recruit more traineeship, from 16 to 27 trainees, as result of the success of this activity.

nature” meaning implemented through other means than the classical works, supply and service contracts defined in title 5 of the FR of F4E and defined by its scope, directly related to the ITER and BA projects. The following actions are funded against this item:

- Experts/contractors performing the work not directly linked to specific contract or delivery, including the cost to host external experts from services contracts working on F4E site;
- High-level scientific and technological analyses and evaluations carried out on behalf of F4E;
- Miscellaneous expenditure (legal, ICT, logistics, missions, building...), in particular of administrative nature but directly linked to ITER, BA and DEMO.

Chapter 35 ITER construction- appropriations accruing from the Host State contribution: +11%

The appropriations increase for this chapter is due to the carryover from the previous year, allowing the financing of additional actions foreseen in the Work Programme with a balancing on the execution on Chapter 31.

8.5.1.3. Open Commitments at 31 December 2019

The F4E obligations amount to EUR 1 267.63 million at the closure of the 2019 budget.

The total amount of open commitments is decreased by EUR 47.2 million compared to the end of 2018

The total amount left over on open budgetary commitments is detailed in the Fig. 37

2019 budget Heading	Open Commitments at the beginning of 2020 (EUR)				
	from previous year (1)	from 2019 budget (2)	Total (3)=(1)+(2)	To be de-committed (4)	Net Total (5)=(3)-(4)
TITLE 1 - STAFF EXPENDITURE	0.00	1 356 087.63	1 356 087.63	0.00	1 356 087.63
TITLE 2 - OTHER OPERATING EXPEND.	0.00	3 185 297.32	3 185 297.32	0.00	3 185 297.32
Total TITLE 1 & 2	0.00	4 541 384.95	4 541 384.95	0.00	4 541 384.95
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	649 758 331.58	252 488 460.25	902 246 791.83	3 551 740.00	898 695 051.83
CH 32 - TECHNOLOGY FOR ITER	4 920 117.40	1 454 500.27	6 374 617.67		6 374 617.67
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	4 938 581.14	2 103 209.21	7 041 790.35		7 041 790.35
CH 34 - OTHER EXPENDITURE	2 513 798.04	10 101 850.75	12 615 648.79		12 615 648.79
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	199 160 295.59	116 239 703.93	315 399 999.52		315 399 999.52
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	2 588 673.07	20 380 008.94	22 968 682.01	2 225.00	22 966 457.01
Total TITLE 3	863 879 796.82	402 767 733.35	1 266 647 530.17	3 553 965.00	1 263 093 565.17
Total	863 879 796.82	407 309 118.30	1 271 188 915.12	3 553 965.00	1 267 634 950.12

Fig. 37 Open Commitments Carried Forward from 2019 to 2020

Note:

There are no global commitments from the 2019 Budget to be carried over for implementation in individual commitments in 2020, except a small amount to be de-committed on the Chapter 36 (EUR 2 225). An old outdated global commitment amounting to EUR 3.55 million is also to be de-committed.

8.5.1.4. Status of Unused Commitment Appropriations

According to the annuality principle of the F4E FR, 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 F4E FR also foresees the possibility to make the cancelled appropriations available again in future F4E budgets.

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 31/12/2019 (since 2008) +	751 037 158.26	210 392 529.19	961 429 687.45
Amount budgeted again or carried over (since 2008) -	374 936 123.33	210 392 529.19	585 328 652.52
Amount available for future budgets =	376 101 034.93	-	376 101 034.93

Fig. 38 Status of Unused Commitment Appropriations

From 2008 to 2019, the total of de-commitments amounts to EUR 961 429 687.45.

From this amount:

- EUR 210.39 million have been automatically carried over following the external assigned revenue rules,
- EUR 374.94 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 376.10 million, entered in the 2020 F4E budget.

8.5.2. 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.

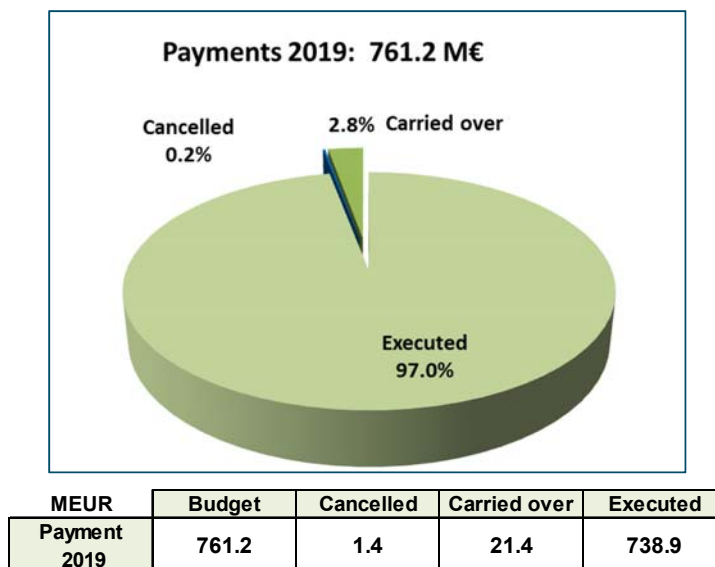


Fig. 39 Final Implementation in Payment Appropriations

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

Heading of the 2019 Budget	Original budget 12 Dec. 2018	Amending budget 1 10 July 2019	Amending budget 2 10 Dec. 2019	Transfers adopted by F4E Director	Final budget	Additional revenue	Carried over from 2018	Final appropriations	Implementation			
	(1)	(2)	(3)	(4)	(5)= Σ(1 to 4)	(6)	(7)	(8)= Σ(5 to 7)	On B2019 commitments (9)	On B 2018 commitments (10)	Final (11)=(9)+(10)	% (12)= (11)/(8)
CH 11 STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	32 952 832.40			1 352 206.14	34 305 038.54			34 305 038.54	34 305 038.54		34 305 038.54	100.0%
CH 12 EXTERNAL STAFF EXPENDITURE (CA, IS AND SNE)	11 022 500.00			-217 094.65	10 805 405.35		210 271.74	11 015 677.09	10 647 569.40	183 042.86	10 830 612.26	98.3%
CH 13 MISSIONS AND DUTY TRAVEL	450 000.00			440 000.00	890 000.00		1 290 241.59	2 180 241.59	376 957.92	1 058 136.72	1 435 094.64	65.8%
CH 14 MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	853 000.00			-364 975.78	488 024.22		48 078.70	536 102.92	417 850.34	6 497.06	424 347.40	79.2%
CH 15 REPRESENTATION	10 000.00			-4 000.00	6 000.00		6 364.77	12 364.77	3 972.18	1 138.60	5 110.78	41.3%
CH 16 TRAINING	663 000.00			-67 633.24	595 366.76	2 031.26	217 675.48	815 073.50	307 606.02	162 027.67	469 633.69	57.6%
CH 17 OTHER STAFF MANAGEMENT EXPENDITURE	2 422 000.00			376 508.53	2 798 508.53	3 356.25	355 386.87	3 157 251.65	2 478 648.88	255 050.45	2 733 699.33	86.6%
CH 18 TRAINEESHIPS	151 000.00			25 186.84	176 186.84			176 186.84	176 186.84		176 186.84	100.0%
TITLE 1 - Payment appropriations	48 524 332.40	0.00	0.00	1 540 197.84	50 064 530.24	5 387.51	2 128 019.15	52 197 936.90	48 713 830.12	1 665 893.36	50 379 723.48	96.5%
CH 21 BUILDINGS AND ASSOCIATED COSTS	1 428 000.00			-520 839.68	907 160.32		1 069 085.43	1 976 245.75	884 510.32	501 800.16	1 386 310.48	70.1%
CH 22 INFORMATION AND COMMUNICATION TECHNOLOGIES	3 570 400.00			-4 971.23	3 565 428.77		1 843 564.89	5 408 993.66	1 855 574.45	1 708 494.22	3 564 068.67	65.9%
CH 23 MOVABLE PROPERTY AND ASSOCIATED COSTS	261 000.00			-103 000.00	158 000.00		104 680.22	262 680.22	84 254.49	62 639.11	146 893.60	55.9%
CH 24 EVENTS AND COMMUNICATION	306 000.00			-6 291.83	299 708.17		81 915.85	381 624.02	181 553.00	54 467.09	236 020.09	61.8%
CH 25 OUTSOURCING AND OTHER CURRENT EXPENDITURE	1 244 000.00			5 488.02	1 249 488.02	567.46	379 435.75	1 629 491.23	885 116.75	274 808.78	1 159 925.53	71.2%
CH 26 POSTAGE AND TELECOMMUNICATIONS	391 000.00			-20 400.00	370 600.00		196 285.16	566 885.16	225 092.19	144 986.25	370 078.44	65.3%
CH 27 EXPENDITURE ON FORMAL AND OTHER MEETINGS	355 400.00			98 798.06	454 198.06		148 151.57	602 349.63	192 524.50	138 592.64	331 117.14	55.0%
CH 28 APPROPRIATION ACCRUING FROM THIRD PARTIES TO THE BUILDING REFURBISHMENT EXPENDITURE	p.m.			0.00	0.00			0.00	0.00	0.00	0.00	-
TITLE 2 - Payment appropriations	7 555 800.00	0.00	0.00	-551 216.66	7 004 583.34	567.46	3 823 118.87	10 828 269.67	4 308 625.70	2 885 788.25	7 194 413.95	66.4%
Total TITLE 1 & 2 - Payment	56 080 132.40	0.00	0.00	988 981.18	57 069 113.58	5 954.97	5 951 138.02	63 026 206.57	53 022 455.82	4 551 681.61	57 574 137.43	91.3%

Fig. 40 Evolution of the Administrative Expenditure in Payment Appropriations

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

(cont'd)

Heading of the 2019 Budget	Original budget 12 Dec. 2018	Amending budget 1 10 July 2019	Amending budget 2 10 Dec. 2019	Transfers adopted by F4E Director	Final budget	Additional revenue	Carried over from 2018	Final appropriations	Implementation			
	(1)	(2)	(3)	(4)	(5)=Σ(1 to 4)	(6)	(7)	(8)=Σ(5 to 7)	On B2019 commitments (9)	On B 2018 commitments (10)	Final (11)=(9)+(10)	% (12)= (11)/(8)
CH 31 ITER CONSTRUCTION - INCLUDING SITE PREPARATION	563 673 628.23	-3 500 000.00	-56 768 480.10	-6 911 637.93	496 493 510.20	337 824.27	9 854 054.62	506 685 389.09	-	-	506 485 472.61	100.0%
CH 32 TECHNOLOGY FOR ITER	4 200 000.00			2 642 102.19	6 842 102.19			6 842 102.19	-	-	6 842 102.19	100.0%
CH 33 TECHNOLOGY FOR BROADER APPROACH AND DEMO	7 400 000.00			937 082.18	8 337 082.18			8 337 082.18	-	-	8 337 082.18	100.0%
CH 34 OTHER EXPENDITURE	5 000 000.00			2 343 472.38	7 343 472.38	28 932.00		7 372 404.38	-	-	7 372 404.38	100.0%
CH 35 ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	145 000 000.00				145 000 000.00		2 198 145.43	147 198 145.43	-	-	147 198 145.43	100.0%
CH 36 APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	p.m.				0.00	7 414 844.60	14 311 525.34	21 726 369.94	-	-	5 094 087.85	23.4%
TITLE 3 - Payment appropriations	725 273 628.23	-3 500 000.00	-56 768 480.10	-988 981.18	664 016 166.95	7 781 600.87	26 363 725.39	698 161 493.21	0.00	0.00	681 329 294.64	97.6%
Total BUDGET in Payment Appropriations	781 353 760.63	-3 500 000.00	-56 768 480.10	0.00	721 085 280.53	7 787 555.84	32 314 863.41	761 187 699.78	53 022 455.82	4 551 681.61	738 903 432.07	97.1%

Fig. 41 Evolution of the Operational Expenditure in Payment Appropriations

8.5.2.1. 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 in section 8.5.1.1.

Nevertheless, the statement of expenditure in payment appropriations includes carry over appropriations from 2018, corresponding to administrative contracts committed but not yet paid at the end of 2018.

The amounts from the 2019 Budget committed but not paid at the end of 2019 are carried over to 2020 budget according to the rule of non-differentiated appropriations.

EUR 910 116.73 of unused payment appropriations in Title 1 and 2 carried from the previous year have been cancelled.

8.5.2.2. Operational Expenditure

97.1% of the available appropriations in payments have been implemented.

EUR 16.83 million are carried over to 2020 Budget according to the rules for assigned revenue.

To be noted, the amount of VAT paid on contracts and not yet reimbursed by Tax Authorities to F4E was 10.96 million at the 31/12/2019, lower than the previous years thanks to all efforts developed during 2019 to shorten this process. This amount was also lower than the automatic carry-over to 2020, having therefore no impact on the final execution of the 2019 budget in payment appropriations

8.5.2.3. Cancelled Payment Appropriations

2019 budget Heading	Unused Appropriations (1)	Carry over to 2020 (2)	(EUR) Cancelled appropriation (3)=(1)-(2)
TITLE 1	1 818 213.42	1 356 087.63	462 125.79
TITLE 2	3 633 855.72	3 185 864.78	447 990.94
Total TITLE 1 & 2 Payment	5 452 069.14	4 541 952.41	910 116.73
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	199 916.48	199 916.45	0.03
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	0.00	0.00	0.00
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	16 632 282.09	16 632 282.09	0.00
TITLE 3 - Payment	16 832 198.57	16 832 198.54	0.03
Total BUDGET in Payment	22 284 267.71	21 374 150.95	910 116.76

Fig. 42 Cancelled Payment Appropriations

The payment appropriations not used by the 31/12/2019 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 payments at the end of 2019 and the automatic carry over, there are no cancelled appropriations except the amounts not paid in 2019 on open administrative commitments carried over from 2018.

8.5.3. Additional Information on the Final Implementation 2018

8.5.3.1. Final Implementation of the Administrative Expenditure 2018

The definitive execution of the administrative budget 2018 is determined at the end of 2019, when the amounts 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 2018 administrative budget is therefore as follows:

(EUR)	Title 1	Title 2	Total
Final 2018 administrative budget in commitment and payment appropriations	48 799 399.02	6 589 960.97	55 389 359.99

Fig. 43 Final Implementation of the Administrative Expenditure 2018

8.5.3.2. Final Implementation of the Global Commitments 2018

For the 2018 only a technical global commitment was left over for the Reserve Fund (EUR 456 186.00) and it has been cancelled in 2019.

8.6. Budget Outturn Account 2019

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 appropriations carried over to the following year.

Budget Outturn Account		2019	2018
REVENUE			
Euratom contribution	+	569 253 760.63	659 910 844.32
ITER Host state contributions	+	145 000 000.00	130 000 000.00
Membership contributions	+	5 512 600.00	4 875 000.00
ITER Reserve Fund	+	7 414 844.60	13 148 645.00
Other revenue	+	1 604 231.14	22 950 406.36
Other non budgeted revenue	+	11 250.00	297 250.65
TOTAL REVENUE (a)		728 796 686.37	831 182 146.33
EXPENDITURE			
<i>Title I: Staff</i>			
Payments	-	48 713 830.12	47 133 505.66
Appropriations carried over	-	1 356 087.63	2 128 019.15
<i>Title II: Infrastructure Expenditure</i>			
Payments	-	4 308 625.70	3 704 172.72
Appropriations carried over	-	3 185 864.78	3 823 118.87
<i>Title III: Operational Expenditure</i>			
Payments	-	681 329 294.64	760 115 387.18
Appropriations carried over	-	16 832 198.54	26 363 725.39
<i>Total Payments (b)</i>		<i>734 351 750.46</i>	<i>810 953 065.56</i>
<i>Total Appropriations carried over (c)</i>		<i>21 374 150.95</i>	<i>32 314 863.41</i>
TOTAL EXPENDITURE (d)=(b)+(c)		755 725 901.41	843 267 928.97
OUTTURN FOR THE FINANCIAL YEAR (a-d)		-26 929 215.04	-12 085 782.64
Cancellation of unused payment appropriations carried over from previous year	+	910 116.73	1 064 674.13
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	26 853 065.07	12 338 033.29
Exchange differences for the year (gain +/loss -)	+/-	-9 792.63	-190.61
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		824 174.13	1 316 734.17
Of which Administrative expenditure		900 324.10	1 064 483.52
Of which Operational expenditure		-76 149.97	252 250.65

Fig. 44 Budget Outturn 2019

For the 2019 financial year, the balance of the budget outturn amounts to EUR 824 174.13.

8.7. Annexes

8.7.1. Detailed Tables for the Reconciliation of Chapter 4 Miscellaneous Revenue

Origin Year	Budget Chapter	Fund Source	Amount
2019		C1	1 206 654.30
2019		C1	7 500.00
2019		C1	16 875.00
2019		C1	490.60
TOTAL			1 231 519.90

Fig. 45 Additional Revenue Budgeted (in Amending Budget 2)

Origin Year	Budget Chapter	Fund Source	Amount
2019	A016	C4	538.72
2019	A016	C4	540.00
2019	A016	C4	719.28
2019	A016	C4	233.26
2019	A017	C4	3 356.25
2018	A025	C4	567.46
2019	B031	C4	3 295.13
2019	B031	C4	2 220.42
2019	B031	C4	132 392.27
2019	B031	C4	199 916.45
2019	B034	C4	20 832.00
2019	B034	C4	8 100.00
2019	No Budget	C1	11 250.00
TOTAL			383 961.24

Fig. 46 Recovery Orders Cashed in 2019

Origin Year	Budget Chapter	Fund Source	Amount
2018	CH 21	C5	489 339.68
2018	CH 31	C5	152 676.55
TOTAL			642 016.23

Fig. 47 Recovery Orders Cashed in 2018 and Carried over to 2019

Note: The recovery order of 489 339.68 EUR was allocated to the Chapter 21 when cashed at the end of 2018, and moved to Chapter 31 at the beginning of 2019 following further analysis on the nature of the recovery.

8.7.2. Multi-Annual Payment Schedule for the Operational Budget

Year	Commitments	Paid until end of 2013	MFF 2014-2020						Outstanding amount
			Paid 2014	Paid 2015	Paid 2016	Paid 2017	Paid 2018	Paid 2019	
<= 2007	115 445 438.21	113 121 009.41	2 062 547.93	261 880.87	-	-	-	-	-
2008	162 505 480.00	154 330 986.04	8 026 734.12	-	-	-	-	-	147 759.84
2009	295 658 870.68	234 711 366.38	26 549 875.43	13 259 338.45	8 008 925.36	9 541 166.89	1 995 858.00	595 166.88	997 173.29
2010	389 925 510.27	274 537 523.43	34 717 587.59	39 227 964.72	9 607 653.62	15 107 792.58	7 052 706.24	7 271 509.84	2 402 772.25
2011	370 662 303.45	224 611 776.68	29 962 742.34	26 739 952.54	35 305 192.97	42 950 825.08	1 186 051.53	1 003 257.15	8 902 505.16
2012	1 097 796 786.74	227 971 230.12	128 364 796.05	164 239 683.64	189 718 067.75	152 829 836.45	59 686 026.83	30 102 558.63	144 884 587.27
2013	814 550 062.74	67 053 699.98	181 415 330.39	96 759 662.07	124 738 904.24	85 677 718.98	80 349 613.29	14 030 308.08	164 524 825.71
2014	579 016 536.21	-	52 626 681.58	93 676 757.92	116 670 110.66	78 631 340.28	68 952 541.72	42 675 882.86	125 783 221.19
2015	368 778 530.04	-	-	46 616 552.99	123 149 761.09	50 541 171.89	57 643 284.14	39 324 580.84	51 503 179.09
2016	412 989 551.21	-	-	-	58 687 305.83	229 014 259.88	59 591 457.06	55 272 443.55	10 424 084.89
2017	487 297 013.99	-	-	-	-	119 010 491.88	168 993 842.63	65 041 867.40	134 250 812.08
2018	629 409 562.00	-	-	-	-	-	254 664 005.74	158 238 420.21	216 507 136.05
2019	670 541 032.55	-	-	-	-	-	-	267 773 299.20	402 767 733.35
Total	6 394 576 678.09	1 296 337 592.04	463 726 295.43	480 781 793.20	665 885 921.52	783 304 603.91	760 115 387.18	681 329 294.64	1 263 095 790.17

Fig. 48 Multiannual Payment Schedule (Operational)

Notes:

The actions accounted to F4E projects and implemented by the Commission and the CEA before F4E financial autonomy in 2008 are included.

For information, 1 084 commitment positions are open in ABAC on the 31/12/19.

8.7.3. Reconciliation between Budgetary and Accrual Based Accounts

	sign +/-	Amount (EUR)
Economic result (+ for surplus and - for deficit)	+/-	11 982 174.84
<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)	+/-	72 976 449.12
Adjustments for Accrual Cut-off (cut- off 31.12.N)	+/-	-95 737 200.67
Unpaid invoices at year end but booked in charges (class 6)	+	62 557 680.06
Depreciation of intangible and tangible assets	+	722 163.80
Provisions (impact of the year)	+/-	18 129 222.89
Recovery Orders issued in 2019 in class 7 and not yet cashed	-	-5 094 456.80
Prefinancing given in previous year and cleared in the year	+	57 689 632.99
Prefinancing received in previous year and cleared in the year	-	-350 160.00
Payments made from carry over of payment appropriations	+	4 551 681.61
Other : Correction invoices related to assets booked as expenses	+/-	-67 976.15
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
Asset acquisitions (less unpaid amounts)	-	-860 206.94
New pre-financing paid in the year 2019 and remaining open as at 31.12.2019	-	-55 722 922.55
New pre-financing received in the year 2019 and remaining open as at 31.12.2019	+	824 174.13
Budgetary recovery orders issued before 2019 and cashed in the year	+	124 000.00
Budgetary recovery orders issued in 2019 on balance sheet accounts (not 7 or 6 accounts) and cashed	+	28 932.00
Payment appropriations carried over to 2020	-	-21 374 150.95
Cancellation of unused carried over payment appropriations from previous year	+	910 116.73
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	26 853 065.07
Other : Invoices paid in 2019 but booked in charges in previous years	+/-	-77 318 011.82
total		824 207.36
Budgetary result (+ for surplus)	+/-	824 174.13
Including amount of exchange rate differences		-9 792.63
Delta not explained		33.23

Fig. 49 Reconciliation between Budgetary and Accrual Based Accounts

8.7.4. 2019 Budget Implementation – Details 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	34 305 038.54	34 305 038.54	100.00%	34 305 038.54	34 305 038.54	100.00%
A01200	EXTERNAL STAFF EXPENDITURE (CA, SNE, INTERIM STAFF)	C1	10 805 405.35	10 805 405.35	100.00%	10 805 405.35	10 647 569.40	98.54%
A01300	MISSIONS AND DUTY TRAVEL	C1	890 000.00	890 000.00	100.00%	890 000.00	376 957.92	42.35%
A01400	MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT	C1	488 024.22	488 024.22	100.00%	488 024.22	417 850.34	85.62%
A01500	REPRESENTATION	C1	6 000.00	6 000.00	100.00%	6 000.00	3 972.18	66.20%
A01600	TRAINING	C1	595 366.76	595 366.76	100.00%	595 366.76	305 574.76	51.33%
A01700	OTHER STAFF MANAGEMENT EXPENDITURE	C1	2 798 508.53	2 798 508.53	100.00%	2 798 508.53	2 475 292.63	88.45%
A01800	TRAINEESHIPS	C1	176 186.84	176 186.84	100.00%	176 186.84	176 186.84	100.00%
Total Title 1			50 064 530.24	50 064 530.24	100.00%	50 064 530.24	48 708 442.61	97.29%
A02100	BUILDINGS AND ASSOCIATED COSTS	C1	1 396 500.00	1 396 500.00	100.00%	1 396 500.00	884 510.32	63.34%
A02200	INFORMATION AND COMMUNICATION TECHNOLOGIES	C1	3 565 428.77	3 565 428.77	100.00%	3 565 428.77	1 855 574.45	52.04%
A02300	MOVABLE PROPERTY AND ASSOCIATED COSTS	C1	158 000.00	158 000.00	100.00%	158 000.00	84 254.49	53.33%
A02400	EVENTS and COMMUNICATION	C1	299 708.17	299 708.17	100.00%	299 708.17	181 553.00	60.58%
A02500	OUTSOURCING AND OTHER CURRENT EXPENDITURE	C1	1 249 488.02	1 249 488.02	100.00%	1 249 488.02	885 116.75	70.84%
A02600	POSTAGE AND TELECOMMUNICATIONS	C1	370 600.00	370 600.00	100.00%	370 600.00	225 092.19	60.74%
A02700	EXPENDITURE ON FORMAL AND OTHER MEETINGS	C1	454 198.06	454 198.06	100.00%	454 198.06	192 524.50	42.39%
Total Title 2			7 493 923.02	7 493 923.02	100.00%	7 493 923.02	4 308 625.70	57.49%

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

(cont'd)

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	481 882 091.87	481 815 437.92	99.99%	496 004 170.52	496 004 170.49	100.00%
B03200	TECHNOLOGY FOR ITER	C1	1 471 436.55	1 471 436.55	100.00%	6 842 102.19	6 842 102.19	100.00%
B03300	TECHNOLOGY FOR BROADER APPROACH AND DEMO	C1	4 268 810.49	4 268 810.49	100.00%	8 337 082.18	8 337 082.18	100.00%
B03400	OTHER EXPENDITURE	C1	14 358 642.46	14 358 642.46	100.00%	7 343 472.38	7 343 472.38	100.00%
Total Title 3			501 980 981.37	501 914 327.42	99.99%	518 526 827.27	518 526 827.24	100.00%
Total C1			559 539 434.63	559 472 780.68	99.99%	576 085 280.53	571 543 895.55	99.21%

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)
A01600	TRAINING	C4	2 031.26	2 031.26	100.00%	2 031.26	2 031.26	100.00%
A01700	OTHER STAFF MANAGEMENT EXPENDITURE	C4	3 356.25	3 356.25	100.00%	3 356.25	3 356.25	100.00%
Total Title 1			5 387.51	5 387.51	100.00%	5 387.51	5 387.51	100.00%
A02500	OUTSOURCING AND OTHER CURRENT EXPENDITURE	C4	567.46	0.00	0.00%	567.46	0.00	0.00%
Total Title 2			567.46	0.00	0.00%	567.46	0.00	0.00%
B03100	ITER CONSTRUCTION - INCL. SITE PREPARATION	C4	337 824.27	137 907.82	40.82%	337 824.27	137 907.82	40.82%
B03400	OTHER EXPENDITURE	C4	28 932.00	28 932.00	100.00%	28 932.00	28 932.00	100.00%
Total Title 3			366 756.27	166 839.82	45.49%	366 756.27	166 839.82	45.49%
Total C4			372 711.24	172 227.33	46.21%	372 711.24	172 227.33	46.21%

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	642 016.23	642 016.23	100.00%	10 343 394.30	10 343 394.30	100.00%
Total Title 3			642 016.23	642 016.23	100.00%	10 343 394.30	10 343 394.30	100.00%
Total C5			642 016.23	642 016.23	100.00%	10 343 394.30	10 343 394.30	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	210 271.74	183 042.86	87.05%	210 271.74	183 042.86	87.05%
A01300	MISSIONS AND DUTY TRAVEL	C8	1 290 241.59	1 058 136.72	82.01%	1 290 241.59	1 058 136.72	82.01%
A01400	MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT	C8	48 078.70	6 497.06	13.51%	48 078.70	6 497.06	13.51%
A01500	REPRESENTATION	C8	6 364.77	1 138.60	17.89%	6 364.77	1 138.60	17.89%
A01600	TRAINING	C8	217 675.48	162 027.67	74.44%	217 675.48	162 027.67	74.44%
A01700	OTHER STAFF MANAGEMENT EXPENDITURE	C8	355 386.87	255 050.45	71.77%	355 386.87	255 050.45	71.77%
Total Title 1			2 128 019.15	1 665 893.36	78.28%	2 128 019.15	1 665 893.36	78.28%
A02100	BUILDINGS AND ASSOCIATED COSTS	C8	579 745.75	501 800.16	86.56%	579 745.75	501 800.16	86.56%
A02200	INFORMATION AND COMMUNICATION TECHNOLOGIES	C8	1 843 564.89	1 708 494.22	92.67%	1 843 564.89	1 708 494.22	92.67%
A02300	MOVABLE PROPERTY AND ASSOCIATED COSTS	C8	104 680.22	62 639.11	59.84%	104 680.22	62 639.11	59.84%
A02400	EVENTS and COMMUNICATION	C8	81 915.85	54 467.09	66.49%	81 915.85	54 467.09	66.49%
A02500	OUTSOURCING AND OTHER CURRENT EXPENDITURE	C8	379 435.75	274 808.78	72.43%	379 435.75	274 808.78	72.43%
A02600	POSTAGE AND TELECOMMUNICATIONS	C8	196 285.16	144 986.25	73.87%	196 285.16	144 986.25	73.87%
A02700	EXPENDITURE ON FORMAL AND OTHER MEETINGS	C8	148 151.57	138 592.64	93.55%	148 151.57	138 592.64	93.55%
Total Title 2			3 333 779.19	2 885 788.25	86.56%	3 333 779.19	2 885 788.25	86.56%

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

(cont'd)

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	1 010 097 174.42	926 136 902.47	91.69%	Payment appropriations under C1 Fund source		
B03200	TECHNOLOGY FOR ITER	C8	13 551 683.24	11 745 283.31	86.67%			
B03300	TECHNOLOGY FOR BROADER APPROACH AND DEMO	C8	11 252 114.99	11 110 062.04	98.74%			
B03400	OTHER EXPENDITURE	C8	6 420 325.75	5 600 478.71	87.23%			
Total Title 3			1 041 321 298.40	954 592 726.53	91.67%			
Total C8			1 046 783 096.74	959 144 408.14	91.63%	5 461 798.34	4 551 681.61	83.34%

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)
A02500	OUTSOURCING AND OTHER CURRENT EXPENDITURE	C9	53.36	0.00	0.00%	0.00		0.00%
Total Title 2			53.36	0.00	0.00%	0.00	0.00	0.00%
Total C9			53.36	0.00	0.00%	0.00	0.00	0.00%

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)
A02800	APPROPRIATION ACCRUING FROM THIRD PARTIES TO THE BUILDING REFURBISHMENT EXPENDITURE	R0	0.00		0.00%	0.00		0.00%
Total Title 2			0.00	0.00	0.00%	0.00	0.00	0.00%
B3-500	ITER CONSTRUCTION - APPROPRIATION ACCRUING FROM THE ITER HOST STATE CONTRIBUTION	R0	462 598 145.43	462 598 144.95	100.00%	147 198 145.43	147 198 145.43	100.00%
B3-600	APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	R0	29 399 203.21	28 062 769.86	95.45%	21 726 369.94	5 094 087.85	23.45%
Total Title 3			491 997 348.64	490 660 914.81	99.73%	168 924 515.37	152 292 233.28	90.15%
Total R0			491 997 348.64	490 660 914.81	99.73%	168 924 515.37	152 292 233.28	90.15%

Fig. 50 Budget Implementation – Details by Fund Source

8.7.5. 2019 Establishment Plan

Function group and grade	B 2019			
	Authorised under the EU Budget		Actually filled as of 31/12/2019	
	Permanent posts	Temporary posts	Permanent posts	Temporary posts
AD 16				
AD 15		1		
AD 14	5	2		1
AD 13	14	7	9	6
AD 12	14	21	11	9
AD 11	3	23	5	21
AD 10		28	1	22
AD 9		39	9	55
AD 8	1	37	1	32
AD 7	1	21	1	20
AD 6	2	25	1	26
AD 5		1		
AD TOTAL	40	205	38	192
AST 11	4		1	
AST 10	2			
AST 9	4		3	
AST 8	1	1	2	
AST 7		3		1
AST 6		9	1	5
AST 5		11	2	9
AST 4		3	2	8
AST 3			2	7
AST 2				
AST 1				
AST TOTAL	11	27	13	30
AST/SC TOTAL	0	0	0	0
TOTAL	51	232	51	222
GRAND TOTAL	283		273	

Fig. 51 Establishment Plan

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/settled within one year of the balance sheet date. (e.g. vendor's payables, etc.).
DI	Direct implementation for tasks requested by IO
EC	European Commission
EPB	Executive Project Board
EU	European Union
External assigned revenues	Dedicated revenue received to finance specific items of expenditure
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.
NCR	Non conformity Report is a document issued by the supplier, F4E or the Customer detailing a condition that does not comply with a specified requirement.
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