



**FUSION
FOR
ENERGY**

FINAL ANNUAL ACCOUNTS

Financial statements & Budget implementation

Ninth financial year – 2016

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

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

The opinion of the Governing Board on the final accounts will be given on 3rd-4th July 2017.

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

The final accounts are published on F4E's website:

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

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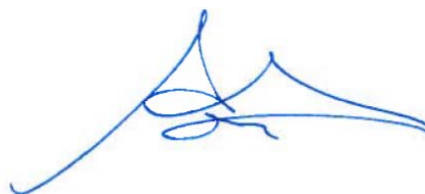
1. CERTIFICATION LETTER FROM F4E ACCOUNTING OFFICER

The annual accounts of Fusion for Energy (F4E) for the year 2016 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union¹ and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings, and in accordance with Title IX of the Financial Regulation of F4E².

I acknowledge my responsibility for the preparation and presentation of the annual accounts of F4E in accordance with article 50 of the Financial Regulation of F4E.

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

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



Mr Roberto Abad Villanueva
Accounting Officer

Done in Barcelona, 25 May 2017

¹ Financial Regulation (EC, Euratom) n° 966/2012 of the European Parliament and of the Council of 25 October 2012, last amended on 28/10/2015 (EU, Euratom) n° 2015/1929..

² F4E Financial Regulation (adopted by F4E Governing Board on 22/10/2007 – F4E(07)-GB03-11, last amended on 02/12/2015 – F4E(15)-GB34-12.9) and its implementing rules (adopted by F4E Governing Board on 22/10/2007 – F4E(07)-GB03-12, last amended on 02/12/2015 – F4E(15)-GB34-12.9.

2. INTRODUCTION

F4E is a Joint Undertaking created under the Euratom Treaty by a decision of the Council of the European Union (EU)³.

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).

Main changes in 2016

During the period covered by this report there have been some important changes at the IO and F4E.

A new Director, Johannes Schwemmer, took up his duties on 1st January 2016.

He took over the Action Plan prepared and used by the Acting Director to implement the necessary actions in F4E. He closely collaborated with the IO Director General to carry out further improvements to the project.

He also modified the existing F4E structure and a new Organization Breakdown Structure was effective as of 1st October 2016. The new structure includes three new Departments, one of them fully dedicated to Project Management.

The close collaboration with IO led to the approval of the updated overall project schedule (in November 2016 at the ITER Council 19). As for the overall ITER project cost and the associated estimate of resources for the overall period 2016-2035, it was approved "ad referendum" (i.e. subject to domestic processes of obtaining approval including approval of budgetary authorities and/or parliament if required). A staged approach is now foreseen for the project with first plasma in December 2025. These decisions were in line with the conclusions from the independent review of the Updated ITER Long Term Schedule and with the conclusions of the work carried out by F4E as explained below.

³ Council decision 2013/791/Euratom of 13 December 2013 Amending Decision 2007/198/Euratom establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it.

Main achievements during 2016

Taking into account the significant uncertainties about the capability for F4E to deliver on-time and within budget the components for the first plasma, including high financial risks in the buildings and vacuum vessel projects, the F4E Director launched a project called 'Straight Road to First Plasma' (SR2FP) in January 2016. The overall objective of the SR2FP project was to concentrate resources (funding and staff) on the activities critical to the achievement of first plasma at the end of 2025. And so slowing down or suspending other projects until after 2020 in order to improve the confidence of remaining within the EUR 6.6 billion (2008 value) budget and allowing for a reserve. Due to the complex interdependencies of ITER components, this resulted in an extensive re-planning exercise which required several iterations with the IO.

In parallel, the IO was developing the longer term schedule to Deuterium-Tritium operations based on a four phase approach from first plasma at the end of 2025 up to Deuterium-Tritium operations in 2035. ITER's 'Staged Approach' (also referred to as the 'Iteration Modelling Approach') is based upon incorporating research operation periods as early as possible in the schedule depending on the availability of the additional components procured by the Domestic Agencies consistent with their annual and long-term budgets.

In March 2016 F4E concluded the initial phase of the SR2FP planning and identified a number of systems that are not necessary for first plasma. Clearly any budget reductions until 2020 achieved through the postponement of such items, trade off against cost increases in the longer-term due to prolongation of the whole project. However, such "leaner" first plasma configurations enable also to focus key staff to critical areas, and in turn reduce complexity by not having to work on so many systems at the same time.

Among the main achievements during the year 2016 the following ones should be highlighted.

Site building and power supplies

Electrical Power Supply and Distribution: The Construction Design Review for Building 36 as well as Areas 35 and 41 were closed successfully, allowing the start of their construction. The civil works and electrical equipment installation for Bay 4 of the PBS43 400kV Substation were completed, allowing to forecast the connection to the RTE (400kV) grid early in 2017.

Buildings and Civil Infrastructures: the level B1 civil works of the Tokamak Building were almost completed, and the L1 civil works were well advanced. All the cranes (750t and 50t) have been installed in the Assembly building. Building services works have started in auxiliary buildings (Assembly building and Site services building).

Magnets

The first Toroidal Field Coils Winding Pack and the preparation for its cold test have been completed. The first part of the qualification of the Pre-Compression Ring manufacturing process (the slice fabrication) with the current automated filament placement solution has been completed. In addition, a tendering phase for the manufacture of a number of back-up Pre-Compression Rings utilising an alternative technology was prepared and the contract has been signed in December 2016. A joint IO-F4E project for building a Pre-Compression Ring test facility was initiated.

Poloidal Field (PF) Coils: the main contracts have been signed and the adaptation works of the PF Building have been completed. This has allowed the delivery of the tools for the Double Pancake Manufacturing and the start of the winding activities on the ITER site.

Vacuum Vessel

Production activities have started for 3 of the 5 released sectors and this has represented a significant increase of workload for both supplier and F4E, requiring an additional effort on increasing efficiency and streamlining coordination at AMW. The main technical challenges were related to the quality of complex welds and to the control of distortions during the fabrication process in order to guarantee the compliance with fabrication Codes and Standards and the final tolerances of the Vacuum Vessel.

In Vessel

Blanket First Wall: significant progress has been made with the manufacturing of the full-scale prototypes by the three supplier candidates and on the First Wall pre-qualification programme with the successful High Heat Flux testing of First Wall semi-prototypes.

Divertor: significant progress has been made in the manufacturing of the cassette bodies full-scale prototypes allowing the reopening of competition for the series production to be launched by the end of 2017. The manufacture of Inner Vertical Target pre-qualification mock-ups by the three new supplier candidates has successfully been completed. The high heat flux testing of these mock-ups is in progress.

Remote Handling

The resources were focused on the follow up and the coordination of the major suppliers of the Remote Handling systems (Cask and Plug Remote Handling System, Divertor Remote Handling System, Neutral Beam Remote Handling System and In Vessel Viewing Systems) during preliminary design, paying attention to the complementary cross cutting technological developments and to the harmonisation between the different developments.

On Cask and Plug Remote Handling System, F4E was able to sign and start the first task order of the framework contract. On Divertor Remote Handling System the team worked on the implementation of the

third task order signed at the end of 2015 (and close and pay the previous ones). On Neutral Beam Remote Handling System the team launched the second task order and completed and paid the first one. On In Vessel Viewing Systems F4E has worked on the implementation of task order n. 1 signed at the end of 2015.

Cryoplant and Fuel Cycle

Vacuum Pumping and Fuelling: the final design of the Warm Regeneration Lines has been completed and the manufacturing has started. The manufacturing of the main subassemblies of the Pre-Production Cryopump has started, too. The Procurement Arrangement (PA) for the Cryopumps for Heating & Diagnostic Neutral Beam and MITICA has been signed. The tendering for the MITICA Cryopump had been launched and the preparation of the Front-End Cryopump Distribution System PA has started.

Tritium Plant: the preliminary design of the Water Detritiation System “Main” has been completed. Assistance has been provided to the installation of the Large Tritiated Water Holding tanks and Emergency Water Detritiation Systems tanks in the tritium plant building. The contract for the holding and feeding Water Detritiation System tanks procurement has been signed.

Cryoplant: manufacturing, performance of factory acceptance tests and start of deliveries to site for the LN2 Plant and Auxiliary Systems components have been completed. The contract for the MITICA Cryoplant procurement has been signed.

Radiological and Environmental Monitoring Systems: the preparation of the Preliminary Design Review for Tokamak REMS has started.

Test Blanket Modules (TBM)

All problems identified during the Conceptual Design Review of the He-Cooled Lithium-Lead and the He-Cooled Pebble-Bed TBMs have been solved that led to Conceptual Design Review approval. The activities for the development and characterization of the preliminary Welding Procedure Specification for the TBM box and of EUROFER irradiation and characterization have progressed. The first task orders for the Preliminary Design of the TBM Sets and of the Ancillary Systems and associated R&D activities have been signed and implemented.

Neutral Beam

The Neutral Beam Test Facility Assembly Framework was signed (first task order signed in December). The SF6 gas handling plant contract was signed. The SPIDER Ion Source and Extraction Power Supplies successfully passed the factory acceptance tests and the site acceptance tests. The first design reviews were successfully completed for MITICA Accelerator Ground Power Supplies and Ground Related Power Supplies and MITICA Vacuum Vessel. The Neutral Beam Test Facility Agreement for 2017 was signed in December 2016. The contract for the production of the SPIDER High Voltage Deck and Transmission

Line was completed. Acceptance of SPIDER Vacuum Vessel was completed and the procurement for the Ion Source and Extraction Power Supplies of MITICA was started. Site acceptance tests started on SPIDER Vacuum and Gas Introduction systems. The installation work of the Neutral Beam Test Facility main components (cooling system, SPIDER, etc.) progressed significantly.

Diagnostics

Eighteen contracts have been signed for engineering analysis and design, manufacturing and testing of prototypes in support of the design of Diagnostics systems. Five grants were signed to continue the design of Diagnostics systems, mostly covering work to complete preparatory design activities prior to signature of the PAs. A call for tenders was launched for series manufacturing of Magnetics Outer Vessel Coils.

RF Heating & Current Drive

Ion Cyclotron Heating and Current Drive: The R&D for the Ion Cyclotron Heating RF window design has progressed with the contracts for cold spraying of Cu on Ti and for rotary friction welding of Ti and Stainless Steel. The signature of the design task order (framework contract for the antenna design) is now foreseen in 2017 and the offer is being evaluated.

Electron Cyclotron Power Sources & Supplies: a hold point for Electron Cyclotron Power Sources (Gyrotrons) was passed successfully to evaluate the results of the tests on the industrial gyrotron prototype. For Electron Cyclotron Power Supplies, the first set was manufactured and factory acceptance tests started.

Electron Cyclotron Launchers: Final Design has progressed through the existing grant, while requirements identification & verification has been carried out by supporting contracts. Prototyping activities have been focused on the ex-vessel components: brazing mock-ups for the diamond window have been manufactured and tested, specifications for valve prototype and waveguide mock-ups have been prepared. A framework contract for the setup and operations of the FALCON Electron Cyclotron launcher components test facility has been signed, and design and specific components for the facility have been procured.

Electron Cyclotron Control System: the main activities have been related to the collection and consolidation of the requirements, as well as specific contracts for the procurement of I&C and protection hardware and software to be tested in FALCON.

BROADER APPROACH (BA)

Overall progress on the BA projects is good as indicated by the ratio of credit awarded under the BA to credit planned at that date which is above 88% on average. Concerning the specific BA projects:

- For the JT-60SA project, Europe is providing critical components such as the 18 large (8 m height 4 m width) superconducting Toroidal Field coil magnets which are presently in advanced phase of manufacturing and testing. The first three coils were delivered to the Naka site in 2016; the majority of the coils will arrive in 2017. In 2016 the assembly of the machine has progressed, further EU components were successfully delivered and commissioned, such as part of the power supply and the cryogenic system.
- For the IFMIF/EVEDA project, the key objective of validating the Lithium Target by prototyping was achieved in 2016. Commissioning of the LIPAc accelerator was continued in 2016 with advanced commissioning of the injector, the assembly of the RFQ module, and its ancillaries on site. This will be followed in 2017 by the commissioning of the modules for accelerating the beam up to 5 MeV. It is planned to have all hardware components for the full LIPAc delivered to Rokkasho by the end of 2017.
- For the IFERC programme, the Helios supercomputer, provided by France, has completed very successfully its scheduled five years in operation since its start date in January 2012, with around 400 published papers by EU scientists in fusion. In addition, progress has been made on a number of collaborative activities in testing and development of materials for future breeder blankets, joint work on pre-conceptual DEMO design, and the preparation of hardware and software for the Remote Experimentation Centre in Rokkasho.

2016 Accounts

The 2016 financial statements of F4E and its reports on budget implementation for 2016 have been prepared in conformity with:

- The Council Decision establishing F4E,
- The Financial Regulation applicable to the general budget of the EU,
- The F4E Financial Regulation and its implementing rules
- The « Inventory directive » (EC n° 643/2005),
- The European Commission's consolidation manual for the 2016 closure.

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

Article 152 of the general Financial Regulation states 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 2016 has been transmitted to the President of the European Court of Auditors (ECA) in a separate note. It includes no reservation from F4E Accounting Officer.

In line with Article 208.4 of the Financial Regulation applicable to the general budget of the EU, Moore Stephens LLP has been appointed as independent external auditor in order to verify that the 2016 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.

Section I. 2016 Financial Statements

3. Balance sheet

3.1. Assets

Consolidation account	ASSETS	Note n°	31.12.2016 (1)	31.12.2015 (2)	Variation (3)=(1)-(2)
	A. NON-CURRENT ASSETS				
210000	Intangible assets	7.2.1.	519 600.00	455 044.00	64 556.00
	Tangible fixed assets		38 272 748.00	37 687 955.00	584 793.00
220000	Land and buildings		34 535 281.00	34 166 793.00	368 488.00
230000	Plant and equipment		2 644 425.00	2 464 813.00	179 612.00
240000	Furniture and vehicles	7.2.1.	261 931.00	240 511.00	21 420.00
241000	Computer hardware		740 045.00	715 886.00	24 159.00
242000	Other fixtures and fittings		91 066.00	99 952.00	-8 886.00
244000	Tangible assets under construction		0.00	0.00	0.00
	TOTAL NON-CURRENT ASSETS		38 792 348.00	38 142 999.00	649 349.00
	B. CURRENT ASSETS				
310000	Inventories	7.2.2.	90 034 730.40	61 279 520.17	28 755 210.23
	Current pre-financing		173 276 982.27	200 605 312.14	-27 328 329.87
406141	Current pre-financing (gross amount)	7.2.3.	252 543 223.63	251 727 394.31	815 829.32
406142	Current pre-financing (cut off)		-79 266 241.36	-51 122 082.17	-28 144 159.19
	Current receivables		188 092 671.05	126 438 924.69	61 653 746.36
401200	Current receivables - Member States		133 921.95	4 540 900.99	-4 406 979.04
410000	Sundry receivables	7.2.4.	127 480.07	359 953.89	-232 473.82
490002	Deferrals/Accruals with consolidated EU entities		187 831 235.91	121 521 513.00	66 309 722.91
490013	Accrued income		33.12	16 556.81	-16 523.69
500000	Cash and cash equivalents	7.2.5.	14 602 708.53	3 207 779.96	11 394 928.57
	TOTAL CURRENT ASSETS		466 007 092.25	391 531 536.96	74 475 555.29
	TOTAL		504 799 440.25	429 674 535.96	75 124 904.29

3.2. Liabilities

Consolidation account	LIABILITIES	Note n°	31.12.2016 (1)	31.12.2015 (2)	Variation (3)=(1)-(2)
	A. NET ASSETS/LIABILITIES		162 085 225.44	159 427 462.69	2 657 762.75
100000	Reserves	7.2.6.	0.00	0.00	0.00
140000	Accumulated surplus/deficit		159 427 462.69	292 925 142.89	-133 497 680.20
141000	Economic result of the year - Profit (+)/Loss (-)		2 657 762.75	-133 497 680.20	136 155 442.95
	B. NON-CURRENT LIABILITIES		84 140 981.97	85 486 404.44	-1 345 422.47
163000	Non-current provisions	7.2.7.	84 140 981.97	85 486 404.44	-1 345 422.47
170000	Other non current financial liabilities		0.00	0.00	0.00
TOTAL A+B			246 226 207.41	244 913 867.13	1 312 340.28
	C. CURRENT LIABILITIES				
483000	Current provisions		0.00	0.00	0.00
440000	Accounts payable	7.2.8.	184 720 690.21	102 741 759.34	81 978 930.87
441000	Current payables vendors		1 282 219.81	8 549 478.43	-7 267 258.62
443000	Sundry payables		102 317.97	35 317.79	67 000.18
440019	Pre-financing received from consolidated EU entities		6 231 580.51	1 938 267.74	4 293 312.77
441009	Current payables with consolidated EU entities		177 104 571.92	92 218 695.38	84 885 876.54
491000	Accrued charges and deferred income	7.2.9.	73 852 542.63	82 018 909.49	-8 166 366.86
491010	Accrued charges		72 261 726.41	80 902 678.04	-8 640 951.63
491090	Deferrals/accruals with consolidated EU entities		1 590 816.22	1 116 231.45	474 584.77
TOTAL C. CURRENT LIABILITIES			258 573 232.84	184 760 668.83	73 812 564.01
TOTAL			504 799 440.25	429 674 535.96	75 124 904.29

4. Statement of financial performance

Consolidation account		Note n°	2016 (1)	2015 (2)	Variation (3)=(1)-(2)
	A. NON-EXCHANGE REVENUES		714 672 514.80	489 907 304.08	224 765 210.72
745919	Revenue from Euratom	7.3.1	589 447 133.30	408 415 000.08	181 032 133.22
745911	Other non exchange revenue (Member States)		125 225 381.50	81 492 304.00	43 733 077.50
	B. EXCHANGE REVENUES		14 683 624.25	207 861.12	14 475 763.13
744100	Reserve Fund		14 533 791.90	0.00	14 533 791.90
74*/75*	Other revenues		149 832.35	207 861.12	-58 028.77
TOTAL REVENUE			729 356 139.05	490 115 165.20	239 240 973.85
	A. OPERATIONAL EXPENSES		674 902 216.01	566 673 174.19	108 229 041.82
600140	Expenses with third parties	7.3.2.	507 500 486.05	485 021 784.10	22 478 701.95
600149	Expenses with consolidated EU entities		167 401 729.96	81 651 390.09	85 750 339.87
	B. OTHER EXPENSES		51 796 160.29	56 939 671.21	-5 143 510.92
620100	Staff costs	7.3.3.	38 287 489.98	34 467 862.25	3 819 627.73
630199	Property, plant and equipment related expenses		4 338 166.00	12 471 532.25	-8 133 366.25
64*/65*	Other expenses		9 170 504.31	10 000 276.71	-829 772.40
TOTAL EXPENSES			726 698 376.30	623 612 845.40	103 085 530.90
SURPLUS (+) / DEFICIT (-) OF THE YEAR			2 657 762.75	-133 497 680.20	136 155 442.95

5. Cash flow statement (indirect method)

		2016	2015
Cash Flows from ordinary activities			
Surplus/(deficit) from ordinary activities		2 657 762.75	-133 497 680.20
Operating activities	Amortization (intangible fixed assets) +	289 070.98	294 428.01
<u>Adjustments</u>	Depreciation (tangible fixed assets) +	2 532 778.91	12 166 506.32
	Increase/(decrease) in Provisions for risks and liabilities	-1 345 422.47	-184 112.79
	Increase/(decrease) in Value reduction for doubtful debts	0.00	0.00
	(Increase)/decrease in Stock	-28 755 210.23	-15 425 816.43
	(Increase)/decrease in Long term Pre-financing	0.00	0.00
	(Increase)/decrease in Short term Pre-financing	27 328 329.87	31 329 439.87
	(Increase)/decrease in Long term Receivables	0.00	0.00
	(Increase)/decrease in Short term Receivables	-61 653 746.36	-27 438 663.24
	(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	-15 366 625.30	62 446 999.23
	Increase/(decrease) in Liabilities related to consolidated EU entities	89 179 189.31	32 736 363.20
Net cash Flow from operating activities		14 866 127.46	-37 572 536.03
Cash Flows from investing activities			
	Increase of tangible and intangible fixed assets (-)	-3 471 198.89	-981 353.33
	Proceeds from tangible and intangible fixed assets (+)	0.00	0.00
Net cash flow from investing activities		-3 471 198.89	-981 353.33
Net increase/(decrease) in cash and cash equivalents		11 394 928.57	-38 553 889.36
Cash and cash equivalents at the beginning of the period		3 207 779.96	41 761 669.32
Cash and cash equivalents at the end of the period		14 602 708.53	3 207 779.96

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 2015	292 925 142.89	-133 497 680.20	159 427 462.69
Balance as of 1 January 2016	292 925 142.89	-133 497 680.20	159 427 462.69
Fair value movements	0.00	0.00	0.00
Allocation of the Economic Result of Previous Year	-133 497 680.20	133 497 680.20	0.00
Economic result of the year	0.00	2 657 762.75	2 657 762.75
Balance as of 31 December 2016	159 427 462.69	2 657 762.75	162 085 225.44
Account	140000	141000	

7. Notes to the Financial statements

7.1. Accounting principles

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

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

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

Use of estimates: In accordance with IPSAS and generally accepted accounting principles, the financial statements include amounts based on estimates and assumptions by management based on the most reliable information available.

Significant estimates include, but are not limited to, amounts for provisions, accounts receivables, accrued income and charges, contingent assets and liabilities, and the degree of impairment of intangible assets and property, plant and equipment. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

7.2. Notes to the balance sheet

7.2.1. Fixed assets

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

F4E books as fixed assets only items with a purchase price above EUR 420. Items with a lower value, such as monitors, digital cameras, etc., are treated as expenses of the year but are however registered in the physical inventory. All assets are stated at cost less accumulated depreciation and impairment losses.

Regarding the EU contribution to IO (consisting mainly in buildings, magnets, vessels and other engineering components), the PA between F4E and IO define the F4E deliverables to IO as well as the credit allocation scheme for each deliverable under the ITER unit of account. On the basis of these PAs, F4E launches procurements and concludes contracts with the industry. The industry delivers usually directly to IO, which performs the acceptance and recognises the credits to F4E.

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

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

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

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

Asset type	Annual depreciation rate
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%

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 31/12/2016, 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 main tangible assets are:

Assets – PF Coils Building: EUR 34 535 281.00

The ITER project involves major civil engineering work, to enable the construction and operation of a new tokamak device of unprecedented size.

The first phase of the construction was the design and construction of a PF coils building (the "PF Coils Fabrication Building") on the site of the European part of the ITER Facilities in Cadarache, France.

The primary purpose of the PF Coil Fabrication Building is to provide a suitable environment for the production of the PF Coils.

In accordance with the PA 6.2.P2.EU.01, F4E is owner of this building (the delivery took place in February 2012) and will be in charge of the production of the PF Coils (the large dimensions of the PF Coils make it necessary to build a large factory for the manufacture of five of them at the Cadarache site). The ownership of this building will be transferred to IO after acceptance by the latter of the last PF Coil. This transfer will be accounted for at the residual value of the building.

Assets – Portal Machine: EUR 1 519 723.00

A portal machine allows the machining of large components with high precision.

The transfer of ownership of the portal machine from the contractor to F4E has taken place upon delivery and acceptance of the tested radial plate in accordance with the Contract (March 2012).

The machine is used to manufacture 70 radial plates.

Assets: summary table

The total depreciation in 2016 amounts to **EUR 3 350 286.81**, resulting in a net book value of **EUR 38 792 348.00** as of 31.12.2016.

The variation of the fixed assets in 2016 is described in the following table:

ASSETS		Intangible fixed assets			Tangible fixed assets							Fixed assets
		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
2016												
Gross carrying amounts 01.01.2016	+	0.00	1 964 522.26	1 964 522.26	40 513 982.44	4 378 236.00	44 373 090.75	789 123.64	820 304.24	0.00	90 874 737.07	92 839 259.33
Additions	+		353 626.98	353 626.98		910 890.96	501 519.54	104 493.81	27 998.43		1 544 902.74	1 898 529.72
Disposals	-			0.00			-477 493.80	-46 613.07	-4 330.05		-528 436.92	-528 436.92
Transfer between headings	+/-			0.00							0.00	0.00
Other changes : post capitalized assets	+/-			0.00	2 101 106.09						2 101 106.09	2 101 106.09
Gross carrying amounts 31.12.2016		0.00	2 318 149.24	2 318 149.24	42 615 088.53	5 289 126.96	44 397 116.49	847 004.38	843 972.62	0.00	93 992 308.98	96 310 458.22
Accumulated amortization and impairment 01.01.2016	-	0.00	-1 509 478.26	-1 509 478.26	-6 347 189.44	-1 913 423.00	-43 657 204.75	-548 612.64	-720 352.24	0.00	-53 186 782.07	-54 696 260.33
Depreciation	-		-289 070.98	-289 070.98	-1 704 603.00	-731 278.96	-477 360.54	-83 073.81	-36 884.43		-3 033 200.74	-3 322 271.72
Write-back of depreciation	+			0.00							0.00	0.00
Disposals	+			0.00			477 493.80	46 613.07	4 330.05		528 436.92	528 436.92
Impairment	-			0.00							0.00	0.00
Write-back of impairment	+			0.00							0.00	0.00
Transfer between headings	+/-			0.00							0.00	0.00
Other changes : depreciation on post capitalized assets	+/-			0.00	-28 015.09						-28 015.09	-28 015.09
Accumulated amortization and impairment 31.12.2016		0.00	-1 798 549.24	-1 798 549.24	-8 079 807.53	-2 644 701.96	-43 657 071.49	-585 073.38	-752 906.62	0.00	-55 719 560.98	-57 518 110.22
Net carrying amounts 31.12.2016		0.00	519 600.00	519 600.00	34 535 281.00	2 644 425.00	740 045.00	261 931.00	91 066.00	0.00	38 272 748.00	38 792 348.00
Accounts				210000	221000	230000	241000	240000	242000	244000	200000	

7.2.2. Inventories

The main part of the inventories is composed of items related to the magnet system that will be used for the assembly of components to be delivered by F4E to IO.

The ITER Tokamak requires a superconducting magnet system, which consists of four main sub-systems: the 18 Toroidal Field coils, the Central Solenoid, the 6 PF coils and the Correction Coils.

The stocks owned by F4E are as follows:

Contract reference	Quantity as of 01/01/2016	Value as of 01/01/2016	Quantity as of 31/12/2016 (1)	Unit price (2)	Value as of 31/12/2016 (3)=(1)x(2)
F4E-OPE-355. Radial Plates for the ITER Toroidal Field Coils	38.00 pcs	41 054 555.90	41.00 pcs	1 068 567.36	43 811 261.76
F4E-OPE-053 Toroidal Fields Winding Packs - Double Pancakes	- pcs	0.00	21.00 pcs	1 773 469.00	37 242 849.00
F4E-2008-OPE-005-01 (MS-MG) Supply of chromium plated NB3SN strand	11.81 t	7 996 893.03	4.71 t	677 358.38	3 190 357.97
F4E-2008-OPE-005-02 (MS-MG) Supply of chromium plated NB3SN strand	13.19 t	8 685 858.50	3.95 t	658 568.39	2 601 345.14
F4E-2008-OPE-01-01 (MS-MG) Supply of chromium plated copper strand	11.83 t	677 709.35	2.52 t	57 287.35	144 364.12
F4E-2010-OPE-091 140 Kg of Herakles (Sneema) SEPCARB NB41	137.52 kg	1 045 152.00	137.52 kg	7 600.00	1 045 152.00
F4E-OPE-138 Lot 2 - Divertor Inner Vertical Target monoblocks: 2465 W monoblocks and 440 CFC monoblocks	2 605.00 pcs	1 113 878.00	2 605.00 pcs	427.59	1 113 871.95
F4E-OPE-138 Lot 2 - Divertor Inner Vertical Target : other material	- pc	665 565.00	- pcs	-	665 565.00
F4E-OMF-444-02 - Fabrication of ITER Divertor cassette body prototype	- kg	0.00	7 098.00 kg	20.48	145 367.04
	- t	0.00	6.20 t	8 550.00	53 010.00
F4E-OPE-635 - Tungsten monoblocks	100.00 pc	11 300.00	100.00 pcs	113.00	11 300.00
EUROFER-97 plates (16/32/35 mm)	0.31 t	10 153.69	0.31 t	33 182.00	10 286.42
F4E-OPE-594 - Fabrication of CuCrZr Plates for the ITER FW FSP	2.00 pc	18 454.70	- pcs	9 227.35	0.00
Total		61 279 520.17			90 034 730.40

7.2.3. Current 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 advance 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 <1 yr	31.12.2016	31.12.2015
405290	Pre-financing (PF) given to third parties (TP)	252 543 223.63	251 727 394.31
405297	Accrued charges on PF TP	-79 266 241.36	-51 122 082.17
405200	Total	173 276 982.27	200 605 312.14

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

Contract Reference	Contractor	Amount	End of works
OPE-301_TB04_Buildings	AXIMA	59 410 910.85	2019
OPE-414_Cold test of 10 winding packs and insertion process of TF Coils	SIMIC	33 994 224.17	2019
OPE-068-01_Supply VV Sectors	ANSALDO NUCLEARE	30 574 434.49	2020
OPE-053_Toroidal field coils winding packs	IBERDROLA	9 497 931.58	2018
OPE-570_PF Coils manufacturing and cold test	CNIM	6 461 786.92	2020
Poloidal field coils cooperation agreement between ASIPP (CHINA) & F4E	EVERFIT CO	5 301 827.61	2019
OPE-376_Test LN2 Plant & auxiliary systems	AIR LIQUIDE	3 940 940.62	2019
OPE-636_TB16_Site infrastructure works	SPIE BATIGNOLLES	3 666 739.22	2022
OPE-654_Supply of impregnation systems and additional toolings	ELYTT ENERGY	3 662 600.42	2020
OPE-285_TB02_Tokamak cargo lift and crane	NKM NOELL SPECIAL CRANES	2 924 815.19	2020
OPE-286_TB03_Buildings	VINCI CONSTRUCTION	2 608 559.15	2020
OPE-443-03_Supply of 1 full scale prototype of NHF 1st wall panel	IBERDROLA	1 089 203.73	2017
OPE-083_Supply of high voltage decks/bushings	SIEMENS	1 070 480.34	2021

7.2.4. 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 133 921.95 referring mainly to the membership contributions from Finland and Greece.

Sundry receivables: EUR 127 480.07 composed mainly of advances to staff (missions and salaries) and amounts due by other EC/public bodies.

Deferrals and accruals: EUR 187 831 269.03 referring mainly to:

- EUR 177 418 178.00: deferred charges corresponding to the 2017 cash contribution to IO
- EUR 10 413 057.91: accrued revenue from the Reserve Fund (Cf. note 7.4.3.6)

7.2.5. Cash and cash equivalents

Account	Description	31.12.2016	31.12.2015
505000	<i>Unrestricted cash:</i>		
505300	Current accounts (bank accounts)	10 753.45	19 668.03
505600	Transfers (Cash in transit)	0.00	0.00
505500	Imprest accounts/Cash in hand	25 000.00	25 000.00
505700	Short-term deposits ("Euratom account")	14 566 827.85	3 162 895.86
505700	Short-term deposits ("ITER Host State account")	127.23	216.07
500000	Total	14 602 708.53	3 207 779.96

The cash position at the end of 2016 is composed of two current accounts, two short-term deposits (for the Euratom and ITER-Host state contribution) and two imprest accounts (petty cash).

The bank interests generated in 2016 amount to EUR 7 922.92.

7.2.6. Net assets

F4E net assets are increased by the positive financial performance of the year (EUR 2 657 762.75) totalling **EUR 162 085 225.44** as of 31 December 2016.

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 Financial Regulation, 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).

7.2.7. Non-current 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.

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 7.4.3.3. ITER Annexe to PAs).

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

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

Therefore, in compliance with the accounting rules, an amount of **EUR 84 140 981.97** has been booked as non-current provision taking into account an annual inflation rate of 2 % and a discount rate of 0.47 % (ECB - 5 years zero coupon rate).

7.2.8. Accounts payable

Current and sundry payables are **EUR 1 384 537.78** and are composed of suppliers' invoices received but not paid at year end and reimbursements to staff.

Pre-financing received from consolidated EU entities totalled **EUR 6 231 580.51**

- EUR 5 881 420.51 corresponding to the balance of the budget outturn account 2016, to be reimbursed to the EC in 2017 (Cf. point 8.6. Budget outturn account).
- EUR 350 160.00 corresponding to a long term pre-financing received from IO.

Current payables with consolidated EU entities totalling **EUR 177 104 571.92** include mainly the balance on the invoice for the 2017 cash contribution to be paid to IO.

7.2.9. Accrued charges and deferred income

In accordance with EC Accounting Rule n° 10, 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 73 852 542.63** which represents mainly invoices to be received in 2017 for services rendered in 2016, includes:

- EUR 70 725 217.64 for services rendered in 2016 on operational activities and not invoiced at 31/12/2016.
- EUR 2 139 059.67 for services rendered in 2016 on administrative expenditures and not invoiced at 31/12/2016.
- EUR 988 265.32 for F4E staff's untaken leave as at the end of December 2016. In conformity with EC Accounting Rule n° 12, an entity shall recognize the cost of holidays carried over to the following years during the year the services were rendered by the staff members.

7.2.10. Post balance sheet events

No significant post balance sheet event occurred between 31st December 2016 and the final closing of the accounting year.

7.3. Notes to the statement of financial performance

7.3.1. Revenue

The operating revenues, **EUR 729 356 139.05** (EUR 490 115 165.20 in 2015), include mainly the 2016:

- Euratom contribution: EUR 589 447 133.30
- ITER Host state contribution: EUR 120 000 000.00
- Membership contributions: EUR 4 600 000.00
- Revenue from the ITER Reserve Fund: EUR 14 533 791.90

7.3.2. Operational expenses – EUR 674 902 216.01 (EUR 566 673 174.19 in 2015)

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 and directly handed over to IO after acceptance by the latter).

The operational expenses include mainly the following items:

Contract Reference	Contractor	2016 Expenses	% cumulative expenses as of 31/12/2016
OPE-286_TB03_Building	VINCI CONSTRUCTION	130 588 005.79	45.35%
2016 Cash contribution for ITER IO	ITER IO	121 372 665.00	100.00%
Cash contributions to Japan	QST	73 834 175.98	93.24%
OPE-301_TB04_Buildings	AXIMA	43 204 445.49	21.43%
Credit value transfer VV sectors (PA 1.5.P1A.EU.01_Amendment 1)	ITER IO	42 929 048.00	100.00%
OPE-058_Civil engineering	ENGAGE	27 997 116.55	78.32%
OPE-355_Radial plates	SIMIC	24 873 507.06	79.82%
OPE-376_Test LN2 Plant & auxiliary systems	AIR LIQUIDE	18 205 714.44	80.04%
OPE-053_Toroidal field coils winding packs	IBERDROLA	14 876 429.95	62.60%
OPE-068-01_Supply VV Sectors	ANSALDO NUCLEARE	13 748 307.89	29.14%
OPE-414_Cold test of 10 Winding packs and insertion process of 10 TF coils	SIMIC	9 559 055.38	20.69%
OPE-018_Magnet conductors	ICAS	7 389 127.59	90.36%
OPE-429_TB07_Design and constructions	FERROVIAL AGROMAN	7 212 713.38	100.00%
OPE-285_TB02_Tokamak cargo lift and crane	NKM NOELL SPECIAL CRAN	6 232 110.20	43.16%
OPE-654_Supply of impregnation systems and additional toolings	ELYTT ENERGY	6 197 964.18	55.06%
OPE-428_TB06_EPD_Buildings	FERROVIAL AGROMAN	5 565 398.32	21.78%
OPE-090_Civil engineering & construction consultancy	ALTRAN TECHNOLOGIES	5 254 792.63	64.81%
OPE-378_TB05_Buildings	FERROVIAL AGROMAN	5 216 195.96	32.63%
OPE-568_PF Coil site	DALKIA France	5 126 322.21	52.36%
OPE-636_TB16_Site infrastructure works	SPIE BATIGNOLLES	4 870 995.22	7.09%
NBTF AGREEMENT_F4E-RFX-PMS_A-WP2015	CONSORZIO RFX	4 632 400.00	100.00%
OPE-351-01_Cooling plant for the Mitica and Spider experiment	DELTA TI IMPIANTI	4 370 759.79	73.14%
OPE-083_High voltage decks and bushings	SIEMENS	3 156 100.00	68.44%
OFC-433-01_Set-up Equatorial and upper port	IDOM	3 143 339.30	81.82%
OPE-429_TB07_Design and constructions	FERROVIAL AGROMAN	2 872 302.44	52.69%
OPE-463_PF Winding equipment for ITER CSM Coils	CONSORZIO SEA ALP	2 711 780.00	81.95%
OPE-520 - Supply Mitica Vacuum Vessel	MAN TURBO SRL DE PRETTI	2 417 500.00	58.48%
OPE-570 PF Coils manufacturing and cold test	CNIM	2 007 362.35	6.25%
OPE-081-01_Items for Spider experiment	THALES	2 000 000.00	46.02%
OPE-278-01_Supply of the acceleration grids power supply conversion system	NIDEC ASI	1 793 802.33	8.78%
OPE-344_Engineering integration services for the supply of the PF Coils	ASG SUPERCONDUCTORS	1 761 922.42	51.58%
OPE-025-01_Health and safety protection/Legal inspection services	CETEN APAVE	1 727 051.15	65.86%
OFC-686-02-01_OIS Fasteners for JT-60SA	TDI	1 599 253.00	100.00%
Site Cooperation agreement, power and water	ITER IO	1 509 477.11	59.90%
GRT-553_Design and validation of the European Gyrotron	EPFL	1 447 000.00	60.43%
OMF-340-1-01-03_Preliminary design of the DHRHS-Phase 2	ASSYSTEM UK	1 356 671.81	26.07%
OPE-304-01-18_Vacuum Vessel transportation plan	DAHER	1 341 405.00	100.00%
OPE-443-01_Supply of 1 full scale prototype of normal heat flux 1st wall panel	ATMOSTAT	1 324 450.40	67.06%
OFC-280-01 Prima Plant System Codas and Spider safety equipment	CONSORZIO RFX	1 180 745.34	100.00%
OPE-293_Arrangement ITER operation Sultan test facility	EPFL	1 165 734.56	90.91%
MoU Test Blanket System connection pipes	ITER IO	1 066 668.00	100.00%
Host agreement 2016	ITER IO	1 032 000.00	100.00%
OFC-531-01_Diagnostics for the Spider experiment	CONSORZIO RFX	1 030 313.34	47.31%
Poloidal field coils cooperation agreement between ASIPP (CHINA) & F4E	EVERFIT CO	1 006 111.53	20.20%

The expenses related to experts with contracts amount to EUR 845 281.86 (EUR 950 713.64 in 2015).

7.3.3. Other expenses – EUR 51 796 160.29 (EUR 56 939 671.21 in 2015)

- **Staff expenses: EUR 38 287 489.98** (EUR 34 467 862.25 in 2015)
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.
- **Property, plant and equipment related expenses: EUR 4 338 166.00** (EUR 12 471 532.25 in 2015)
refers to the yearly depreciation of fixed assets.
- **Other administrative expenses:** the amount of **EUR 9 170 504.31** includes mainly the following items:

	2016	2015	Variation
IT costs – operational/support	2 782 772.28	2 261 230.77	521 541.51
IT costs - development	342 250.72	560 354.95	-218 104.23
Missions	2 259 365.75	2 557 369.68	-298 003.93
Maintenance & security for the building	987 879.19	1 183 889.58	-196 010.39
Communications & publications	767 567.11	582 025.75	185 541.36
Training	680 698.17	655 056.37	25 641.80
Interim staff	478 684.16	568 825.37	-90 141.21
Office supplies & maintenance	332 130.29	329 608.90	2 521.39
Experts and related expenditure	309 027.89	377 462.90	-68 435.01
Legal expenses	113 266.23	61 911.90	51 354.33
Recruitment	77 493.54	90 773.05	-13 279.51
Total	9 131 135.33	9 228 509.22	-97 373.89

7.4. Off balance sheet items and notes

7.4.1. Contingent liabilities - Litigation in front of the General Court of the EU (GC):

On 3 December 2015, an applicant to an operational tender lodged with the GC an application (Court Case T-668/15) requesting:

- annulment of the decision taken by F4E to reject the bid of the applicant,
- payment of the costs according to the rules of the procedures of the GC.

After having received the rejoinder, the Court communicated to F4E on 4 October 2016 the composition of the chamber that will deal with this case. F4E is waiting for the date of the oral hearing to be set by the Court.

If the tenderer would be successful in this pleading it is to be expected that he will lodge a separate claim for damages.

This case is not recognised as liability in the accounts (and therefore no provisions foreseen) as it is more likely that no present obligation exists at the reporting date.

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	31.12.2016	31.12.2015
901120	Guarantees for pre-financing (nominal-on going)	179 716 361.22	199 692 872.87
901180	Performance guarantees	191 025 887.03	158 867 776.54
901100	TOTAL - Guarantees received	370 742 248.25	358 560 649.41

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	31.12.2016	31.12.2015
902500	Commitments against appropriations not yet consumed*	1 606 170 252.76	1 916 435 706.89
903200	Operating lease	0.00	0.00
903300	Contractual commitment/obligations to deliver (open PAs/ITA's)**	3 496 852 206.93	3 944 476 093.65
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 below points 7.4.3.2, 7.4.3.3, 7.4.3.4 and 7.4.3.5. for details.

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

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

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

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

Regarding the update of the conversion rate between IUA 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 2016 exchange rate euro/IUA amounts to 1 690.12.

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.

7.4.3.2. ITER PA (with IO)

(kIUA)

PA-EU in Kind Systems*	Current Value	Signed value (1)	Earned Credit (2)	Balance (3)=(1)-(2)
Buildings and Power Supplis	514.67	516.15	107.58	408.57
Magnet	185.82	185.82	70.12	115.70
Vaccum vessel	96.58	92.06	2.20	89.86
Neutral beam Heating and Current Drive	84.98	57.18	9.30	47.88
Blanket system	40.33	0.00	0.00	0.00
Remote Handling Equipment	39.73	39.73	0.00	39.73
Divertor	32.88	30.50	0.94	29.56
Electron Cyclotron Heating & Current Drive	32.27	13.03	2.33	10.70
Diagnostics	31.70	2.28	0.01	2.27
Cryoplant & Distribution	26.37	26.37	20.72	5.65
Tritium Plant	16.72	3.25	2.55	0.70
Ion Cyclotron Heating & Current Drive	14.73	0.00	0.00	0.00
Vacuum Pumping & Fuelling	13.45	3.86	0.02	3.84
Waste Management	10.06	0.00	0.00	0.00
Radiological Protection	4.20	0.60	0.00	0.60
Total in Kind	1 144.48	970.83	215.76	755.07

*Each system may group one or more PAs

The amount of 1 144.48 kIUA (EU Current Share) in the above table corresponds to the EU share of the ITER Project, provided by in-kind contributions according to the ITER Agreement and Common Understanding on Procurement Allocation plus any Amendment and PA Value Refinement agreed by ITER Council afterwards. 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 original 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.

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 (see PA credited column in the table above).

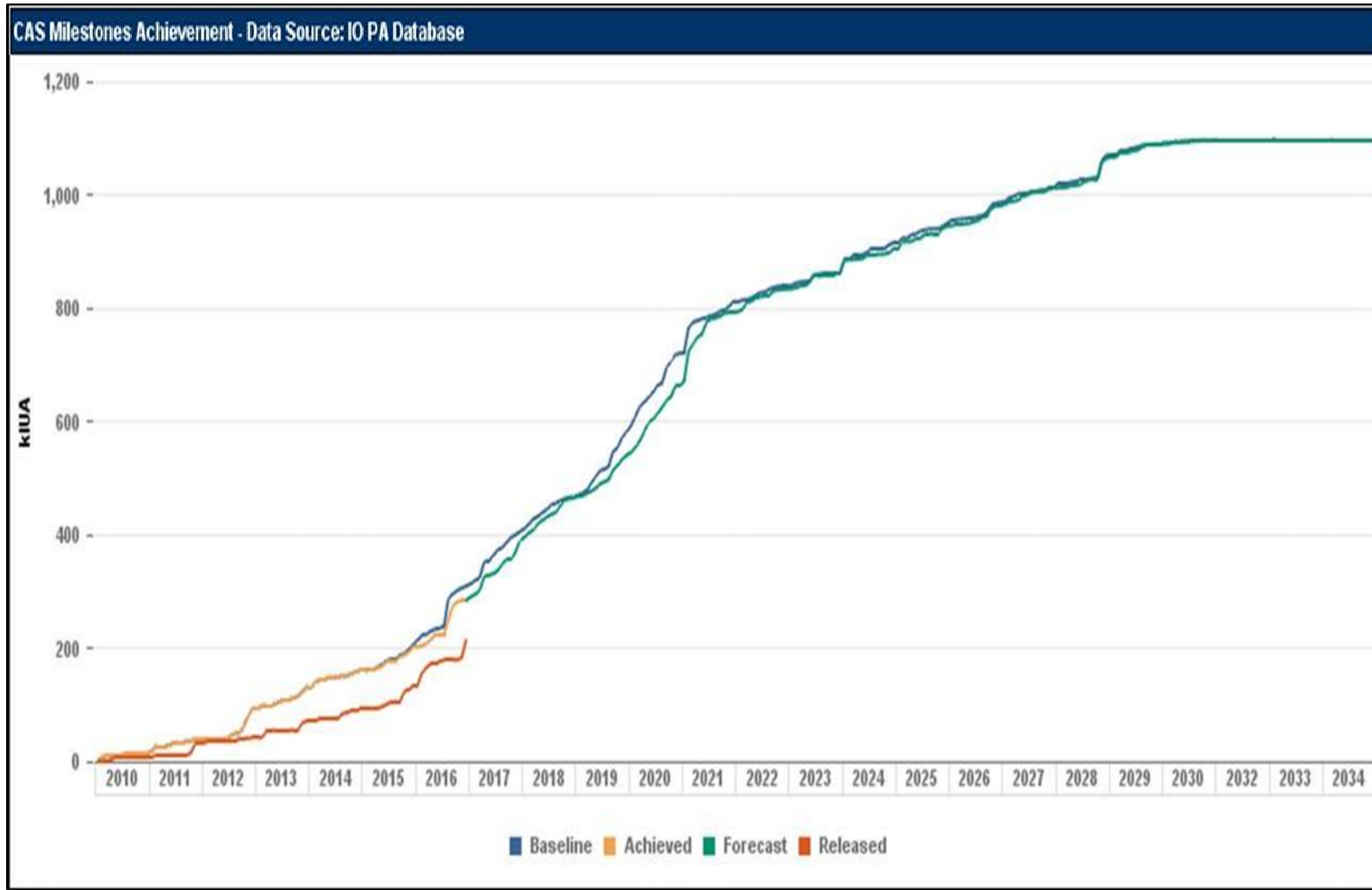
The complete execution of each scope of work for a PA would imply an earned credit matching the PA signed current value, hence with a balance that is zero with all EU PA signed, scope of work completed and credited.

The amount of 970.83 kIUA (PA Signed) in the table corresponds to the value of the EU PA already signed between IO and EU Domestic Agency. Value refers also to the current figure -signed original value in the agreement might be different- including the so-called PA Value Refinements (approved by the ITER Council), in order to take into account changes to the initial scope of work.

As far as the achieved ITER credit is concerned (215.76 kIUA earned/credited as of 31/12/2016 – representing 22.2 % of the PAs signed), F4E is currently implementing an agreement with IO on a modified credit distribution along the life of the PAs in a way that reflects more accurately the progress achieved by each Domestic Agency. Once the change request process is finalised, it is expected an increase in the value of the achieved credit more in line with the real progress in the procurement of the in-kind contribution. The graph on the following page shows the actual values of the achieved and earned credit vs the forecast value.

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

More details on the actual advancement of the works achieved at the end of the year are available in the F4E Annual report 2016.



CAS milestone achievement for signed PAs. The actuals and forecast are those in the latest integrated Detailed Working Schedule (end December 2016). Milestones are achieved when marked as completed in the schedule and credit is earned when the credit note for the milestone is released by IO.

7.4.3.3. ITER Annexe to PAs (JAEA)

Transfers of Procurement to Japan	(kIUA)		(EUR)
	Value of Cash Contribution (1)	Cumulative Payments (2)	Indicative balance (3)=(1)-(2) x 1 690.12 x 1 000
Magnet	168.60	154.89	23 171 545.20
Tritium Plant	15.10 (not signed)	0.00	0.00
Neutral Beam H&CD	44.99 (20.30 not yet signed)	23.97	1 216 886.40
Total to Japan	228.69	178.86	24 388 431.60

Regarding the arrangements signed between F4E, JAEA and IO, the transfer of procurement responsibilities from Europe to Japan is implemented through annual cash contributions. The cash contributions are based on an adequate evidence of the payments performed by QST (i.e. the Japanese Domestic Agency) to its suppliers and on a progress report on their work.

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

7.4.3.4. ITER Task Agreement

Number ITAs open as of 31/12/2016	Amount	Currency	2016 Exchange rate to Euro	Amount (EUR)
3	5 249.00	IUA	1 690.12	8 871 439.88
16	20 070 001.44	EUR		20 070 001.44
3	Voluntary	n/a		
22				28 941 441.32

A total of 3 ITAs were signed during 2016 for a total value of EUR 1 539 868.00.

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

As for the PA 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.

7.4.3.5. 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)
JT-60SA	236.41	236.41	104.58	42.87	42.87	9.43	33.44
IFMIF/EVE DA	147.34	147.34	103.82	19.54	19.54	15.08	4.46
IFERC	116.25	115.54	105.33	3.67	2.96	1.49	1.47
BA_Total	500.00	499.29	313.73	66.08	65.37	26.00	39.37

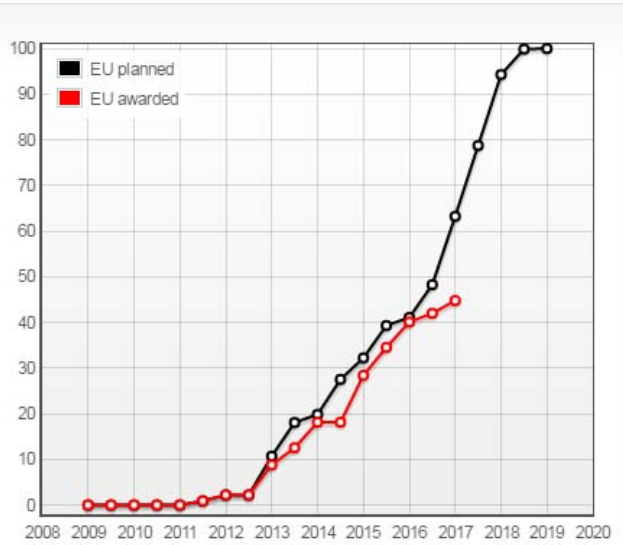
The Broader Approach Agreement between Euratom and the Government of Japan envisages two Implementing Agencies, F4E and JAEA, who are responsible for providing the Parties individual contributions. F4E's contribution is mostly provided by Voluntary Contributors agreed at the time of the ITER site decision. Their contribution is formalised by Agreements of Collaboration which match the obligations entered into by F4E with JAEA 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 JAEA and F4E staff, as well as staff from the Voluntary Contributors Designated Institution. This is coordinated by a Project Team of experts proposed by each Implementing Agency.

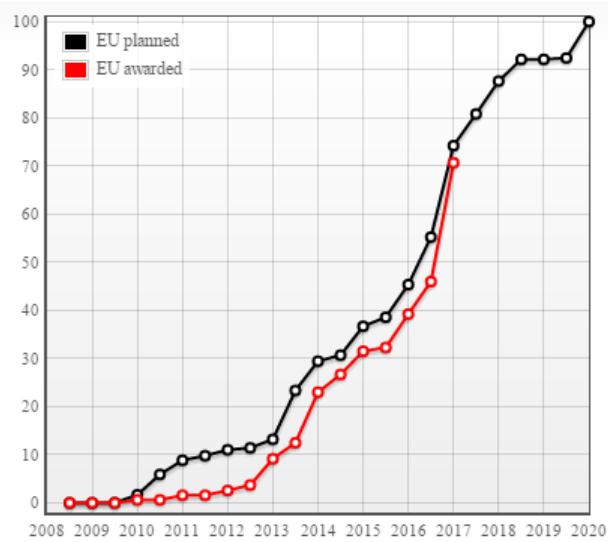
The contribution of each Party to the BA Activities is evaluated by a system of credits similar to the approach followed in the ITER project. The complete scope of work covered by the BA Agreement is assessed with a value of 1 000 000.00 BA Units of Account (BAUA), 500 000.00 of which are provided by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

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

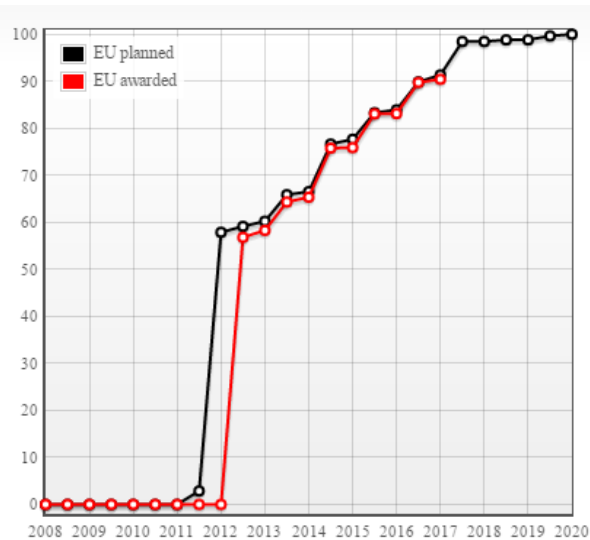
The graphs below show the % of total EU credits by semester up to the end of 2016 by project.



JT-60SA



IFMIF



IFERC

7.4.3.6. Reserve fund

The terms of reference of the ITER Reserve Fund were approved in 2015 in order to compensate the Domestic Agencies for cost increases incurred due to changes which are driven by the IO and have cost impacts. The Executive Project Board (EPB) has approved the eligibility to finance from the Reserve Fund 13 Project Change Requests (PCRs) amounting to EUR 60 167 274.93. The approval of 9 other PCRs for a total amount of EUR 975 000 is still pending, while IO has given the authorisation to start the corresponding work (in order not to delay the project).

F4E recognises the revenue in the year of approval of the legal commitment/contract amendment by the IO DG (EUR 14 533 791.90 for 2016).

7.4.3.7. Services in-kind

Under the Host agreement with Spain, the office building used by F4E is free of charge. For the year 2016, this service in-kind amounts to EUR 2 110 411.69.

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	2016	2015
Current receivables	133 921.95	4 540 900.99
Other receivables	127 480.07	359 953.89
Cash and deposits	14 602 708.53	3 207 779.96
TOTAL	14 864 110.55	8 108 634.84
Financial liabilities	2016	2015
Current payables	1 282 219.81	8 549 478.43
Other payables	102 317.97	35 317.79
Accounts payable with EU entities	177 104 571.92	92 218 695.38
TOTAL	178 489 109.70	100 803 491.60

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 Financial Regulation, 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 2016	< 1 year	1 - 5 years	> 5 years	Total
Payables with third parties	1 384 537.78	0.00	0.00	1 384 537.78
Payables with consolidated entities	177 104 571.92	0.00	0.00	177 104 571.92
Total liabilities	178 489 109.70	0.00	0.00	178 489 109.70

7.5.2. Credit Risk

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

Treasury resources are kept with commercial banks. F4E recovers contributions from EURATOM and the ITER Host State in average 3 times per year to ensure appropriate cash management and to maintain a minimum cash balance on its bank account. This is with a view to limit its risk exposure. Requests to the EC are accompanied by cash forecasts. The overall treasury balances fluctuated between approximately EUR 0.5 million and EUR 200 million taking into account payment time limits for the recovery of contributions and the total of payments executed in 2016.

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

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

Name of the bank	Credit quality/rating	Balance at 31/12/2016
ING Belgium	Upper medium grade	14 565 053.47
BNP Paribas Fortis		1 901.61
BBVA		10 753.45

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

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

Credit quality/rating	Amount of receivables with Member States
Prime and high grade	86 421.95
Upper medium grade	0.00
Lower medium grade	0.00
Non-investment grade	47 500.00

7.5.3. Market Risk

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

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

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

7.6. Related party disclosure

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

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

The transactions of F4E with key management personnel during financial year 2016 consist only of the payment of their remuneration, allowances and other entitlements in accordance with the Staff Regulations of the European Communities.

Section II. 2016 Budget Implementation

8. Budgetary implementation

8.1. Main Facts on the implementation of the 2016 budget of F4E

Revenue	<ul style="list-style-type: none"> • 100.0% of the revenue was collected.
Commitments	<ul style="list-style-type: none"> • 99.8% of Implementation in Commitment • 106.8% compared to the original budget • of which 99.7% in individual commitments
Payments	<ul style="list-style-type: none"> • 98.1% of implementation in Payment • 115.1% compared to the original allocated budget

8.2. The principles for the budgetary implementation

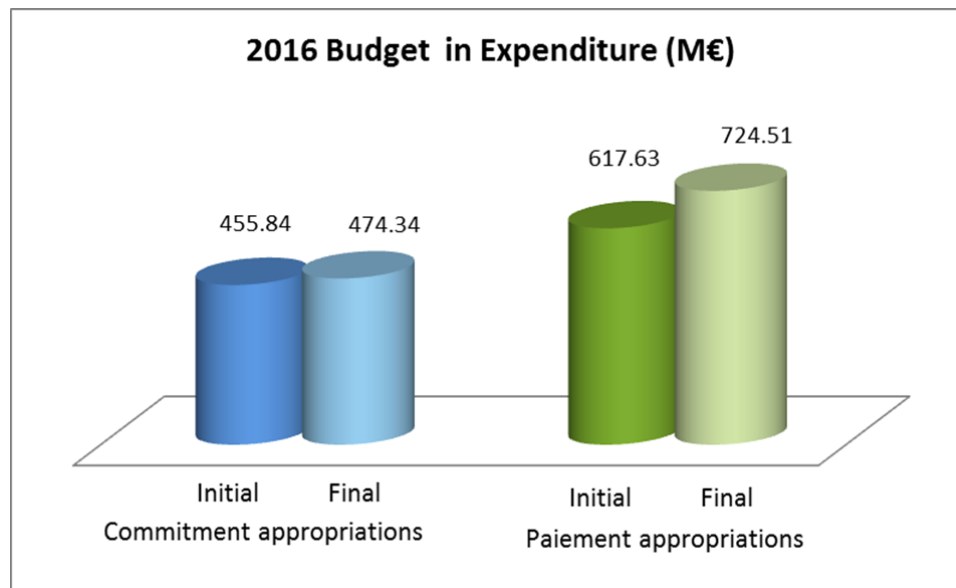
The budget is the instrument which, for each financial year, forecasts and implements the revenue and expenditure considered necessary for F4E.

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

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

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

8.3. Evolution of the Budget



F4E 2016 budget⁴ is initially adopted by F4E's Governing Board for the amount of EUR 455.84 million in commitment appropriations and EUR 697.63 million in payment appropriations, even though the Euratom contribution in payment is decreased by EUR 80.00 million in the last steps of the EU budgetary procedure.

The actual original budget in payment appropriations to be considered is therefore EUR 617.63 million.

The budget is successively amended in the June Governing Board meeting⁵ and the December Governing Board meeting⁶.

The final available budget is EUR 474.34 million in commitment appropriations and EUR 724.51 million in payment appropriations.

⁴ Decision of the F4E Governing Board F4E(15)-GB34-12.5 adopted on 02/12/2015

⁵ Decision of the F4E Governing Board F4E(16)-GB35-13.2 adopted on 30/06/2016

⁶ Decision of the F4E Governing Board F4E(16)-GB36-09.3 adopted on 02/12/2016

8.4. Statement of Revenue

8.4.1. Evolution of the Statement of Revenue

Evolution of the Statement of Revenue in Commitment Appropriations

Commitment Appropriations (EUR)

Heading of the 2016 Budget	Initial budget 02 December 2015 (1)	Amending budget 30 June 2016 (2)	Amending budget 02 December 2016 (3)	Final Budget (4)=(1)+(2)+(3)	Additional revenue (5)	Final Revenue (6)=(4)+(5)
I - 1 10 PARTICIPATION FROM THE EUROPEAN UNION TO OPERATIONAL EXPENDITURE	275 475 092.00		3 057 650.00	278 532 742.00		278 532 742.00
I - 1 11 RECOVERY FROM PREVIOUS YEARS OPERATIONAL EXPENDITURE						0.00
I - 1 20 PARTICIPATION FROM THE EUROPEAN UNION TO ADMINISTRATIVE EXPENDITURE	44 737 000.00			44 737 000.00		44 737 000.00
I - 1 21 RECOVERY FROM PREVIOUS YEARS ADMINISTRATIVE EXPENDITURE	1 028 046.01			1 028 046.01		1 028 046.01
I - 2 10 ANNUAL MEMBERSHIP CONTRIBUTIONS	4 600 000.00			4 600 000.00		4 600 000.00
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
I - 4 10 MISCELLANEOUS REVENUE	p.m.		20 835.45	20 835.45	423 283.87	444 119.32
I - 5 10 OTHER ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	p.m.			p.m.	3 611.16	3 611.16
I - 5 20 OTHER ASSIGNED REVENUE FROM THE IO RESERVE FUND	p.m.			p.m.	14 983 791.90	14 983 791.90
Total Revenue	455 840 138.01	0.00	3 078 485.45	458 918 623.46	15 410 686.93	474 329 310.39

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

- + EUR 3.06 million of additional Euratom Contribution introduced with the second amendment to the budget in December, corresponding to the re-allocation to F4E from unused appropriations at the end of the year on other EU budget lines.
- + EUR 0.02 million of bank interests collected since January 2016 on the “current” F4E’s bank account.
- + EUR 0.42 million of re-imburement (repayment), automatically assigned to the corresponding heading of expenditure according to Article 23.3 of the F4E Financial Regulation. It corresponds to various recoveries of payments made in excess, mainly on operational contracts. Those recoveries generally happen following the implementation of audit recommendations or are due to changes in scope of contracts.
- + EUR 14.98 million of assigned revenue for the ITER Reserve Fund.
According to the Terms of reference of the ITER Reserve fund⁷ and to the ITER Reserve Fund Management Plan⁸, the requests for changes introduced by IO shall be financed from the ITER

⁷ Approved by ITER Council on 17 July 2015

⁸ IDM RRMAH5

Reserve Fund, subject to:

- The authorisation for financing from the Reserve Fund given by the IO DG (implemented with the decisions of the EPB).
- The approval of the related contractual amendment by the IO DG too.

The following revenue in commitment appropriations are opened according to the procedure above for the Reserve fund:

Estimate of Revenue: Approval of the PCR by EPB			Revenue : Approval of the Legal commitment by IO DG			
Reference	Title	Approval EPB	F4E Original contract	Visa IO-DG on the contract amendment in IDM		
				Date	Reference	Amount (EUR)
PCR-642	PBS 26 Interfaces with TB07 Buildings (64, 67, 68A, 68B, 69 and surrounding area)	RoD EPB16-032 28 Oct 2016	TB07	05/04/2016	28RDAE	481 544.41
				08/12/2016	28RDAE V1	1 635 450.46
				29/07/2016	269EBF V1.2	2 489 300.54
				08/12/2016	3LNJ8K V2.2	2 606 417.97
PCR-662	Revise TCWS Design and Shielding to Mitigate Gamma Radiation and Fast Neutron Dose Rates	RoD EPB16-020 26 Jan 2016	A/E	13/01/2015	<i>No formal approval process</i>	1 500 000.00
			TB04	12/10/2015	3A7EYB	530 000.00
PCR-670	Amendments to RFE 01 document	Not yet approved	A/E	02/04/2015	<i>No formal approval process</i>	300 000.00
			TB04	12/10/2015	3A7EYB	150 000.00
PCR-697	Stress Test Assessments Implementation for PBSs 62 and 65 in the Tokamak Complex building	RoD EPB15-015 29 Oct 2015	TB04	18/12/2015	3A7EYB	4 000 000.00
PCR-698	Tokamak Complex Building construction cost associated to the PCR-662 including sky-shine	RoD EPB15-015 29 Oct 2015	TB03	13/10/2015	2R9KM8	233 292.03
				13/10/2015	3NQJMH	231 127.20
				13/10/2015	<i>No formal approval process</i>	94 000.00
PCR-734	Changes to MITICA vessel	RoD EPB16-032 28 Oct 2016	OPE-520	24/07/2016	Amendment 1 265WLN	71 467.00
PCR-750	Welding test coupons & Forming test coupons	RoD EPB16-034 30 Nov 2016	OPE-068	20/12/2016	2755C7 DN-844	661 192.29
Total						14 983 791.90

It should be noted that PCR-670 is not yet approved by EPB. Not implemented in expenditure, the corresponding appropriations amounting to EUR 0.45 million are cancelled in 2017.

- + EUR 0.43 million of re-imburement (refund), automatically assigned to the corresponding heading of expenditure according to Article 19 of the F4E Financial Regulation. It corresponds to various recoveries of payments made in excess, mainly on operational contracts. Those recoveries, listed below, happen following audits or are due to changes of scope of the contracts.

Evolution of the Statement of Revenue in Payment Appropriations

Payment appropriations (EUR)

Heading of the 2016 Budget	Initial budget 02 December 2015 (1)	Amending budget 30 June 2016 (2)	Amending budget 02 December 2016 (3)	Final Budget (4)=(1)+(2)+(3)	Additional revenue (5)	Final Revenue (6)=(4)+(5)
I - 1 10 PARTICIPATION FROM THE EUROPEAN UNION TO OPERATIONAL EXPENDITURE	500 000 000.00	-107 000 000.00	129 302 661.93	522 302 661.93		522 302 661.93
I - 1 11 RECOVERY FROM PREVIOUS YEARS OPERATIONAL EXPENDITURE	27 260 845.87			27 260 845.87		27 260 845.87
I - 1 20 PARTICIPATION FROM THE EUROPEAN UNION TO ADMINISTRATIVE EXPENDITURE	44 737 000.00			44 737 000.00		44 737 000.00
I - 1 21 RECOVERY FROM PREVIOUS YEARS ADMINISTRATIVE EXPENDITURE	1 028 046.01			1 028 046.01		1 028 046.01
I - 2 10 ANNUAL MEMBERSHIP CONTRIBUTIONS	4 600 000.00			4 600 000.00		4 600 000.00
I - 3 10 ASSIGNED REVENUE ACCRUING FROM THE CONTRIBUTION OF ITER HOST STATE	120 000 000.00			120 000 000.00		120 000 000.00
I - 4 10 MISCELLANEOUS REVENUE	p.m.		20 835.45	20 835.45	423 283.87	444 119.32
I - 5 10 OTHER ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	p.m.			p.m.	3 611.16	3 611.16
I - 5 20 OTHER ASSIGNED REVENUE FROM THE IO RESERVE FUND	p.m.			p.m.	4 120 733.99	4 120 733.99
Total Revenue	697 625 891.88	-107 000 000.00	129 323 497.38	719 949 389.26	4 547 629.02	724 497 018.28

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

- + EUR 22.30 million of the Euratom contribution, firstly decreased by EUR 80.00 million by the EU Budgetary Authority in the last steps of the adoption of the 2016 EU General Budget, and by EUR 27.00 million by internal transfer initiated by the Commission.
It was later reinforced by EUR 129.30 million through the Global Transfer considering the F4E obligations in terms of payments.
Note: The last minute decrease of EUR 80.00 million introduced by the European Council came too late to the knowledge of F4E to be included in its proposal for the initial budget. In this meaning the actual initial Budget to be considered should be EUR 617.63 million.
- + EUR 4.12 million called to IO according to the payment forecasts related to the ITER Reserve Fund.
- The origin and amounts of the miscellaneous and additional revenue are identical in commitment and payment appropriations.

8.4.2. Implementation of the Statement of Revenue

Implementation of the Statement of Revenue in Commitment Appropriation

A full implementation of the revenue is achieved. This is by virtue of the fact that the commitment appropriations are not revenue as such but authorisation of expenditure based on the EU budget for the Euratom contribution, the amount adopted in the annual F4E budget for the ITER Host State contribution, and the amounts of membership and miscellaneous contributions.

Implementation of the Statement of Revenue in Payment Appropriation**Payment appropriations (EUR)**

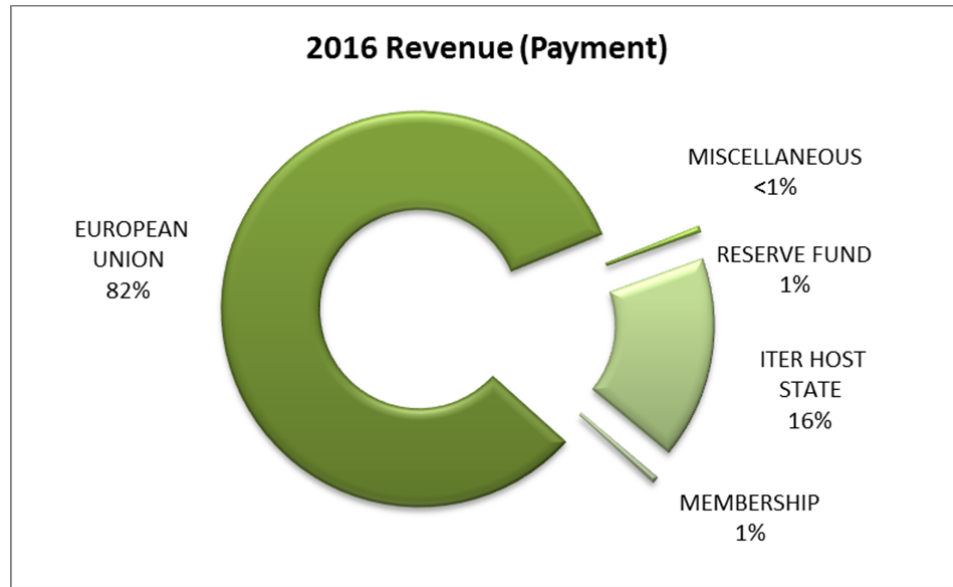
Heading of the 2016 Budget	Final Revenue from B2016 (1)	Outstanding revenue from previous years (3)	Final actual revenue (Debit note cashed) (4)	Outstanding Revenue at the year end (5) = (2)+(3)-(4)
I - 1 10 PARTICIPATION FROM THE EUROPEAN UNION TO OPERATIONAL EXPENDITURE	522 302 661.93	-	522 302 661.93	-
I - 1 11 RECOVERY FROM PREVIOUS YEARS OPERATIONAL EXPENDITURE	27 260 845.87	-	27 260 845.87	-
I - 1 20 PARTICIPATION FROM THE EUROPEAN UNION TO ADMINISTRATIVE EXPENDITURE	44 737 000.00	-	44 737 000.00	-
I - 1 21 RECOVERY FROM PREVIOUS YEARS ADMINISTRATIVE EXPENDITURE	1 028 046.01	-	1 028 046.01	-
I - 2 10 ANNUAL MEMBERSHIP CONTRIBUTIONS	4 600 000.00	9 792.66	4 485 292.66	124 500.00
I - 3 10 ASSIGNED REVENUE ACCRUING FROM THE CONTRIBUTION OF ITER HOST STATE	120 000 000.00	-	120 000 000.00	-
I - 4 10 MISCELLANEOUS REVENUE	444 119.32	36 153.35	455 894.67	24 378.00
I - 5 10 OTHER ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	3 611.16	-	3 611.16	-
I - 5 20 OTHER ASSIGNED REVENUE FROM THE IO RESERVE FUND	4 120 733.99	-	4 120 733.99	-
Total Revenue	724 497 018.28	45 946.01	724 394 086.29	148 878.00

The final statement of revenue is almost entirely cashed with the following two exceptions:

- EUR 124 500 corresponding to the non-payment of the membership contribution from Finland and Greece.
- EUR 24 378 from a recovery on an operational contract.

It should be noted that all outstanding revenue from 2015 are cashed in 2016.

The breakdown of revenue by contributor in 2016 in payment appropriations is as follows:



Some of the revenue is budgeted for the full amount and made available in expenditure while the late cashing of interests received was not introduced in an amending budget. Some appropriations were also carried over from 2015 to 2016. The table below shows the reconciliation between cashed revenue and final budget available in payment expenditure:

	EUR
Total cashed revenue	724 394 086.29
Late interest on 2015 Membership Contribution, cashed but not budgeted	-9 792.66
Uncashed 2016 Membership contribution (budgeted)	124 500.00
Total budgeted revenue	724 508 793.63
Carry over of payment appropriations from 2015 to 2016	24 800.01
Total Expenditure in payment appropriations	724 533 593.64

8.4.3. Non Budgeted Revenue

The late payment interests received have not been budgeted with the miscellaneous revenue for the 2016 budget. Such case are usually due to incompatibility between the cashing date of the revenue and the deadline for the preparation of the last amendment to the budget.

8.5. Statement of Expenditure

8.5.1. Evolution of the Statement of Expenditure

In line with the F4E budgetary procedure, the statement of expenditure adopted with the initial 2016 budget was established with the 2014 edition of the Resource Estimates Plan and adjusted to the final contributions from Euratom and France.

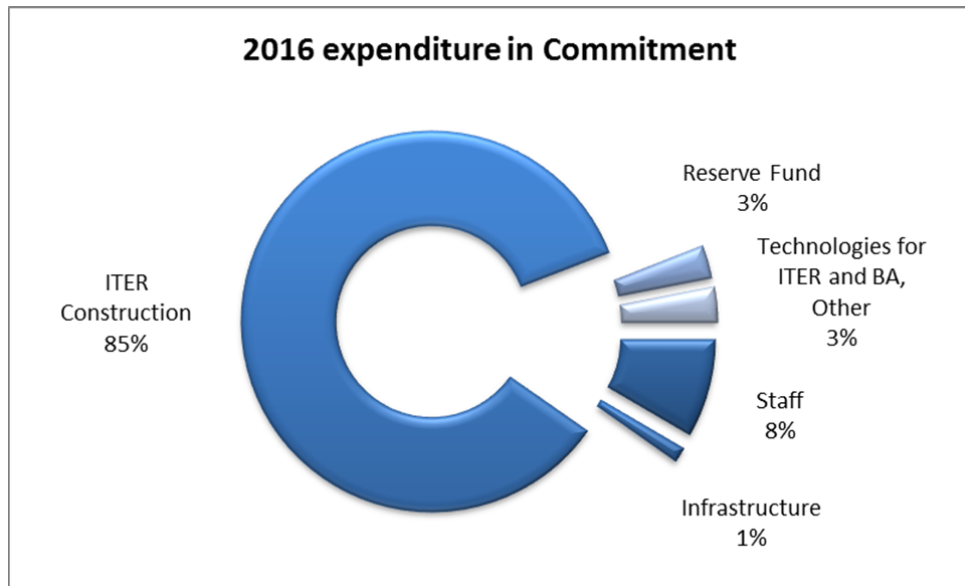
The details of the initial statement of expenditure are also adjusted according to the 2016 Work Programme (WP) in commitment appropriations and to the last available forecasts of execution in payment appropriations.

The statement of expenditure is 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 are implemented with the two amended budgets and through the transfers approved by the Director within the limits foreseen in Article 27 of the Financial Regulation. The Governing Board is duly informed about the transfers.

The appropriations accruing from assigned revenue at the end of 2016 are automatically carried over to 2016.

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



Evolution of the Administrative Expenditure

Commitment and Payment appropriation (Non Dissociated Appropriation)						(EUR)
Heading of the 2016 Budget	Initial budget 02 December 2015 (1)	Transfers adopted by F4E Director (2)	Additional revenue (3)	Final budget (4)=Σ(1 to 3)	Carried over from 2015 (5)	Final budget for implementation (6)=(4)+(5)
CH 11 STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	26 800 000.00	-36 244.29		26 763 755.71		26 763 755.71
CH 12 EXTERNAL STAFF EXPENDITURE (CA, IS AND SNE)	8 400 000.00	626 777.57		9 026 777.57		9 026 777.57
CH 13 MISSIONS AND DUTY TRAVEL	2 100 000.00	145 000.00	153.35	2 245 153.35		2 245 153.35
CH 14 MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	760 000.00	407 237.28	300.00	1 167 537.28		1 167 537.28
CH 15 REPRESENTATION	10 000.00	0.00		10 000.00		10 000.00
CH 16 TRAINING	817 000.00	-111 235.88		705 764.12		705 764.12
CH 17 OTHER STAFF MANAGEMENT EXPENDITURE	1 860 000.00	112 500.00		1 972 500.00		1 972 500.00
CH 18 TRAINEESHIPS	60 000.00	50 000.00		110 000.00		110 000.00
TITLE 1 - Commitment and Payment	40 807 000.00	1 194 034.68	453.35	42 001 488.03	0.00	42 001 488.03
CH 21 BUILDINGS AND ASSOCIATED COSTS	1 245 000.00	130 000.00		1 375 000.00		1 375 000.00
CH 22 INFORMATION AND COMMUNICATION TECHNOLOGIES	2 816 000.00	9 000.00		2 825 000.00		2 825 000.00
CH 23 MOVABLE PROPERTY AND ASSOCIATED COSTS	213 000.00	-15 000.00		198 000.00		198 000.00
CH 24 EVENTS AND COMMUNICATION	425 000.00	-178 000.00		247 000.00	24 799.88	271 799.88
CH 25 OUTSOURCING AND OTHER CURRENT EXPENDITURE	1 272 000.00	10 965.32		1 282 965.32		1 282 965.32
CH 26 POSTAGE AND TELECOMMUNICATIONS	355 000.00	35 000.00		390 000.00		390 000.00
CH 27 EXPENDITURE ON FORMAL AND OTHER MEETINGS	367 000.00	-91 000.00		276 000.00		276 000.00
TITLE 2 - Commitment and Payment	6 693 000.00	-99 034.68	0.00	6 593 965.32	24 799.88	6 618 765.20
Total TITLE 1 & 2 - Commitment & Payment	47 500 000.00	1 095 000.00	453.35	48 595 453.35	24 799.88	48 620 253.23

The administrative expenditure are non-dissociated 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 two amendments to the 2016 budget have no impact on administrative expenditure, whilst the transfers approved by the Director increase the global budget and modify the detailed allocation of the administrative expenditure.

The need for increasing the administrative budget is due to the following elements:

- The increase of salaries for 2016 (+1%), after 3 years of decrease due to the evolution of the coefficient related to the cost of living in Spain, while the vacancy rate is maintained at low level all along the year.
- The transfer of staff from Barcelona to Cadarache, where the cost of living is about 25% higher.
- Regarding Missions, the increasing number of manufacturing contracts to be followed-up on site (also recommended by F4E's Management Assessors, as endorsed by the Governing Board).

The major changes (> +/-10%) to the statement of administrative expenditure are detailed below:

- Chapter 14 – Miscellaneous expenditure on staff recruitment and transfer (+54%): In addition to the recruitment cost normally charged on this budget, the increase is due to the transfer of staff to Cadarache for daily and installation allowances.
- Chapter 16 - Training (- 14%): The decrease is due to a closer monitoring of training actions following the adoption of a revised training policy, in particular with a strict budget allocation by unit and team.
- Chapter 18 - Trainee-ships (+ 83%): the budget increase is due to a more ambitious traineeship policy endorsed in April 2015. It is now addressed to trainees having completed their studies and for a longer period than the previous studentship scheme. The purpose is to promote training in the fusion field and in the ITER project as well as to allow university graduates to provide contributions to the work carried out by F4E.
- Chapter 21 – Buildings and associated cost (+ 10%): The increase is due to additional expenditure made mandatory in the security domain (guard and fire alarm).
- Chapter 24 - Event and Communication (- 42%): The decrease is explained by the postponement or cancellation of some events, and to the postponement of the redesign of the F4E external home page.
- Chapter 27 – Expenditure on formal and other meetings (- 25%): The decrease is due to the slightly lower number of meetings. The adoption of rules limiting the catering for meetings has also allowed some economy on this chapter.

Evolution of the Operational Expenditure

The statement of operational expenditure, developed in the table on the next page, is modified with the two amended budgets to reflect the changes in the statement of revenue and to align the operational budget in commitment appropriations with the successive amendments to the 2016 WP in June and December 2016.

In commitment appropriations:

To be noted, the figures for the budget chapters B035 and B036 refer to the available appropriations for the 2016 budget only, whereas the details of the 2016 implementation by funds source provided in annexe 8.7.3 refers to the appropriations of the year plus the amounts left over on the commitments carried over from the previous years, respectively EUR 418.40 million for B035 and EUR 16.29 for B036. This is due to the specific management of assigned revenue in the accounting system.

The main changes (more than +/-10% of the original budget) are justified as follows:

- Chapter 32 – Technology for ITER (- 41%): The decrease is mainly due to the reorganisation in F4E of all activities to focus the resources on First Plasma. Concerning the TBM activities, the budget up to 2020 has been reduced by 75% and three staff members left the team in 2016 forcing a move of some commitments to later years and reducing the scope of others. In addition, in the period from January to April 2016, interim measures were adopted to limit the commitments until a new schedule of activities was agreed in line with the new First Plasma approach. Among the activities affected: OMF-331-04-01-03, FPA-611-01-01 and FPA-380-01-02 were rescheduled after 2020, while the scope of OMF-331-05-01-04 and OMF-331-04-01-02 was sensibly reduced.
- Chapter 34 – Other Expenditure (- 55%): The amount initially foreseen in the 2016 WP represents a ceiling according to the needs of the services. Each proposal for contract is scrutinised and the budget is adjusted at the end of the year with the actual implementation.

In payment appropriations:

The amendments to the 2016 budget align the statement of expenditure with the statement of revenue, by adjusting the payment appropriations of the chapter 31 for the changes in Euratom or Miscellaneous contributions.

The adjustments between budgetary chapters according to actual needs are implemented through transfers authorised by the Director at the end of the year, to reach the highest possible rate of budget implementation.

Evolution of the Statement of Operational expenditure and Total (EUR)

Heading of the 2016 Budget	Initial budget 02 December 2015 (1)	Amending budget 30 June 2016 (2)	Amending budget 02 December 2016 (3)	Transfers adopted by F4E Director (4)	Additional revenue (5)	Final budget (6)=Σ(1 to 5)	Carried over from 2015 (7)	Final budget for implementation (8)=(6)+(7)
CH 31 ITER CONSTRUCTION - INCLUDING SITE PREPARATION	255 632 138.01	-140 000.00	2 412 180.83	7 269 993.64	429 916.00	265 604 228.48		265 604 228.48
CH 32 TECHNOLOGY FOR ITER	11 500 000.00	-1 600 000.00	-753 495.38	-2 395 689.15	3 495.38	6 754 310.85		6 754 310.85
CH 33 TECHNOLOGY FOR BROADER APPROACH AND DEMO	6 708 000.00	1 740 000.00	1 420 000.00	-3 500 778.55		6 367 221.45		6 367 221.45
CH 34 OTHER EXPENDITURE	4 500 000.00		-200.00	-2 468 525.94	1 194.49	2 032 468.55		2 032 468.55
CH 35 ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	130 000 000.00				3 611.16	130 003 611.16	13 436 039.03	143 439 650.19
CH 36 APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	pm				14 983 791.90	14 983 791.90		14 983 791.90
TITLE 3 - Commitment	408 340 138.01	0.00	3 078 485.45	-1 095 000.00	15 422 008.93	425 745 632.39	13 436 039.03	439 181 671.42
CH 31 ITER CONSTRUCTION - INCLUDING SITE PREPARATION	499 925 891.88	-107 000 000.00	129 323 497.38	12 367 312.48	429 916.00	535 046 617.74		535 046 617.74
CH 32 TECHNOLOGY FOR ITER	17 000 000.00			-8 427 889.24	3 495.38	8 575 606.14		8 575 606.14
CH 33 TECHNOLOGY FOR BROADER APPROACH AND DEMO	9 200 000.00			-3 338 428.02		5 861 571.98		5 861 571.98
CH 34 OTHER EXPENDITURE	4 000 000.00			-1 695 995.22	1 194.49	2 305 199.27		2 305 199.27
CH 35 ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	120 000 000.00				3 611.16	120 003 611.16	0.13	120 003 611.29
CH 36 APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	pm				4 120 733.99	4 120 733.99		4 120 733.99
TITLE 3 - Payment	650 125 891.88	-107 000 000.00	129 323 497.38	-1 095 000.00	4 558 951.02	675 913 340.28	0.13	675 913 340.41
Total TITLE 1 & 2 - Commitment & Payment	47 500 000.00			1 095 000.00	453.35	48 595 453.35	24 799.88	48 620 253.23
Total BUDGET in Commitment Appropriation	455 840 138.01	0.00	3 078 485.45	0.00	15 422 462.28	474 341 085.74	13 460 838.91	487 801 924.65
Total BUDGET in Payment Appropriation	697 625 891.88	-107 000 000.00	129 323 497.38	0.00	4 559 404.37	724 508 793.63	24 800.01	724 533 593.64

8.5.2. Implementation of the Statement of Expenditure

The statement of expenditure in commitment and payment appropriation is shown in the table on the following pages.

Implementation of the Budget in Commitment Appropriations

A full implementation of the 2016 budget shall be considered.

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

Regarding the operational expenditure 99.8% of the final budget is implemented, of which 99.7% through direct individual commitment.

The non-implementation of EUR 0.74 million on the chapter B036 – Reserve Fund is due to PCR 670, the corresponding amendment is not ready to be signed considering the PCR is finally not formally approved by EPB.

Implementation of the Statement of Administrative Expenditure (EUR)

Heading of the 2016 Budget	Commitment Appropriation			Payment Appropriation		
	Final budget for implementation (1)	Final implementation (2)	% implementation (3)= (2)/(1)	Final budget for implementation (4)	Final implementation (5)	% implementation (6)= (5)/(4)
CH 11 - STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	26 763 755.71	26 763 755.71	100.0%	26 763 755.71	26 763 755.71	100.0%
CH 12 - EXTERNAL STAFF EXPENDITURE (CA, IS AND SNE)	9 026 777.57	9 026 777.57	100.0%	9 026 777.57	8 911 235.89	98.7%
CH 13 - MISSIONS AND DUTY TRAVEL	2 245 153.35	2 245 153.35	100.0%	2 245 153.35	2 243 379.09	99.9%
CH 14 - MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	1 167 537.28	1 167 537.28	100.0%	1 167 537.28	1 051 612.38	90.1%
CH 15 - REPRESENTATION	10 000.00	10 000.00	100.0%	10 000.00	5 922.39	59.2%
CH 16 - TRAINING	705 764.12	705 764.12	100.0%	705 764.12	418 022.69	59.2%
CH 17 - OTHER STAFF MANAGEMENT EXPENDITURE	1 972 500.00	1 972 500.00	100.0%	1 972 500.00	1 673 667.52	84.9%
CH 18 - TRAINEESHIPS	110 000.00	110 000.00	100.0%	110 000.00	97 022.43	88.2%
TITLE 1 Staff expenditure	42 001 488.03	42 001 488.03	100.0%	42 001 488.03	41 164 618.10	98.0%
CH 21 - BUILDINGS AND ASSOCIATED COSTS	1 375 000.00	1 375 000.00	100.0%	1 375 000.00	841 669.09	61.2%
CH 22 - INFORMATION AND COMMUNICATION TECHNOLOGIES	2 825 000.00	2 817 566.00	99.7%	2 825 000.00	1 693 819.84	60.0%
CH 23 - MOVABLE PROPERTY AND ASSOCIATED COSTS	198 000.00	198 000.00	100.0%	198 000.00	89 442.41	45.2%
CH 24 - EVENTS AND COMMUNICATION	271 799.88	271 799.88	100.0%	271 799.88	183 469.47	67.5%
CH 25 - OUTSOURCING AND OTHER CURRENT EXPENDITURE	1 282 965.32	1 282 965.32	100.0%	1 282 965.32	689 253.84	53.7%
CH 26 - POSTAGE AND TELECOMMUNICATIONS	390 000.00	390 000.00	100.0%	390 000.00	132 861.54	34.1%
CH 27 - EXPENDITURE ON FORMAL AND OTHER MEETINGS	276 000.00	276 000.00	100.0%	276 000.00	188 442.81	68.3%
TITLE 2 -	6 618 765.20	6 611 331.20	99.9%	6 618 765.20	3 818 959.00	57.7%
Total TITLE 1 & 2 Commitment	48 620 253.23	48 612 819.23	100.0%	48 620 253.23	44 983 577.10	92.5%

Implementation of the Statement of Operational Expenditure and Total (EUR)

Heading of the 2016 Budget	Commitment Appropriation			Payment Appropriation		
	Final budget for implementation (1)	Final implementation (2)	% implementation (3)= (2)/(1)	Final budget for implementation (4)	Final implementation (5)	% implementation (6)= (5)/(4)
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	265 604 228.48	265 593 480.95	100.0%	535 046 617.74	530 022 035.93	99.1%
CH 32 - TECHNOLOGY FOR ITER	6 754 310.85	6 754 310.85	100.0%	8 575 606.14	8 575 606.14	100.0%
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	6 367 221.45	6 367 221.45	100.0%	5 861 571.98	5 861 571.98	100.0%
CH 34 - OTHER EXPENDITURE	2 032 468.55	2 031 474.06	100.0%	2 305 199.27	2 299 628.78	99.8%
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	143 439 650.19	143 439 650.19	100.0%	120 003 611.29	119 127 078.69	99.3%
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	14 983 791.90	14 248 373.45	95.1%	4 120 733.99	0.00	0.0%
TITLE 3	439 181 671.42	438 434 510.95	99.8%	675 913 340.41	665 885 921.52	98.5%
Total implementation	487 801 924.65	487 047 330.18	99.8%	724 533 593.64	710 869 498.62	98.1%

Implementation of the Budget in Payment Appropriations

The implementation rate of the 2016 final available budget is 98.1% in payment appropriations:

- 92.5% of implementation of the administrative expenditure, representing a better performance than the previous year, in particular for the Title I – Staff expenditure.
- 98.5% of the total operational expenditure, representing EUR 10.03 million of non-execution. The execution has been limited by the available treasury, considering that about EUR 11.0 million of VAT has been recovered at the very end of the year, while payments of EUR 88.01 million ready to be executed have been delayed to the 2017 budget.
- Regarding the Reserve Fund, regularisations of payment originally done on the budget to be moved to the B036 chapter have been delayed to 2017.

8.5.3. Additional information on the final implementation of the 2015 Budget

Final implementation of the administrative expenditure 2015

The payment appropriations linked to open administrative commitments at the end of 2015, corresponding to legal obligations not yet paid, were automatically carried over to 2016 according to the rules for non-dissociated appropriations for an amount of EUR 5.91 million.

80% of the appropriations, EUR 4.70 million, are paid in 2016. The balance, EUR 1.20 million, is cancelled and enters in the budgetary outturn as shown in the table at the chapter 8.5.6 below.

Final implementation of the Global Commitments 2015

Final implementation of the 2015 Global Commitments (EUR)	Appropriation available on 01/01/16	Implementation	%
individual Commitments placed on 31/12/2016	223 055 114.45	175 084 576.67	78.5%

The total amount available for implementation of individual commitments from the 2015 Global commitments is EUR 223.06 million. EUR 175.08 million of individual contracts are signed at the end of 2016, representing 78.5% of the total. The balance still available at the end of 2016 is cancelled.

The non-implementation of the Global commitments 2015 is mainly due to the change of strategy for the procurement of the Vacuum Vessel. Originally foreseen as procurement in the final 2015 Work Programme, F4E was not allowed to charge the transfer of the sectors 7 and 8 back to IO on the 2015 Global Commitment, despite of the same purpose.

8.5.4. Open commitments at 31 December 2016

The F4E obligations amount to EUR 1 863.06 million at the closure of the 2016 budget.

It corresponds to the total amount left over on open budgetary commitments and is detailed as follows:

2016 budget Heading	Open Commitments				
	from previous year (1)	from 2016 budget (2)	Total (3)=(1)+(2)	To be de-committed (4)	Net Total (5)=(3)-(4)
TITLE 1 - STAFF EXPENDITURE	481 458.28	836 869.93	1 318 328.21	481 458.28	836 869.93
TITLE 2 - OTHER OPERATING EXPEND.	652 923.84	2 792 372.20	3 445 296.04	652 923.84	2 792 372.20
Total TITLE 1 & 2	1 134 382.12	3 629 242.13	4 763 624.25	1 134 382.12	3 629 242.13
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	1 352 361 769.79	211 686 390.39	1 564 048 160.18	50 647 966.70	1 513 400 193.48
CH 32 - TECHNOLOGY FOR ITER	11 218 900.01	6 368 283.44	17 587 183.45	374 478.96	17 212 704.49
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	11 006 933.42	3 598 125.43	14 605 058.85	3 382 707.09	11 222 351.76
CH 34 - OTHER EXPENDITURE	1 932 188.08	833 093.20	2 765 281.28	0.00	2 765 281.28
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	156 263 593.39	143 012 939.21	299 276 532.60	0.00	299 276 532.60
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	1 301 314.76	14 248 373.45	15 549 688.21	0.00	15 549 688.21
Total TITLE 3	1 534 084 699.45	379 747 205.12	1 913 831 904.57	54 405 152.75	1 859 426 751.82
Total	1 535 219 081.57	383 376 447.25	1 918 595 528.82	55 539 534.87	1 863 055 993.95

The total amount of open commitments is decreased by EUR 287.7 million compared to the situation at the end of 2015.

Note :

- Title 1: There are no left over on the 2016 commitments related to direct staff cost, normally cancelled at the end of the current year.
The balance as shown in the table above corresponds to other expenses linked to staff: missions, interim, schooling, training, etc.... for which the commitments are carried over for one year.
- Title 2: The commitments are carried over and should be consumed at the latest by 31 December of the following year.
- Title 3: The open operational commitments are carried over to the following year with no limitation in time, but to be paid according to the advancement of the contracts.
The 2016 global commitments, amounting to EUR 1.40 million are carried over for one year, to be implemented in individual commitments/contracts by the 31 of December 2017.

8.5.5. Status for non-budgeted commitment appropriation

According to the annuality principle of the F4E Financial Regulation, the unused commitment appropriations at the end of each year and the de-commitments made on the budget of the previous years are cancelled, except for assigned revenue. The regulation also foresees the possibility to make the cancelled appropriations available again in future budget.

The corresponding amounts are provided in the table below:

Commitment appropriation for operational expenditure (EUR)		B031-B034 Budgets	B035/B036 Assigned revenue
Amount de-committed as of 31/12/2016 (since 2008)	+	543 600 235.08	134 898 000.04
Amount budgeted again or carried over (since 2008)	-	9 759 760.00	134 898 000.04
Amount to be de-committed	+	47 970 537.78	0.00
Amount available for future budgets	=	581 811 012.86	-
Amount carried over to 2017	=	-	0.00

The amounts to be de-committed correspond to the outdated balance on the 2015 global commitments.

From 2008 to 2016, the total of de-commitments amounts to EUR 581.8 million, mainly due to partial implementation of global commitments in individual contracts.

From this amount:

- EUR 9.8 and EUR 96.0 million have been reintroduced in the 2011 and 2017 budget, respectively,
- EUR 134.9 million have been automatically carried over to the following budget, in accordance with the financial rules for assigned revenue.

It results in a cumulative amount of unassigned commitment appropriations of EUR 581.8 million, to be entered in future F4E Budget.

8.5.6. Cancelled Payment appropriations

Cancelled Payment appropriations from the 2016 budget

2016 budget Heading	(EUR)		
	Unused Appropriations (1)	Appropriations carried over to 2017 (2)	Cancelled appropriation (3)=(1)-(2)
TITLE 1	836 869.93	836 869.93	0.00
TITLE 2	2 799 806.20	2 792 372.20	7 434.00
Total TITLE 1 & 2 Payment	3 636 676.13	3 629 242.13	7 434.00
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	5 024 581.81	216 129.28	4 808 452.53
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	5 570.49	994.49	4 576.00
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	876 532.60	876 532.60	0.00
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	4 120 733.99	4 120 733.99	0.00
TITLE 3 - Payment	10 027 418.89	5 214 390.36	4 813 028.53
Total BUDGET in Payment	13 664 095.02	8 843 632.49	4 820 462.53

The almost full implementation of the 2016 budget and the automatic carry over make the level of cancelled appropriations very low for 2016, representing less than 1% of the budget.

The Payment appropriations not used by the 31/12/2016 are cancelled except the amount automatically carried over for Non Dissociated Appropriations (Title 1 and Title 2) and assigned revenue (B035 and B036), according to the respective rules in F4E Financial Regulation.

Cancelled Payment appropriations carried over from the 2015 budget

Administrative appropriation carried over from B 2015 to B 2016	(EUR)		
	Appropriation available (EUR) (1)	Implementation (EUR) (2)	Cancelled appropriation (3)=(1)-(2)
TITLE 1	2 718 448.73	2 223 571.09	494 877.64
TITLE 2	3 188 797.99	2 481 013.26	707 784.73
Total TITLE 1 & 2 Payment	5 907 246.72	4 704 584.35	1 202 662.37

The cancelled appropriations correspond to the amounts not paid in 2016 on open administrative commitments carried over from 2015.

8.6. Budget Outturn account 2016

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

Budget Outturn Account (EUR)		2016	2015
REVENUE			
Euratom contribution	+	595 328 553.81	409 488 267.82
ITER Host state and Membership contributions	+	124 485 292.66	81 410 707.34
Other revenue	+	4 580 239.82	2 308 501.83
TOTAL REVENUE (a)		724 394 086.29	493 207 476.99
EXPENDITURE			
<i>Title I: Staff</i>			
Payments	-	41 164 618.10	36 149 086.30
Appropriations carried over	-	836 869.93	2 718 448.73
<i>Title II: Infrastructure Expenditure</i>			
Payments	-	3 818 959.00	3 177 080.23
Appropriations carried over	-	2 792 372.20	3 213 597.87
<i>Title III: Operational Expenditure</i>			
Payments	-	665 885 921.52	480 781 793.20
Appropriations carried over	-	5 214 390.36	0.13
<i>Total Payments (b)</i>		<i>710 869 498.62</i>	<i>520 107 959.73</i>
<i>Total Appropriations carried over (c)</i>		<i>8 843 632.49</i>	<i>5 932 046.73</i>
TOTAL EXPENDITURE (d)=(b)+(c)		719 713 131.11	526 040 006.46
OUTTURN FOR THE FINANCIAL YEAR (a-d)		4 680 955.18	-32 832 529.47
Cancellation of unused payment appropriations carried over from previous year	+	1 202 662.37	925 783.04
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	24 879.81	33 000 000.00
Exchange differences for the year (gain +/loss -)	+/-	-27 076.85	-19 985.83
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		5 881 420.51	1 073 267.74
Of which Administrative expenditure		1 183 019.52	1 052 559.60
Of which Operational expenditure		4 698 321.19	20 708.14

For the 2016 financial year, the balance of the budget outturn amounts to EUR 5.88 million.

8.7. Annexes

8.7.1. Budget implementation – Multi-annual payment schedule for the operational budget

Year	Commitments	Paid <=2007	Paid 2008	Paid 2009	Paid 2010	Paid 2011	Paid 2012	Paid 2013	Paid 2014	Paid 2015	Paid 2016	Outstanding amount
<= 2007	115 445 438.21	44 786 869.53	17 483 367.00	22 159 849.68	6 661 575.00	5 814 938.04	10 677 563.35	5 536 846.81	2 062 547.93	261 880.87	-	-
2008	162 505 480.01	-	66 535 002.37	25 675 909.44	12 397 585.34	22 041 158.79	16 926 171.12	10 755 158.98	8 026 734.12	-	-	147 759.85
2009	295 863 671.49	-	-	63 201 452.03	40 413 138.03	72 962 663.48	34 136 990.20	23 997 122.64	26 549 875.43	13 259 338.45	8 008 925.36	13 334 165.87
2010	392 345 805.90	-	-	-	102 542 780.43	60 943 579.59	58 266 404.13	52 784 759.28	34 717 587.59	39 227 964.72	9 607 653.62	34 255 076.54
2011	371 494 352.29	-	-	-	-	57 876 015.77	118 112 199.21	48 623 561.70	29 962 742.34	26 739 952.54	35 305 192.97	54 874 687.76
2012	1 130 489 284.93	-	-	-	-	-	83 739 910.79	144 231 319.33	128 364 796.05	164 239 683.64	189 718 067.75	420 195 507.37
2013	901 370 246.29	-	-	-	-	-	-	67 053 699.98	181 415 330.39	96 759 662.07	124 738 904.24	431 402 649.61
2014	583 825 400.00	-	-	-	-	-	-	-	52 626 681.58	93 676 757.92	116 670 110.66	320 851 849.84
2015	374 384 163.94	-	-	-	-	-	-	-	-	46 616 552.99	123 149 761.09	204 617 849.86
2016	438 434 510.95	-	-	-	-	-	-	-	-	-	58 687 305.83	379 747 205.12
Total	4 766 158 354.01	44 786 869.53	84 018 369.37	111 037 211.15	162 015 078.80	219 638 355.67	321 859 238.80	352 982 468.72	463 726 295.43	480 781 793.20	665 885 921.52	1 859 426 751.82

Notes:

- The actions accounted to F4E projects and implemented by the EC and the CEA before F4E financial autonomy in 2008 are included.
- The global commitments from 2016 to be individually committed in 2017 are included in full in the 2016 commitments.
- 849 commitment positions are open on the 31/12/16.

8.7.2. Reconciliation between budgetary and accrual based accounts

	sign +/-	Amount (EUR)
Economic result (+ for surplus and - for deficit)	+/-	2 657 762.75
<i>Ajustment 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)	+/-	-11 602 921.85
Adjustments for Accrual Cut-off (cut- off 31.12.N)	+/-	-34 712 485.04
Unpaid invoices at year end but booked in charges (class 6)	+	21 965 754.79
Depreciation of intangible and tangible assets	+	3 350 286.81
Provisions (impact of the year)	+/-	-1 345 422.47
Recovery Orders issued in 2016 in class 7 and not yet cashed	-	-124 500.00
Prefinancing given in previous year and cleared in the year	+	31 103 008.02
Prefinancing received in previous year and cleared in the year	-	-514 840.00
Payments made from carry over of payment appropriations	+	4 704 584.35
Other : Change in inventories (production material)	+/-	-28 205 474.20
<i>Ajustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
Asset acquisitions (less unpaid amounts)	-	-1 797 163.34
New pre-financing paid in the year 2016 and remaining open as at 31.12.2016	-	-31 784 702.32
New pre-financing received in the year 2016 and remaining open as at. 31.12.2016	+	5 881 420.51
Budgetary recovery orders issued before 2016 and cashed in the year	+	45 946.01
Budgetary recovery orders issued in 2016 on balance sheet accounts (not 7 or 6 accounts) and cashed	+	109 557.02
Payment appropriations carried over to 2017	-	-8 843 632.49
Cancellation of unused carried over payment appropriations from previous year	+	1 202 662.37
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	24 879.81
Other : Invoices paid in 2016 but booked in charges in previous years	+/-	53 766 921.82
total		5 881 642.55
Budgetary result (+ for surplus)	+/-	5 881 420.51
Including amount of exchange rate differences		-27 076.85
Delta not explained		222.04

8.7.3. 2016 Budget implementation – Details by fund source

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

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
A01100	STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	26 763 755.71	26 763 755.71	100.00%	26 763 755.71	26 763 755.71	100.00%
A01200	EXTERNAL STAFF EXPENDITURE (CA, SNE, INTERIM STAFF)	9 026 777.57	9 026 777.57	100.00%	9 026 777.57	8 911 235.89	98.72%
A01300	MISSIONS AND DUTY TRAVEL	2 245 000.00	2 245 000.00	100.00%	2 245 000.00	2 243 225.74	99.92%
A01400	MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT	1 167 237.28	1 167 237.28	100.00%	1 167 237.28	1 051 388.38	90.07%
A01500	REPRESENTATION	10 000.00	10 000.00	100.00%	10 000.00	5 922.39	59.22%
A01600	TRAINING	705 764.12	705 764.12	100.00%	705 764.12	418 022.69	59.23%
A01700	OTHER STAFF MANAGEMENT EXPENDITURE	1 972 500.00	1 972 500.00	100.00%	1 972 500.00	1 673 667.52	84.85%
A01800	TRAINEESHIPS	110 000.00	110 000.00	100.00%	110 000.00	97 022.43	88.20%
Total Title 1		42 001 034.68	42 001 034.68	100.00%	42 001 034.68	41 164 240.75	98.01%

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
A02100	BUILDINGS AND ASSOCIATED COSTS	1 375 000.00	1 375 000.00	100.00%	1 375 000.00	841 669.09	61.21%
A02200	INFORMATION AND COMMUNICATION TECHNOLOGIES	2 825 000.00	2 817 566.00	99.74%	2 825 000.00	1 693 819.84	59.96%
A02300	MOVABLE PROPERTY AND ASSOCIATED COSTS	198 000.00	198 000.00	100.00%	198 000.00	89 442.41	45.17%
A02400	EVENTS and COMMUNICATION	247 000.00	247 000.00	100.00%	247 000.00	158 669.59	64.24%
A02500	OUTSOURCING AND OTHER CURRENT EXPENDITURE	1 282 965.32	1 282 965.32	100.00%	1 282 965.32	689 253.84	53.72%
A02600	POSTAGE AND TELECOMMUNICATIONS	390 000.00	390 000.00	100.00%	390 000.00	132 861.54	34.07%
A02700	EXPENDITURE ON FORMAL AND OTHER MEETINGS	276 000.00	276 000.00	100.00%	276 000.00	188 442.81	68.28%
Total Title 2		6 593 965.32	6 586 531.32	99.89%	6 593 965.32	3 794 159.12	57.54%

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

(cont'd)

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
B03100	ITER CONSTRUCTION - INCL. SITE PREPARATION	265 174 312.48	265 174 312.48	100.00%	534 616 701.74	529 808 249.21	99.10%
B03200	TECHNOLOGY FOR ITER	6 750 815.47	6 750 815.47	100.00%	8 572 110.76	8 572 110.76	100.00%
B03300	TECHNOLOGY FOR BROADER APPROACH AND DEMO	6 367 221.45	6 367 221.45	100.00%	5 861 571.98	5 861 571.98	100.00%
B03400	OTHER EXPENDITURE	2 031 274.06	2 031 274.06	100.00%	2 304 004.78	2 299 428.78	99.80%
Total Title 3		280 323 623.46	280 323 623.46	100.00%	551 354 389.26	546 541 360.73	99.13%
Total C1		328 918 623.46	328 911 189.46	100.00%	599 949 389.26	591 499 760.60	98.59%

Fund Source: C4 - Internal assigned revenues (EUR)

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
A01300	MISSIONS AND DUTY TRAVEL	153.35	153.35	100.00%	153.35	153.35	100.00%
A01400	MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT	300.00	300.00	100.00%	300.00	224.00	74.67%
Total Title 1		453.35	453.35	100.00%	453.35	377.35	83.24%

Fund Source: C4 - Internal assigned revenues (EUR)

(cont'd)

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
B03100	ITER CONSTRUCTION - INCL. SITE PREPARATION	429 916.00	419 168.47	97.50%	429 916.00	213 786.72	49.73%
B03200	TECHNOLOGY FOR ITER	3 495.38	3 495.38	100.00%	3 495.38	3 495.38	100.00%
B03400	OTHER EXPENDITURE	1 194.49	200.00	16.74%	1 194.49	200.00	16.74%
Total Title 3		434 605.87	422 863.85	97.30%	434 605.87	217 482.10	50.04%
Total C4		435 059.22	423 317.20	97.30%	435 059.22	217 859.45	50.08%

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

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
A02400	EVENTS and COMMUNICATION	24 799.88	24 799.88	100.00%	24 799.88	24 799.88	100.00%
Total Title 2		24 799.88	24 799.88	100.00%	24 799.88	24 799.88	100.00%
Total C5		24 799.88	24 799.88	100.00%	24 799.88	24 799.88	100.00%

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

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
A01200	EXTERNAL STAFF EXPENDITURE (CA, SNE, INTERIM STAFF)	113 965.88	113 965.88	100.00%	113 965.88	57 378.97	50.35%
A01300	MISSIONS AND DUTY TRAVEL	850 889.32	850 889.32	100.00%	850 889.32	688 332.08	80.90%
A01400	MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT	196 102.41	196 102.41	100.00%	196 102.41	80 478.34	41.04%
A01500	REPRESENTATION	2 209.97	2 209.97	100.00%	2 209.97	70.23	3.18%
A01600	TRAINING	324 265.14	320 883.94	98.96%	324 265.14	271 076.11	83.60%
A01700	OTHER STAFF MANAGEMENT EXPENDITURE	1 225 036.20	1 214 998.04	99.18%	1 225 036.20	1 125 147.96	91.85%
A01800	TRAINEESHIPS	5 979.81	5 979.81	100.00%	5 979.81	1 087.40	18.18%
Total Title 1		2 718 448.73	2 705 029.37	99.51%	2 718 448.73	2 223 571.09	81.80%

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
A02100	BUILDINGS AND ASSOCIATED COSTS	825 907.31	809 087.81	97.96%	825 907.31	644 880.31	78.08%
A02200	INFORMATION AND COMMUNICATION TECHNOLOGIES	1 162 862.80	1 159 830.80	99.74%	1 162 862.80	1 078 429.88	92.74%
A02300	MOVABLE PROPERTY AND ASSOCIATED COSTS	120 961.77	120 961.77	100.00%	120 961.77	33 472.71	27.67%
A02400	EVENTS and COMMUNICATION	122 819.23	122 819.23	100.00%	122 819.23	70 898.79	57.73%
A02500	OUTSOURCING AND OTHER CURRENT EXPENDITURE	479 910.52	454 444.64	94.69%	479 910.52	326 128.60	67.96%
A02600	POSTAGE AND TELECOMMUNICATIONS	248 756.43	242 964.47	97.67%	248 756.43	216 015.02	86.84%
A02700	EXPENDITURE ON FORMAL AND OTHER MEETINGS	227 579.93	223 828.38	98.35%	227 579.93	111 187.95	48.86%
Total Title 2		3 188 797.99	3 133 937.10	98.28%	3 188 797.99	2 481 013.26	77.80%

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

(cont'd)

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
B03100	ITER CONSTRUCTION - INCL. SITE PREPARATION	2 101 562 166.54	1 828 476 715.16	87.01%	Payment appropriations under C1 Fund source		
B03200	TECHNOLOGY FOR ITER	19 620 139.06	19 408 478.74	98.92%			
B03300	TECHNOLOGY FOR BROADER APPROACH AND DEMO	18 617 852.16	14 099 409.38	75.73%			
B03400	OTHER EXPENDITURE	3 257 977.33	3 033 436.00	93.11%			
Total Title 3		2 143 058 135.09	1 865 018 039.28	87.03%			
Total C8		2 148 965 381.81	1 870 857 005.75	87.06%	5 907 246.72	4 704 584.35	79.64%

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

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
A01100	STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	10 839.05		-			-
A01200	EXTERNAL STAFF EXPENDITURE (CA, SNE, INTERIM STAFF)	21 064.33		-			-
A01300	MISSIONS AND DUTY TRAVEL						
A01400	MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT	31 474.27		-			-
A01500	REPRESENTATION						
A01600	TRAINING	40 702.63		-			-
A01700	OTHER STAFF MANAGEMENT EXPENDITURE	28 738.85					
A01800	TRAINEESHIPS	3 781.73		-			-
Total Title 1		136 600.86	-	-	-	-	-

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

(cont'd)

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
A02100	BUILDINGS AND ASSOCIATED COSTS	21 321.37		-			-
A02200	INFORMATION AND COMMUNICATION TECHNOLOGIES	3 873.63		-			-
A02300	MOVABLE PROPERTY AND ASSOCIATED COSTS			-			-
A02400	EVENTS and COMMUNICATION	58 327.00		-			-
A02500	OUTSOURCING AND OTHER CURRENT EXPENDITURE	101 427.91		-			-
A02600	POSTAGE AND TELECOMMUNICATIONS	4 652.30		-			-
A02700	EXPENDITURE ON FORMAL AND OTHER MEETINGS	49 113.77		-			-
Total Title 2		238 715.98	-	-	-	-	-
Total C9		375 316.84	-	-	-	-	-

Fund Source: R0 - Assigned revenues (EUR)

Budget Line Position	Budget Line Description	Commit.Approp. Amount (1)	Commitment Amount Accepted (2)	% Committed (2)/(1)	Paym.Approp. Amount (4)	Payment Amount Accepted (5)	% Paid (5)/(4)
B03500	ITER CONSTRUCTION - APPROPRIATION ACCRUING FROM THE ITER HOST STATE CONTRIBUTION	418 403 611.29	418 403 611.29	100.00%	120 003 611.29	119 127 078.69	99.27%
B03600	APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	16 285 106.66	15 549 688.21	95.48%	4 120 733.99		
Total Title 3		434 688 717.95	433 953 299.50	99.83%	124 124 345.28	119 127 078.69	95.97%
Total R0		434 688 717.95	433 953 299.50	99.83%	124 124 345.28	119 127 078.69	95.97%

8.7.4. 2016 Establishment plan

Function group and grade	2016 Budget			
	Authorised under the EU Budget		Filled as 31/12/2016	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD 16				
AD 15		1		
AD 14	1			1
AD 13	14	5	8	3
AD 12	16	8	9	1
AD 11	5	19	6	15
AD 10	3	27	2	22
AD 9	1	20	1	30
AD 8		34	8	43
AD 7		47	2	32
AD 6		40		36
AD 5			1	
AD total	40	201	37	183
AST 11	3			
AST 10	3		1	
AST 9	3		1	
AST 8	1		2	
AST 7	3		2	
AST 6	1	3	3	1
AST 5	1	13		9
AST 4		11	3	7
AST 3			1	10
AST 2			2	
AST 1				
AST total	15	27	15	27
AST/SC total	0	0	0	0
TOTAL	55	228	52	210
GRAND TOTAL	283		262	

9. Glossary and Abbreviations

ABAC	Accrual Based Accounting
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.
Cash accounting	Accounting methodology based on cash flows, i.e. transactions are recognised when cash is received or paid, as opposed to accrual accounting.
Current asset	The group of assets considered to be liquid in that they can be turned into cash within one year.
Current liability	Liabilities to be paid within one year of the balance sheet date
EC	European Commission
EU	European Union
External assigned revenues	Funds received from sources other than the European Commission for specific purpose
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.
Imprest account	Bank accounts and/or cash at hand used for the payment of low value expenses
Internal assigned revenues	Funds received for specific assigned operations and activities from amounts recovered
IO	ITER Organisation
Liability	A financial obligation, debt, claim, payable or potential loss
PA	Procurement Arrangement: the PA between F4E and IO define the F4E deliverables to IO as well as the credit allocation scheme for each deliverable under the ITER unit of account
RAL	Commitments resulting in payment appropriations remaining to be paid