



## FUSION FOR ENERGY

The European Joint Undertaking for ITER and the Development of Fusion Energy

THE GOVERNING BOARD

### DECISION OF THE GOVERNING BOARD APPROVING THE 2009 FINAL ACCOUNTS OF THE EUROPEAN JOINT UNDERTAKING FOR ITER AND THE DEVELOPMENT OF FUSION ENERGY

HAVING regard to the Statutes annexed to the Council Decision (Euratom) No 198/2007 of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy (hereinafter "Fusion for Energy") and conferring advantages upon it<sup>1</sup> (hereinafter "the Statutes") and in particular Article 6(3)(e) thereof,

Having regard to the Financial Regulation of Fusion for Energy<sup>2</sup> adopted by the Governing Board on 22 October 2007 last amended<sup>3</sup> on 18 December 2007 (hereinafter "the Financial Regulation") and in particular Title VIII thereof;

Having regard to the Implementing Rules of the Financial Regulation<sup>4</sup> adopted by the Governing Board on 22 October 2007 last amended<sup>5</sup> on 10 June 2010 (hereinafter "the Implementing Rules") and in particular Title VII thereof;

Having regard to the comments and recommendations of the Executive Committee on the 2009 final accounts at its meeting of 19-20 May 2010;

Having regard to the preliminary observations with a view to a report on the annual accounts of Fusion for Energy as adopted by the European Court of Auditors on 2 June 2010.

Whereas:

- (1) The Director should, in accordance with Article 8(4)(f) of the Statutes, draw up the annual accounts;
- (2) The Executive Committee should, in accordance with Article 7(3)(b) of the Statutes, comment on and make recommendations to the Governing Board on the annual accounts;
- (3) The Governing Board should approve the annual accounts.

THE GOVERNING BOARD OF FUSION FOR ENERGY HAS ADOPTED THIS DECISION:

#### *Article 1*

The 2009 final accounts of Fusion for Energy annexed to this Decision are hereby adopted.

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<sup>1</sup> O.J. L 90, 30.03.2007, p. 58.  
<sup>2</sup> F4E(07)-GB03-11 Adopted 22/10/2007  
<sup>3</sup> F4E(07)-GB04-06 Adopted 18/12/2007  
<sup>4</sup> F4E(07)-GB03-12 Adopted 22/10/2007  
<sup>5</sup> F4E(10)-GB16-16 Adopted 10/06/2010

*Article 2*

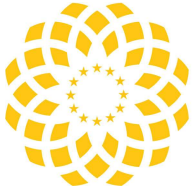
The Governing Board requests the Director to send the 2009 final accounts to the Commission's accounting officer, the Court of Auditors, the European Parliament and the Council.

Done at Lisbon, 16<sup>th</sup> July 2010

For the Governing Board

*Car Varandas*

**Carlos Varandas**  
Chair of the Governing Board



**FUSION  
FOR  
ENERGY**

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

**FINAL ANNUAL ACCOUNTS**

-

**FINANCIAL STATEMENTS  
&  
BUDGET IMPLEMENTATION**

-

**REPORT ON BUDGETARY AND  
FINANCIAL MANAGEMENT**

**Second financial year – 2009**

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## CERTIFICATION & STATEMENT OF THE DIRECTOR

### Certification

The annual accounts of the EUROPEAN JOINT UNDERTAKING FOR ITER AND THE DEVELOPMENT OF FUSION ENERGY (Fusion for Energy) for the year 2009 have been prepared in accordance with its Financial Regulation and its Implementing Rules<sup>1</sup> and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of Fusion for Energy in accordance with article 46 of the Financial Regulation.

I hereby certify that based on the information provided by the Authorising Officer, I have reasonable assurance that the accounts present, in all material respects, a true and fair view of the financial position of Fusion for Energy.



**Mr Abad Villanueva Roberto**

Accounting Officer

### Statement of the Director

I, the undersigned, Franck Briscoe, Director of the EUROPEAN JOINT UNDERTAKING FOR ITER AND THE DEVELOPMENT OF FUSION ENERGY (Fusion for Energy), in my capacity as Authorising Officer,

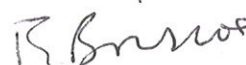
- Declare that the information contained in this report gives a true and fair view.

- State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management. This reasonable assurance is based on my own judgment and on the information at my disposal since taking up my duties on 16<sup>th</sup> February 2010 including my predecessor's hand-over note.

- Based on the preliminary observations of the Court of Auditors and the conclusions of the Internal Auditor in his audit report on the financial circuits of Fusion for Energy (completed May 2010), make the following reservations: the internal control systems in place at Fusion for Energy are not yet fully implemented and do not provide reasonable assurance regarding the achievement of the objectives assigned to financial circuits. Measures are being taken by Fusion for Energy to address the weaknesses identified by these audits.

- Confirm that I am not aware of anything not reported here which could harm the interests of Fusion for Energy and the European Institutions in general.

Barcelona, 30 June 2010



**Mr Frank Briscoe**

Director

<sup>1</sup> Fusion for Energy Financial Regulation (adopted by Fusion for Energy Governing Board on 22/10/2007 – F4E(07)-GB03-11, amended on 18/12/2007 – F4E(07)-GB04-06) and its implementing rules (adopted by Fusion for Energy Governing Board on 22/10/2007 – F4E(07)-GB03-12, amended on 08/07/2008 – F4E(08)-GB06-06a)

## INTRODUCTION

Fusion for Energy is a Joint Undertaking created under the Euratom Treaty by a decision of the Council of Ministers of the European Union<sup>2</sup>.

Fusion for Energy is established for a period of 35 years from 19th April 2007 and is located in Barcelona, Spain.

The main tasks of the Joint Undertaking are as follows:

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

The 2009 financial statements of Fusion for Energy and its reports on budget implementation for 2009 were prepared in conformity with :

- Council Decision establishing Fusion for Energy<sup>2</sup>,
- Fusion for Energy Financial Regulation and its implementing rules
- « Inventory directive » (CE n° 643/2005),
- Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>,
- The European Commission's consolidation manual version 6.0 for the 2009 closure.

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<sup>2</sup> Council decision of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it (2007/198/Euratom – O.J. : L 90/58).

<sup>3</sup> Financial Regulation (EC, Euratom) n°1605/2002 of the Council of 25 June 2002, amended by Council Regulation (EC, Euratom) n° 1995/2006 of 13 December 2006 and (EC) n° 1525/2007 of 17 December 2007.

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

Article 133 of the general financial regulation states that the Accounting Officer of the Commission adopts the accounting rules and methods to be applied by all EU bodies and institutions. These rules were adopted on 28 December 2004 and last updated on 6th January 2010. They are accrual based accounting policies derived from International Public Sector Accounting Standard (IPSAS) or by default, International Financial Reporting Standards (IFRS).

## FINANCIAL STATEMENTS 2009

### I. Balance sheet 2009 - Assets

Consolidation account		Note n°	31.12.2009	31.12.2008	Variation
	<b>ASSETS</b>				
	<b>A. NON CURRENT ASSETS</b>	<b>2.1.</b>			
210000	Intangible fixed assets		0.00	0.00	0.00
200000	Tangible fixed assets		1 469 592.00	483 472.00	986 120.00
230000	Plant and equipment		1 412.00	0.00	1 412.00
241000	Computer hardware		938 193.00	109 759.00	828 434.00
240000	Furniture and vehicles		423 560.00	299 690.00	123 870.00
242000	Other fixtures and fittings		106 427.00	74 023.00	32 404.00
	<b>TOTAL NON CURRENT ASSETS</b>		<b>1 469 592.00</b>	<b>483 472.00</b>	<b>986 120.00</b>
	<b>B. CURRENT ASSETS</b>				
310000	Stocks		0.00	0.00	0.00
405000	Short-term pre-financing	<b>2.2.</b>	<b>45 581 310.23</b>	<b>6 513 159.60</b>	<b>39 068 150.63</b>
range	Short-term pre-financing		45 581 310.23	6 513 159.60	39 068 150.63
400000	Short-term receivables	<b>2.3.</b>	<b>78 769 196.84</b>	<b>41 711 738.27</b>	<b>37 057 458.57</b>
401000	Current receivables		30 884 333.92	384 900.00	30 499 433.92
410900	Sundry receivables		23 691.38	42 579.70	-18 888.32
490000	Other		47 859 173.77	41 171 589.75	6 687 584.02
490010	Accrued income		21 850.82	67 621.95	-45 771.13
490011	Deferred charges		11 561.95	0.00	11 561.95
490012	Other		0.00	0.00	0.00
490090	Deferrals/Accruals with consolidated EU entities		47 825 761.00	41 103 967.80	6 721 793.20
400009	Short-term receivables with consolidated EU entities		1 997.77	112 668.82	-110 671.05
500000	Cash and cash equivalents	<b>2.4.</b>	<b>42 006 329.34</b>	<b>58 980 569.87</b>	<b>-16 974 240.53</b>
	<b>TOTAL CURRENT ASSETS</b>		<b>166 356 836.41</b>	<b>107 205 467.74</b>	<b>59 151 368.67</b>
	<b>TOTAL</b>		<b>167 826 428.41</b>	<b>107 688 939.74</b>	<b>60 137 488.67</b>



## Balance sheet 2009 – Liabilities

Consolidation account		Note n°	31.12.2009	31.12.2008	Variation
	<b>LIABILITIES</b>				
	<b>A. NET ASSETS</b>	2.5.	141 334 701.94	66 534 076.61	74 800 625.33
100000	Reserves		0.00	0.00	0.00
140000	Accumulated surplus/deficit		66 534 076.61	0.00	66 534 076.61
141000	Economic result of the year - profit+/-loss-		74 800 625.33	66 534 076.61	8 266 548.72
	<b>B. NON CURRENT LIABILITIES</b>		59 141.81	977 500.00	-918 358.19
162000	Provisions for risks and charges	2.6.	59 141.81	0.00	59 141.81
172000	Other long-term liabilities		0.00	977 500.00	-977 500.00
172009	<i>Other LT liabilities with consolidated EU entities</i>		0.00	977 500.00	-977 500.00
172019	<i>Pre-financing received from consolidated EU entities</i>		0.00	977 500.00	-977 500.00
<b>TOTAL A+B</b>			<b>141 393 843.75</b>	<b>67 511 576.61</b>	<b>73 882 267.14</b>
	<b>C. CURRENT LIABILITIES</b>	2.7.	26 432 584.66	40 177 363.13	-13 744 778.47
482000	Provisions for risks and charges		0.00	0.00	0.00
440000	Accounts payable		26 432 584.66	40 177 363.13	-13 744 778.47
441000	Current payables	2.7.1.	22 013.68	187 019.94	-165 006.26
443000	Sundry payables		117 798.19	645.65	117 152.54
491000	Other	2.7.2.	15 737 971.04	13 088 518.54	2 649 452.50
491010	<i>Accrued charges</i>		15 729 174.97	12 961 554.46	2 767 620.51
491090	<i>Deferrals/accruals with consolidated EU entities</i>		8 796.07	126 964.08	-118 168.01
440009	Accounts payable with consolidated EU entities		10 554 801.75	26 901 179.00	-16 346 377.25
440019	<i>Pre-financing received from consolidated EU entities</i>	2.7.3.	977 500.00	25 406 415.22	-24 428 915.22
440029	<i>Other accounts payable against consolidated EU entities</i>	2.7.4.	9 577 301.75	1 494 763.78	8 082 537.97
<b>TOTAL C. CURRENT LIABILITIES</b>			<b>26 432 584.66</b>	<b>40 177 363.13</b>	<b>-13 744 778.47</b>
<b>TOTAL</b>			<b>167 826 428.41</b>	<b>107 688 939.74</b>	<b>60 137 488.67</b>

## II. Economic outturn account 2009

Consolidation account		Note n°	2009	2008	Variation
744000	Revenues from administrative operations	3.1.	127 753.25	562 323.48	-434 570.23
745000	Other operating revenue	3.1.	173 051 744.81	123 739 884.44	49 311 860.37
777777	<b>TOTAL OPERATING REVENUE</b>		<b>173 179 498.06</b>	<b>124 302 207.92</b>	<b>48 877 290.14</b>
610000	Administrative expenses		-23 269 644.09	-11 821 558.13	-11 448 085.96
6201,,	All Staff expenses	3.2.	-16 700 197.54	-8 635 888.07	-8 064 309.47
630100	Fixed asset related expenses	2.1.	-536 857.86	-125 464.55	-411 393.31
611000	Other administrative expenses	3.3.	-6 032 588.69	-3 060 205.51	-2 972 383.18
600000	Operational expenses		-75 368 074.02	-46 162 378.07	-29 205 695.95
606000	Other operational expenses	3.4.	-75 368 074.02	-46 162 378.07	-29 205 695.95
666666	<b>TOTAL OPERATING EXPENSES</b>		<b>-98 637 718.11</b>	<b>-57 983 936.20</b>	<b>-40 653 781.91</b>
<b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>			<b>74 541 779.95</b>	<b>66 318 271.72</b>	<b>8 223 508.23</b>
750000	Financial revenues	2.4.	263 223.14	216 304.89	46 918.25
650000	Financial expenses		-4 377.76	-500.00	-3 877.76
<b>SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES</b>			<b>258 845.38</b>	<b>215 804.89</b>	<b>43 040.49</b>
<b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>			<b>74 800 625.33</b>	<b>66 534 076.61</b>	<b>8 266 548.72</b>
<b>SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>ECONOMIC RESULT OF THE YEAR</b>			<b>74 800 625.33</b>	<b>66 534 076.61</b>	<b>8 266 548.72</b>

### III. Cash flow statement 2009 (indirect method)

		2009	2008
<b>Cash Flows from ordinary activities</b>			
<b>Surplus/(deficit) from ordinary activities</b>		<b>74 800 625.33</b>	<b>66 534 076.61</b>
<b>Operating activities</b>	Amortization (intangible fixed assets) +	0.00	0.00
<u>Adjustments</u>	Depreciation (tangible fixed assets) +	640 366.66	263 472.70
	Increase/(decrease) in Provisions for risks and liabilities	59 141.81	0.00
	Increase/(decrease) in Value reduction for doubtful debts	0.00	0.00
	(Increase)/decrease in Stock	0.00	0.00
	(Increase)/decrease in Long term Pre-financing	0.00	0.00
	(Increase)/decrease in Short term Pre-financing	-39 068 150.63	-6 513 159.60
	(Increase)/decrease in Long term Receivables	0.00	
	(Increase)/decrease in Short term Receivables	-37 168 129.62	-41 599 069.45
	(Increase)/decrease in Receivables related to consolidated EU entities	110 671.05	-112 668.82
	Increase/(decrease) in Other Long term liabilities	0.00	0.00
	Increase/(decrease) in Accounts payable	2 719 766.79	13 276 184.13
	Increase/(decrease) in Liabilities related to consolidated EU entities	-17 442 045.26	27 878 679.00
<b>Net cash Flow from operating activities</b>		<b>-15 347 753.87</b>	<b>59 727 514.57</b>
<b>Cash Flows from investing activities</b>			
	Increase of tangible and intangible fixed assets (-)	-1 630 463.66	-746 944.70
	Proceeds from tangible and intangible fixed assets (+)	3 977.00	0.00
<b>Net cash flow from investing activities</b>		<b>-1 626 486.66</b>	<b>-746 944.70</b>
Net increase/(decrease) in cash and cash equivalents		-16 974 240.53	58 980 569.87
<b>Cash and cash equivalents at the beginning of the period</b>		<b>58 980 569.87</b>	<b>0.00</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>42 006 329.34</b>	<b>58 980 569.87</b>

#### IV. Statement of Changes in Net assets - 2009

Net assets	Accumulated Surplus / Deficit	Economic result of the year	Net assets (total)
<b>Balance as of 31 December 2008</b>		66 534 076.61	66 534 076.61
<b>Balance as of 1 January 2009 (if restated)</b>	<b>0.00</b>	<b>66 534 076.61</b>	<b>66 534 076.61</b>
Fair value movements			0.00
Allocation of the Economic Result of Previous Year	66 534 076.61	-66 534 076.61	0.00
Economic result of the year		74 800 625.33	74 800 625.33
<b>Balance as of 31 December 2009</b>	<b>66 534 076.61</b>	<b>74 800 625.33</b>	<b>141 334 701.94</b>
Account	140000	141000	

## **V. Notes to the Financial statements**

### **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 Fusion for Energy, 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 an Economic Outturn account, showing all income and expenditure for the financial year, and a Balance Sheet designed to establish the financial position of Fusion for Energy at 31 December.

Article 113 of Fusion for Energy Financial Regulation sets out the accounting principles to be applied in drawing up the financial statements:

- Going concern basis
- prudence
- consistent accounting method
- comparability of information
- materiality
- no netting
- reality over appearance
- accrual based accounting

## 2. Notes to the Balance sheet

### 2.1. Fixed assets

Tangible fixed assets are identifiable non-monetary assets with physical substance. Fusion for Energy books as fixed tangible 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 tangible fixed assets are depreciated monthly, with zero residual value, over a variable useful lifetime :

Asset type	Annual depreciation rate
<b><u>Plant and equipment</u></b>	
Lifting and mechanical handling equipment	12,5%
Control and transmission devices, motors, compression, vacuum and pumping equipment	12,5%
Equipment for the supply and treatment of electric power	12,5%, 25%
Specific electric equipment	25%
<b><u>Furniture and vehicles</u></b>	
Office furniture	10%
Electrical office equipment, printing and mailing equipment	25%
Printshop and postroom equipment	12,5%
Equipment for kitchen	12,5%
Transport equipment (vehicles and accessories)	25%
<b><u>Computer hardware</u></b>	
Computers, servers, accessories, data transfer equipment, printers, screens	25%
Copying equipment, digitising and scanning equipment	25%
<b><u>Other fixtures and fittings</u></b>	
Telecommunications equipment	25%
Audiovisual equipment	25%
Computer, scientific and general books, documentation	
Computer books, CDs, DVDs	33%
Scientific books, general books, CDs, DVDs	25%
Health, safety and protective equipment, medical equipment, fire-fighting equipment, equipment for surveillance and security services	12,5%

Under the Host agreement with Spain, the building used by Fusion for Energy is free of charge except some additional office space rented by Fusion for Energy (annual cost estimated to EUR 0.32 million). Some assets owned by Fusion for Energy as of 31/12/2009 were donated by the Spanish government (in 2008 and 2009) and the European Commission (in 2008).

Based on information and/or supporting documents (mainly invoices and offers) provided by CIEMAT<sup>4</sup>, the net value of the fixed assets received in 2009 amounts to **EUR 126 364.25**.

The total depreciation for 2009 amounts to **EUR 640 366.66**, resulting in a net book value of **EUR 1 469 592.00** as of 31.12.2009.

The variation of the tangible fixed assets in 2009 is composed of:

2009		Plant and Equipment	Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	Total
<b>Gross carrying amounts 01.01.2009</b>	+	<b>0.00</b>	<b>233 071.45</b>	<b>365 831.25</b>	<b>148 042.00</b>	<b>746 944.70</b>
Additions	+	1 743.67	1 361 789.66	186 287.27	80 643.06	<b>1 630 463.66</b>
Disposals	-		-15 910.45(*)			<b>-15 910.45</b>
Transfer between headings	+/-					<b>0.00</b>
Other changes (1)	+/-					<b>0.00</b>
<b>Gross carrying amounts 31.12.2009</b>		<b>1 743.67</b>	<b>1 578 950.66</b>	<b>552 118.52</b>	<b>228 685.06</b>	<b>2 361 497.91</b>
<b>Accumulated amortization and impairment 01.01.2009</b>	-		<b>-123 312.45</b>	<b>-66 141.25</b>	<b>-74 019.00</b>	<b>-263 472.70</b>
Depreciation	-	-331.67	-529 378.66	-62 417.27	-48 239.06	<b>-640 366.66</b>
Write-back of depreciation	+					<b>0.00</b>
Disposals	+		11 933.45(*)			<b>11 933.45</b>
Impairment (1)	-					<b>0.00</b>
Write-back of impairment	+					<b>0.00</b>
Transfer between headings	+/-					<b>0.00</b>
Other changes (1)	+/-					<b>0.00</b>
<b>Accumulated amortization and impairment 31.12.2009</b>		<b>-331.67</b>	<b>-640 757.66</b>	<b>-128 558.52</b>	<b>-122 258.06</b>	<b>-891 905.91</b>
<b>Net carrying amounts 31.12.2009</b>		<b>1 412.00</b>	<b>938 193.00</b>	<b>423 560.00</b>	<b>106 427.00</b>	<b>1 469 592.00</b>
Accounts		230000	241000	240000	242000	200000

(\*) corresponds to a drive originally received from the European Commission and donated back (net value = 4 KEUR).

<sup>4</sup> The Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas has been nominated by the Host state government as the entity entrusted to discharge the Host state for some commitments under the Host Agreement.

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

## 2.2. Short-term 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 Fusion for Energy.

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	31.12.2009	31.12.2008
405290	Pre-financing (PF) given to third parties(TP)	50 397 691.51	6 660 961.54
405297	Accrued charges on PF TP	-4 816 381.28	-147 801.94
405200	<b>Total</b>	<b>45 581 310.23</b>	<b>6 513 159.60</b>

These pre-financings are related to two annexes to Procurement arrangements signed with the Japan Atomic Energy Agency (EUR 23.90 million - Cf. note 4.1.2.) and to operational contracts : mainly for the procurement contracts “*F4E-2009-OPE-005-01\_ OXFORD INST.*” (EUR 11.89 million), “*F4E-2008-OPE-005-02\_ BRUKER EAS*” (EUR 7.35 million) and for the grant “*F4E-2009-GRT-032-01\_ CONSORZIO RFX*” (EUR 1.80 million).

## 2.3. Short-term receivables

**2.3.1. Current receivables** : **EUR 30 884 333.92** referring to the following amounts due by Member states as of 31.12.2009 : ITER host state contribution (EUR 30.40 million), two Member States contributions (EUR 0.48 million) and recoverable V.A.T.



2.3.2. Sundry receivables : **EUR 23 691.38** composed mainly of advances on missions and amounts due by other EC entities related to the transfer of staff.

2.3.3. Other – deferrals and accruals : **EUR 47 859 173.77** composed of:

- EUR 47 825 761.00 : deferred charges corresponding to the 2010 cash contribution to ITER Organisation
- EUR 21 850.82 : December 2009 bank interests to be received in 2010 from BBVA on current account and “ITER Host state” account (Cf. note 2.4.)
- EUR 11 722.55 : December 2009 bank interests to be received in 2010 from BBVA on “Euratom contribution” bank account (Cf. note 2.4.)

2.3.4. Short-term receivables with consolidated EC entities totalling **EUR 1 997.77** corresponding to amounts due by the European Translation Center and ECHA (in relation to transfer of staff).

## 2.4. Cash and cash equivalents

Account	Description	31.12.2009	31.12.2008
505000	<i>Unrestricted cash:</i>		
505300	Current accounts (bank accounts)	79 406.70	10 625 437.42
505400	Imprest accounts	0.00	0.00
505500	Cash in hand ("Caisses")	0.00	0.00
505700	Short-term deposits ("Euratom account")	21 138 919.91	32 325 147.20
505700	Short-term deposits ("ITER Host State account")	20 788 002.73	16 029 985.25
500000	<b>Total</b>	<b>42 006 329.34</b>	<b>58 980 569.87</b>

The important cash position at the end of 2009 is composed of one current account and two short-term deposits (for the Euratom and ITER-Host state contribution).

The bank interests generated by the current account (EUR 42 162.21) and the “ITER-Host state” account (EUR 221 060.93) amounts to EUR 263 223.14 for 2009 (the interests for December 2009, EUR 21 850.82, are due in January 2010).

The bank interests generated by the Euratom contribution amounts to EUR 274 160.33 (the interests for December 2009, EUR 11 722.55, are due in January 2010).

Those interests generated on the Euratom contribution are to be reimbursed to the Commission in 2010.

## 2.5. Net assets

Fusion for Energy net assets are increased by the positive economic outturn of the year (EUR 74 800 625.33) totalling **EUR 141 334 701.94** as of 31 December 2009.

The resources of Fusion for Energy consist of a contribution from Euratom, annual membership contributions and voluntary contributions from the Members other than Euratom, contributions from the ITER host State and from additional resources.

It is to be noted that according to Fusion for Energy Financial regulation, if the balance of the outturn account is positive, it shall be repaid to the Commission up to the amount of the Euratom contribution paid during the financial year (Cf. point VI.5. Budget outturn account).

## 2.6. Provisions for risks and charges

Provisions are recognised when Fusion for Energy 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 the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date.

The Council decided in December 2009 to increase the salaries of officials and other servants of the European Union by 1.85%. Following the "method" laid down in the staff regulation the salary increase should have been 3,7% which corresponds to the original Commission proposal. In the time, the Commission lodged an action for annulment against the Council decision in the European Court of Justice.

According to the Commission it is considered probable that the refused 1.85 % salary adjustment will, in the end, have to be paid to the staff. Therefore, in compliance with the accounting rules, an amount of **EUR 59 141.81** is booked in the 2009 accounts as long term provision for these outstanding salary payments relating to July-December 2009.

## 2.7. Short-term liabilities

2.7.1. Current and sundry payables are **EUR 139 811.87** and are composed of a reimbursement due to CERN for a seconded national expert (EUR 74 495,57), supplier's invoices received but not paid at year end (EUR 34 285.67) and reimbursements to staff (EUR 31 030.63).

2.7.2. Deferrals and accruals : **EUR 15 737 971.04** which represent mainly invoices to be received in 2010 for services rendered in 2009, including ;

- EUR 12 195 431.64 for services rendered in 2009 on operational activities and not invoiced at 31/12/2009 (of which EUR 3.5 million are related to services provided by CEA ITER France).
- EUR 3 097 800.27 for services rendered in 2009 on administrative expenditures and not invoiced at 31/12/2009.
- EUR 432 381.84 for Fusion for Energy staff's untaken leave as at the end of December 2009. In conformity with IAS 19, an entity shall recognize the cost of holidays carried over to the following years during the year the services were rendered by the staff member.

2.7.3. Pre-financing received from consolidated EC entities reached **EUR 977 500.00** corresponding to 3 long term pre-financings received from ITER Organisation and falling due within the year (Cf. note 4.1.3.).

2.7.4. Other accounts payable against consolidated EC entities totalling **EUR 9 577 301.75** include the balance on the invoice for the 2010 cash contribution to be paid to ITER Organisation (EUR 9 266 940.81), the bank interests generated by the Euratom contribution (EUR 274 160.33), to be paid back to the Commission in 2010 (Cf. note 2.4), and other debts towards the Commission and EU bodies.

## 2.8. Post balance sheet events

No significant post balance sheet event occurred between 31<sup>st</sup> December 2009 and the final closing of the accounting year.

### 3. Notes to the Economic Outturn Account

#### 3.1. Revenue

The revenues from administrative operations amount to **EUR 127 753.25**, which include asset donations (EUR 126 364.25 - Cf. note 2.1.) and a revenue from de Translation Center (EUR 1 389.00).

The operating revenues, **EUR 173 051 744.81**, include mainly :

- The Euratom contribution : EUR 139 758 000.00 requested and cashed in 2009 (totally booked as revenue under this heading)
- The 2009 Membership contributions : EUR 2 890 000.00.  
All members, except two, paid their contribution by 31.12.2009 (Cf. note 2.3.1.).
- The 2009 ITER Host state contribution : EUR 30 400 000.00 requested and not cashed as of 31.12.2009.

#### 3.2. Staff expenses - EUR 16 700 197.54

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 (mainly relocation services).

#### 3.3. Other administrative expenses

The amount of **EUR 6 032 588.69** includes mainly the following items :

- IT support EUR 1 428 907.05
- Office supplies & maintenance EUR 1 327 624.11
- Missions EUR 1 145 966.24
- Experts with contracts EUR 540 000.00
- Communications & publications EUR 232 606.54
- Expenses with consolidated entities (mainly "service level agreements" with the EC) EUR 257 803.46

- Training EUR 221 934.95
- Rental of office space EUR 210 202.00
- Maintenance & security for the building EUR 205 293.40
- Experts and related expenditure EUR 200 916.95
- Interim staff EUR 152 972.57
- Selection EUR 103 083.97

### 3.4. Operational expenses

The amount of **EUR 75 368 074.02** includes mainly the following items :

- 2009 Cash contribution to ITER Organisation EUR 41 011 940.17
- Voluntary contribution to ITER Organisation EUR 5 974 179.68
- IFMIF\_EVEDA – 2009 Cash contribution EUR 132 047.28

The remaining expenditures are linked to procurement contracts (including EUR 22.4 million for ITER site preparation (CEA – ITER France) and grant agreements.

## 4. Off balance sheet items and notes

### 4.1. Contingent liabilities and Commitments for future fundings

There are no contingent liabilities to disclose for the year ended 31<sup>st</sup> December 2009.

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

Account	Commitments for future fundings	31.12.2009	31.12.2008
902500	Commitments against appropriations not yet consumed	123 356 355.21	59 604 397.63
903200	Operating lease	0.00	0.00
903300	Contractual commitment (for which budget commitments have not yet been made)	644 951 183.82	202 718 477.67
903100	Other	0.00	0.00
	<b>TOTAL</b>	<b>768 307 539.03</b>	<b>262 322 875.30</b>

The contractual commitments for which budget commitments have not yet been place refers to the Procurement Arrangements which establish a detailed common understanding of each Party on the in-kind contribution to be provided to ITER Organisation 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.

#### 4.1.1. Procurement Arrangement (ITER Organisation)

2009 Exchange rate (Euro/IUA) : 1 547.59

(1 000)

Procurement Arrangement (ITER Organisation)	Value signed PA	
	IUA	EURO
Supply of Toroidal Field Coils	89.74	138 880.73
Supply of Poloidal Field Coils	41.40	64 070.23
Cable-In-Conduit Conductor UL	43.39	67 149.93
Cable-In-Conduit Conductor	11.23	17 377.59
Power supply	19.52	30 208.96
Building design and construction	12.80	19 809.15
Architectural and Engineering Services	54.70	84 653.17
Excavation	31.00	47 975.29
Supply of Anti-seismic bearings	6.20	9 595.06
<b>TOTAL</b>	<b>309.98</b>	<b>479 720.11</b>

For the Procurement Arrangements signed with ITER Organisation, Fusion for Energy 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.

#### 4.1.2. Annex to Procurement Arrangement (JAEA)

2009 Exchange rate (Euro/IUA) : 1 547.59

(1 000)

Procurement Arrangement (JAEA)	Value signed PA		Budgetary commitment		Balance	
	IUA	EURO	IUA	EURO	IUA	EURO
Transfer of financial contributions for the implementation of Procurement Arrangement	7.74	11 972.47	-	-	7.74	11 972.47
	3.10	4 798.30	-	-	3.10	4 798.30
	21.50	33 273.19	3.87	5 797.88	17.63	27 284.01
	90.00	139 283.10	11.70	18 106.80	78.30	121 176.30
<b>TOTAL</b>	<b>122.34</b>	<b>189 327.05</b>	<b>15.57</b>	<b>23 904.68</b>	<b>106.77</b>	<b>165 231.08</b>

Regarding the arrangements signed between Fusion for Energy, the Japan Atomic Energy Agency (JAEA) and ITER Organisation, the transfer of procurement responsibilities from Europe to Japan is implemented through annual cash contributions. The corresponding budgetary commitment is established at the reception of the annual call for funds. The exact amount of the contribution (in EUR) is decided annually (in year n-1) based on the updated Credit Allocation Scheme of the Procurement Arrangement agreed between JAEA and ITER Organisation and endorsed by Fusion for Energy.

#### 4.1.3. ITER Tasks Agreement

(EUR 1 000)

ITER IC Antenna R&D programme	Value signed ITA's	PF received by F4E
Faraday Shield	740.00	370.00
Vacuum Window	990.00	495.00
Exploitation of Antenna Low Power Mock-ups	225.00	112.50
<b>TOTAL</b>	<b>1 955.00</b>	<b>977.50</b>

2009 Exchange rate (Euro/PPY) : 154 759

ITER Tasks Agreement	Value signed ITA's	
	PPY	EURO (1 000)
Codes_ITER NB&DNB injectors	1.00	154.76
Design_ITER NB injectr	18.70	2 893.99
Exploitation of Antenna Low Power Mock-ups	2.50	386.90
R&D/Design Remote Handling	10.00	1 547.59
<b>TOTAL</b>	<b>32.20</b>	<b>4 983.24</b>

Fusion for Energy 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.

#### **4.2. Contingent assets**

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Fusion for Energy. 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	31.12.2009	31.12.2008
901120	Guarantees for pre-financing (nominal-on going)	8 697 271.46	0.00
901180	Performance guarantees	7 021 737.11	0.00
901100	<b>TOTAL - Guarantees received</b>	<b>15 719 008.57</b>	<b>0.00</b>

Guarantees received in respect of pre-financing:

These are guarantees that Fusion for Energy 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 Fusion for Energy funding meet the obligations of their contracts with Fusion for Energy.



## 2009 BUDGET IMPLEMENTATION

### VI. Budgetary implementation

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

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.

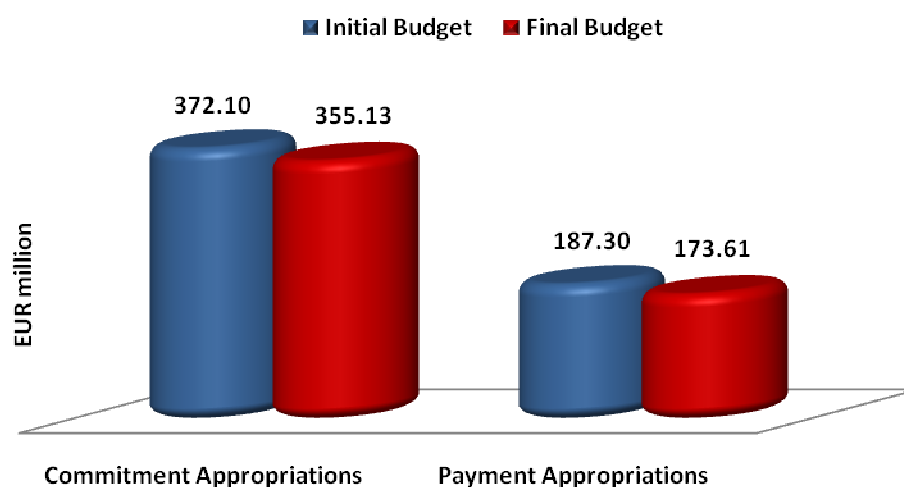
- **unity and budget accuracy:** all Fusion for Energy's expenditure and revenue must be incorporated in a single budget document, must be booked on a budget line and expenditure must not exceed authorised appropriations;
- **annuality:** the appropriations entered are authorised for a single year and must therefore be used during that year;
- **equilibrium:** the revenue and expenditure shown in the budget must be in balance (estimated revenue must equal payment appropriations);
- **unit of account:** the budget is drawn up and implemented in euro (EUR) and the accounts are presented in euro;
- **universality:** this principle comprises two rules: – the rule of non-assignment, meaning that budget revenue must not be earmarked for specific items of expenditure (total revenue must cover total expenditure); – the gross budget rule, meaning that revenue and expenditure are entered in full in the budget without any adjustment against each other;
- **specification:** each appropriation is assigned to a specific purpose and a specific objective;
- **sound financial management:** budget appropriations are used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness;
- **transparency:** the budget is established and implemented and the accounts presented in compliance with the principle of transparency - the budget and amending budgets are published in the website of Fusion for Energy.

## 1. Initial budget and amending budgets

The Fusion for Energy budget for 2009<sup>5</sup> was initially adopted for the global amount of EUR 372.10 million in commitment appropriations and EUR 187.30 million in payment appropriations.

This budget was successively amended at the March meeting<sup>6</sup>, the July meeting<sup>7</sup> and the November meeting<sup>8</sup> of the Governing Board. Some budgetary transfers within the administrative titles of the budget were authorised by Fusion for Energy Director as well.

The final authorised Fusion for Energy budget for 2009 was made of EUR 355.13 million in commitment appropriations and EUR 173.61 million in payment appropriations.



## 2. Budget implementation

The results of the implementation of the first full year are as follow:

**82.4%** of the revenues foreseen in the budget were collected by the 31/12/09

**98.9%** of the overall budget in commitment appropriations was implemented, of which **99.0%** of the operational budget appropriations (Title III of the expenditure) and **97.5%** of the administrative expenditures (Title I & II)

**65.3%** of the overall budget was implemented in payment appropriations, of which **65.5%** of the operational budget appropriations and **64.2%** of the administrative expenditure

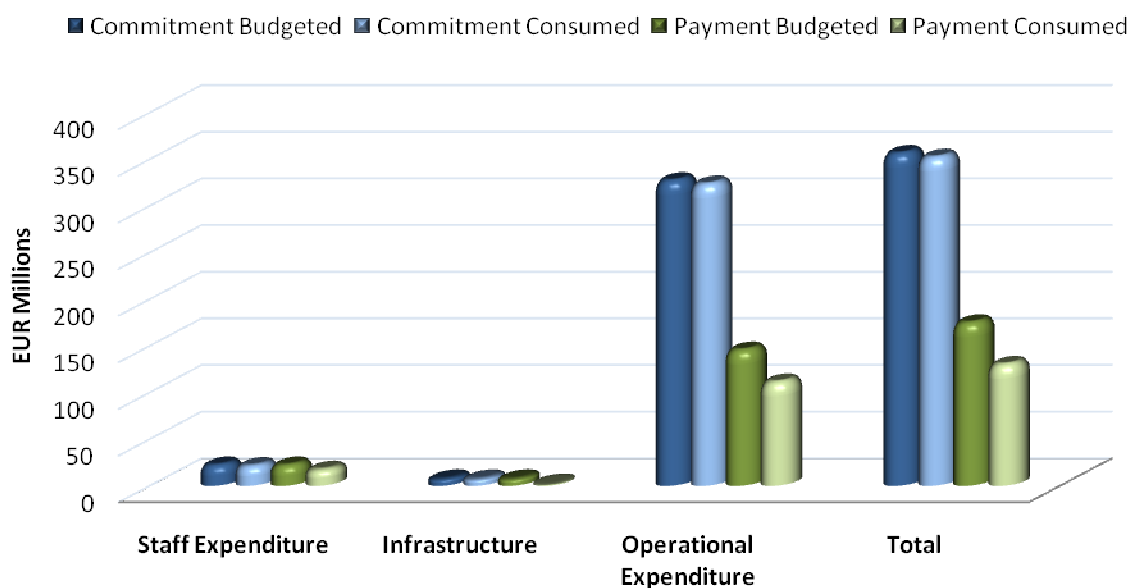
<sup>5</sup> Decision of the F4E Governing Board F4E(08)-GB08-09 of the 04/12/08

<sup>6</sup> Decision of the F4E Governing Board F4E(09)-GB09-10 of the 12/03/09

<sup>7</sup> Decision of the F4E Governing Board F4E(09)-GB10-11 of the 09/07/09

<sup>8</sup> Decision of the F4E Governing Board F4E(09)-GB12-14 of the 27/11/09

## Implementation of Budget 2009



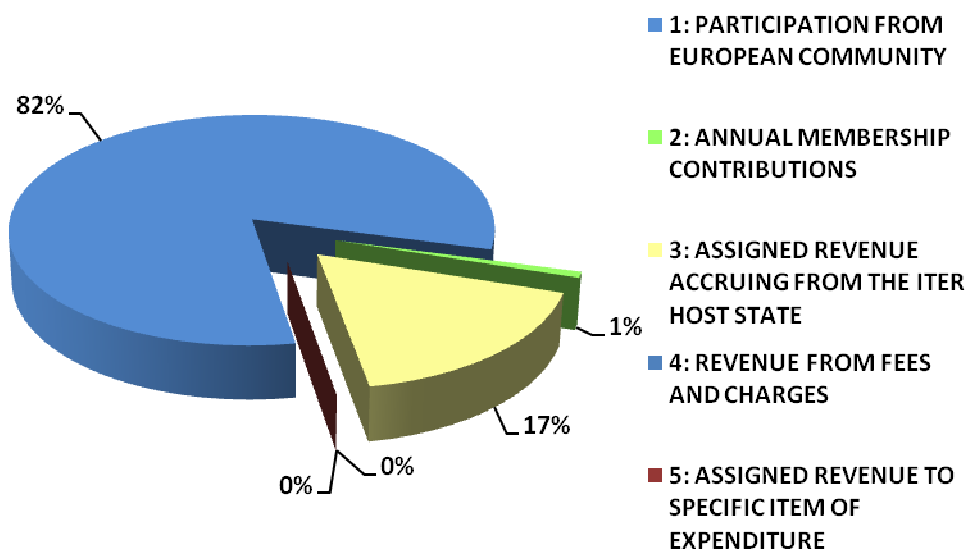
TITLE 1: Staff expenditure, TITLE 2: Buildings, equipment and miscellaneous operating expenditure  
TITLE 3: Operational expenditure

### 3. Statement of Revenue

#### 3.1. Evolution of the Statement of revenue

##### Commitment Appropriations (EUR)

Heading	Initial budget 2009 (1)	Amendments to the budget (2)	Final adopted Budget 2009 (3)=(1)+(2)
1: PARTICIPATION FROM EUROPEAN COMMUNITY	308 000 000.00	-16 972 000.00	291 028 000.00
2: ANNUAL MEMBERSHIP CONTRIBUTIONS	2 900 000.00	0.00	2 900 000.00
3: ASSIGNED REVENUE ACCRUING FROM THE ITER HOST STATE	61 200 000.00	0.00	61 200 000.00
4: REVENUE FROM FEES AND CHARGES	p.m.	p.m.	p.m.
5: ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	p.m.	p.m.	p.m.
<b>Total Revenue 2009</b>	<b>372 100 000.00</b>	<b>-16 972 000.00</b>	<b>355 128 000.00</b>



#### Payment appropriations (EUR)

Heading	Initial budget 2009 (1)	Amendments to the budget (2)	Final adopted Budget 2009 (3)=(1)+(2)
1: PARTICIPATION FROM EUROPEAN COMMUNITY	154 000 000.00	-14 072 000.00	139 928 000.00
2: ANNUAL MEMBERSHIP CONTRIBUTIONS	2 900 000.00	385 000.00	3 285 000.00
3: ASSIGNED REVENUE ACCRUING FROM THE ITER HOST STATE	30 400 000.00	0.00	30 400 000.00
4: REVENUE FROM FEES AND CHARGES	p.m.	p.m.	p.m.
5: ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	p.m.	p.m.	p.m.
<b>Total Revenue 2009</b>	<b>187 300 000.00</b>	<b>-13 687 000.00</b>	<b>173 613 000.00</b>

As already mentioned the Fusion for Energy budget for 2009 was amended 3 times:

- The amendment adopted in March 2009 aimed to reach the full accordance between the initial Fusion for Energy budget and the EU general budget for 2009, taking into account the modifications introduced during the budgetary procedure of the latter.

In addition the budgetary outturn for the administrative expenditure 2008 was recovered, according to the 2008 annual accounts.

The detailed amendment was made of:

- The decrease by EUR 0.28 million of the Euratom administrative contribution due to the EU budgetary procedure

- The increase by EUR 8.31 million of the Euratom administrative contribution due to the partial recovery of the outturn account 2008
- The increase of EUR 2.90 million of the Euratom operational contribution in payment appropriations due a technical correction.
- The amendment adopted in July 2009 did not bring any modification to the statement of revenue
- The amendment adopted in November 2009 establishing the Final budget was made of a decrease of the Euratom contribution, based on European Commission request plus a technical adjustment on membership contributions :
  - The decrease by EUR 25.00 million of the Euratom operational contribution in both commitment and payment appropriations
  - The increase by EUR 0.39 million of the membership contribution in payment appropriations to introduce in the budget a contribution from 2008 but received in 2009.

### 3.2. Implementation of the Statement of Revenue

#### Commitment Appropriations (EUR)

Heading	Final adopted Budget 2009  (1)	Carry over from 2008 (Assigned Revenue) (2)	Commitment appropriations available for implementation (3)=(1)+(2)
<b>1: PARTICIPATION FROM EUROPEAN COMMUNITY</b>	291 028 000.00	0.00	<b>291 028 000.00</b>
<b>2: ANNUAL MEMBERSHIP CONTRIBUTIONS</b>	2 900 000.00	0.00	<b>2 900 000.00</b>
<b>3: ASSIGNED REVENUE ACCRUING FROM THE ITER HOST STATE</b>	61 200 000.00	47 800 000.00	<b>109 000 000.00</b>
<b>4: REVENUE FROM FEES AND CHARGES</b>	p.m.	0.00	<b>310 383.27</b>
<b>5: ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE</b>	p.m.	977 500.00	<b>977 500.00</b>
<b>Total Revenue 2009</b>	<b>355 128 000.00</b>	<b>48 777 500.00</b>	<b>404 215 883.27</b>

**Payment appropriations (EUR)**

Heading	Final adopted Budget 2009 (1)	Final actual revenue (Debit note cashed) (2)	Carry over from 2008 (Assigned Revenue) (3)	Payment appropriations available for implementation (4)=(2)+(3)
<b>1: PARTICIPATION FROM EUROPEAN COMMUNITY</b>	139 928 000.00	139 758 000.00	0.00	139 758 000.00
<b>2: ANNUAL MEMBERSHIP CONTRIBUTIONS</b>	3 285 000.00	2 797 298.55	0.00	2 797 298.55
<b>3: ASSIGNED REVENUE ACCRUING FROM THE ITER HOST STATE</b>	30 400 000.00	0.00	24 000 000.00	24 000 000.00
<b>4: REVENUE FROM FEES AND CHARGES</b>	p.m.	308 994.27	0.00	308 994.27
<b>5: ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE</b>	p.m.	112 500.00	865 000.00	977 500.00
<b>Total Revenue 2009</b>	<b>173 613 000.00</b>	<b>142 976 792.82</b>	<b>24 865 000.00</b>	<b>167 841 792.82</b>

The following points should be noted:

- The Carry Over of appropriations for assigned revenues is automatic and made of the 2008 French contribution as ITER Host State and 3 specific contracts received from ITER organisation.
- ITER Host State Contribution: A debit note for the full amount foreseen in the budget (EUR 30.4 million) was issued for the payment of the 2009 French contribution but the effective payment was postponed in agreement between Fusion for Energy and the French Authorities, taking into consideration the relatively high amount still available for payment from the 2008 contribution.
- Euratom Contribution: The Commission was not in the position to pay the full amount requested in accordance with the budget due to its obligation for direct payment on an old contract related to ITER activities and established before Fusion for Energy financial autonomy (EUR -170 000).
- Membership contributions: Fusion for Energy received the complement to the 2008 membership contributions, but 2 members did not pay their contributions related to the 2009 budget, despite several reminders.
- Other additional revenues were made of bank interests on the French contribution (EUR 251 976.03) and interests on the “current” bank account (EUR 57 018 .24)

## 4. Statement of expenditure

### 4.1. Evolution of the Statement of Expenditure

The statement of Expenditure was adjusted in accordance with the regular forecasts for the implementation of the Budget and the amendments to the Work Programme.

A new Budget Item for Traineeships was introduced with the July amendment to the budget.

The evolution of the statement of expenditure is detailed in the tables below:

#### 4.1.1. Amendments to the Budget (EUR)

Heading	F4E Initial budget 2009	F4E amended budget March 2009	F4E amended budget June 2009	Final F4E amended budget November 2009
<b>TITLE 1 - Commitment and Payment</b>	<b>23 554 000.00</b>	<b>25 512 000.00</b>	<b>22 712 000.00</b>	<b>22 712 000.00</b>
CH 11 - STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	14 534 000.00	15 734 000.00	13 475 000.00	<b>13 475 000.00</b>
CH 12 - EXTERNAL STAFF EXPENDITURE ( CA, IS AND SNE)	5 684 000.00	5 746 000.00	5 033 000.00	<b>5 033 000.00</b>
CH 13 - MISSIONS AND DUTY TRAVEL	1 627 000.00	1 627 000.00	1 695 000.00	<b>1 695 000.00</b>
CH 14 - MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	1 219 000.00	1 856 000.00	1 811 000.00	<b>1 811 000.00</b>
CH 15 - REPRESENTATION	20 000.00	20 000.00	20 000.00	<b>20 000.00</b>
CH 16 - TRAINING	351 000.00	384 000.00	414 000.00	<b>414 000.00</b>
CH 17 - OTHER STAFF MANAGEMENT EXPENDITURE	119 000.00	145 000.00	220 000.00	<b>220 000.00</b>
CH 18 - TRAINEESHIPS			44 000.00	<b>44 000.00</b>
<b>TITLE 2 - Commitment and Payment</b>	<b>5 346 000.00</b>	<b>7 416 000.00</b>	<b>6 626 000.00</b>	<b>6 626 000.00</b>
CH 21 - BUILDINGS AND ASSOCIATED COSTS	702 000.00	855 000.00	855 000.00	<b>881 000.00</b>
CH 22 - INFORMATION AND COMMUNICATION TECHNOLOGIES	2 447 000.00	3 918 000.00	3 918 000.00	<b>4 000 000.00</b>
CH 23 - MOVABLE PROPERTY AND ASSOCIATED COSTS	308 000.00	215 000.00	215 000.00	<b>355 000.00</b>
CH 24 - EVENTS AND COMMUNICATION	500 000.00	1 090 000.00	300 000.00	<b>200 000.00</b>
CH 25 - CURRENT ADMINISTRATIVE EXPENDITURE	892 000.00	701 000.00	701 000.00	<b>706 000.00</b>
CH 26 - POSTAGE AND TELECOMMUNICATIONS	159 000.00	248 000.00	248 000.00	<b>256 000.00</b>
CH 27 - EXPENDITURE ON FORMAL AND OTHER MEETINGS	338 000.00	389 000.00	389 000.00	<b>228 000.00</b>
<b>Total TITLE 1 &amp; 2 - Commit &amp; Pay</b>	<b>28 900 000.00</b>	<b>32 928 000.00</b>	<b>29 338 000.00</b>	<b>29 338 000.00</b>

<b>TITLE 3 - Commitment</b>	<b>343 200 000.00</b>	<b>347 200 000.00</b>	<b>350 790 000.00</b>	<b>325 790 000.00</b>
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	256 840 000.00	260 840 000.00	263 640 000.00	<b>238 095 000.00</b>
CH 32 - TECHNOLOGY FOR ITER	14 200 000.00	14 200 000.00	14 200 000.00	<b>15 285 000.00</b>
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	10 210 000.00	10 210 000.00	10 210 000.00	<b>10 210 000.00</b>
CH 34 - OTHER EXPENDITURE	750 000.00	750 000.00	1 540 000.00	<b>1 000 000.00</b>
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	61 200 000.00	61 200 000.00	61 200 000.00	<b>61 200 000.00</b>
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	p.m.	p.m.	p.m.	<b>p.m.</b>
<b>Total BUDGET in Commitment</b>	<b>372 100 000.00</b>	<b>380 128 000.00</b>	<b>380 128 000.00</b>	<b>355 128 000.00</b>

<b>TITLE 3 - Payment</b>	<b>158 400 000.00</b>	<b>165 300 000.00</b>	<b>168 890 000.00</b>	<b>144 275 000.00</b>
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	115 599 000.00	122 499 000.00	125 299 000.00	<b>110 192 950.00</b>
CH 32 - TECHNOLOGY FOR ITER	7 441 000.00	7 441 000.00	7 441 000.00	<b>2 550 000.00</b>
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	4 210 000.00	4 210 000.00	4 210 000.00	<b>132 050.00</b>
CH 34 - OTHER EXPENDITURE	750 000.00	750 000.00	1 540 000.00	<b>1 000 000.00</b>
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	30 400 000.00	30 400 000.00	30 400 000.00	<b>30 400 000.00</b>
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	p.m.	p.m.	p.m.	<b>0.00</b>
<b>Total BUDGET in Payment</b>	<b>187 300 000.00</b>	<b>198 228 000.00</b>	<b>198 228 000.00</b>	<b>173 613 000.00</b>



#### 4.1.2. Final budget for implementation

In addition to the amending budgets, some transfers have been approved by the Director within the limits foreseen in Art 23 FR.

The appropriations accruing from assigned revenue from 2008 were automatically carried over to 2009.

The final statement of expenditure is as follow (EUR):

Heading	Final F4E amended budget November 2009 (1)	Transfers adopted by F4E Director or add. revenue (2)	F4E Final 2009 budget (3)=(1)+(2)	Carry over from 2008 (Assigned Revenue) (4)	F4E Final budget for implementation (5)=(4)+(3)
<b>TITLE 1 – Commitment and Payment</b>	<b>22 712 000.00</b>	<b>-763 000.00</b>	<b>21 949 000.00</b>	<b>0.00</b>	<b>21 949 000.00</b>
CH 11 - STAFF EXPENDITURE IN THE ESTABLISHMENT PLAN	13 475 000.00	-50 000.00	13 425 000.00		13 425 000.00
CH 12 - EXTERNAL STAFF EXPENDITURE ( CA, IS AND SNE)	5 033 000.00	-500 000.00	4 533 000.00		4 533 000.00
CH 13 - MISSIONS AND DUTY TRAVEL	1 695 000.00	-135 000.00	1 560 000.00		1 560 000.00
CH 14 - MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRAFER	1 811 000.00	-174 000.00	1 637 000.00		1 637 000.00
CH 15 - REPRESENTATION	20 000.00		20 000.00		20 000.00
CH 16 -TRAINING	414 000.00	-70 000.00	344 000.00		344 000.00
CH 17 - OTHER STAFF MANAGEMENT EXPENDITURE	220 000.00	166 000.00	386 000.00		386 000.00
CH 18 - TRAINEESHIPS	44 000.00		44 000.00		44 000.00
<b>TITLE 2 – Commitment and Payment</b>	<b>6 626 000.00</b>	<b>763 000.00</b>	<b>7 389 000.00</b>	<b>0.00</b>	<b>7 389 000.00</b>
CH 21 - BUILDINGS AND ASSOCIATED COSTS	881 000.00	-109 000.00	772 000.00		772 000.00
CH 22 - INFORMATION AND COMMUNICATION TECHNOLOGIES	4 000 000.00	715 000.00	4 715 000.00		4 715 000.00
CH 23 - MOVABLE PROPERTY AND ASSOCIATED COSTS	355 000.00	144 000.00	499 000.00		499 000.00
CH 24 - EVENTS AND COMMUNICATION	200 000.00	-55 000.00	145 000.00		145 000.00
CH 25 - CURRENT ADMINISTRATIVE EXPENDITURE	706 000.00	16 000.00	722 000.00		722 000.00
CH 26 - POSTAGE AND TELECOMMUNICATIONS	256 000.00	2 000.00	258 000.00		258 000.00
CH 27 - EXPENDITURE ON FORMAL AND OTHER MEETINGS	228 000.00	50 000.00	278 000.00		278 000.00
<b>Total TITLE 1 &amp; 2 – Commitment and Payment</b>	<b>29 338 000.00</b>	<b>0.00</b>	<b>29 338 000.00</b>	<b>0.00</b>	<b>29 338 000.00</b>

<b>TITLE 3 - Commitment</b>	<b>325 790 000.00</b>	<b>251 976.03</b>	<b>326 041 976.03</b>	<b>48 777 500.00</b>	<b>374 819 476.03</b>
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	238 095 000.00		238 095 000.00		238 095 000.00
CH 32 - TECHNOLOGY FOR ITER	15 285 000.00		15 285 000.00		15 285 000.00
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	10 210 000.00		10 210 000.00		10 210 000.00
CH 34 - OTHER EXPENDITURE	1 000 000.00		1 000 000.00		1 000 000.00
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	61 200 000.00	251 976.03	61 451 976.03	47 800 000.00	109 251 976.03
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	0.00		0.00	977 500.00	977 500.00

<b>Total BUDGET in Commitment</b>	<b>355 128 000.00</b>	<b>251 976.03</b>	<b>355 379 976.03</b>	<b>48 777 500.00</b>	<b>404 157 476.03</b>
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<b>TITLE 3 - Payment</b>	<b>144 275 000.00</b>	<b>251 976.03</b>	<b>144 526 976.03</b>	<b>24 977 500.00</b>	<b>169 504 476.03</b>
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	110 192 950.00		110 192 950.00		110 192 950.00
CH 32 - TECHNOLOGY FOR ITER	2 550 000.00		2 550 000.00		2 550 000.00
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	132 050.00		132 050.00		132 050.00
CH 34 - OTHER EXPENDITURE	1 000 000.00		1 000 000.00		1 000 000.00
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	30 400 000.00	251 976.03	30 651 976.03	24 000 000.00	54 651 976.03
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	0.00		0.00	977 500.00	977 500.00

<b>Total BUDGET in Payment</b>	<b>173 613 000.00</b>	<b>251 976.03</b>	<b>173 864 976.03</b>	<b>24 977 500.00</b>	<b>198 842 476.03</b>
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## 4.2. Implementation of the Statement of Expenditure

### 4.2.1. Implementation of the Budget in Commitment Appropriations (EUR)

Heading	F4E Final 2009 budget for implementation (1)	Final implementation 31/12/09 (2)	% implementation (3) = (2)/(1)%
<b>TITLE 1 - STAFF EXPENDITURE Commitment</b>	<b>21 949 000.00</b>	<b>21 311 520.44</b>	<b>97.1%</b>
<b>TITLE 2 - OTHER OPERATING EXPEND. Commitment</b>	<b>7 389 000.00</b>	<b>7 288 541.73</b>	<b>98.6%</b>
<b>Total TITLE 1 &amp; 2 Commitment</b>	<b>29 338 000.00</b>	<b>28 600 062.17</b>	<b>97.5%</b>
<b>TITLE 3 - OPERATIONAL EXPENDITURE Commitment</b>	<b>374 819 476.03</b>	<b>371 160 685.00</b>	<b>99.0%</b>
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	238 095 000.00	238 095 000.00	100.0%
CH 32 - TECHNOLOGY FOR ITER	15 285 000.00	15 285 000.00	100.0%
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	10 210 000.00	10 210 000.00	100.0%
CH 34 - OTHER EXPENDITURE	1 000 000.00	1 000 000.00	100.0%
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	109 251 976.03	106 570 685.00	97.5%
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	977 500.00	0.00	0.0%
<b>Total BUDGET in Commitment</b>	<b>404 157 476.03</b>	<b>399 760 747.17</b>	<b>98.9%</b>

Note: Chapter 35 include the open commitment carried over from 2008 to 2009

#### 4.2.2. Implementation of the Budget in Payment Appropriations (EUR)

Heading	F4E Final 2009 budget for implementation (1)	Final implementation 31/12/09 (2)	% implementation (3) = (2)/(1)%
<b>TITLE 1 - STAFF EXPENDITURE Payment</b>	<b>21 949 000.00</b>	<b>17 274 747.27</b>	<b>78.7%</b>
<b>TITLE 2 - OTHER OPERATING EXPEND. Payment</b>	<b>7 389 000.00</b>	<b>1 564 361.71</b>	<b>21.2%</b>
<b>Total TITLE 1 &amp; 2 Payment</b>	<b>29 338 000.00</b>	<b>18 839 108.98</b>	<b>64.2%</b>
<b>TITLE 3 - OPERATIONAL EXPENDITUREPayment</b>	<b>169 504 476.03</b>	<b>111 037 211.15</b>	<b>65.5%</b>
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	110 192 950.00	105 673 550.87	95.9%
CH 32 - TECHNOLOGY FOR ITER	2 550 000.00	1 228 621.99	48.2%
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	132 050.00	132 047.28	100.0%
CH 34 - OTHER EXPENDITURE	1 000 000.00	539 017.71	53.9%
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	54 651 976.03	3 463 973.30	6.3%
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	977 500.00	0.00	0.0%
<b>Total BUDGET in Payment</b>	<b>198 842 476.03</b>	<b>129 876 320.13</b>	<b>65.3%</b>

Note: Chapter 35 include the payment appropriations carried over from 2008 to 2009

It should be noted that the Chapter 35 ITER Construction (Host State contribution) is only made of assigned revenues, which represent an exception to the annuality principle: both commitment and payment appropriations are automatically carried over to the following year as well as the corresponding open commitments.

Therefore the figures for the Chapter 35 as detailed in the statement of expenditure represent the total implementation 2008 and 2009.

### 4.3. Open commitments from the 2009 budget, carried forward to 2010

At the closure of the 2009 budgetary year, the following commitments were carried forward to 2010 for execution with the following budget (EUR):

Heading	Open Commitments from 2008 budget (1)	Open Commitments from 2009 budget (2)	Total open Commitments 31/12/09 (3)=(1)+(2)
<b>TITLE 1 - STAFF EXPENDITURE Commitment</b>	<b>1 507 419.73</b>	<b>4 036 773.17</b>	<b>5 544 192.90</b>
<b>TITLE 2 - OTHER OPERATING EXPEND. Commitment</b>	<b>2 276 092.75</b>	<b>5 724 180.02</b>	<b>8 000 272.77</b>
<b>Total TITLE 1 &amp; 2 Commitment</b>	<b>3 783 512.48</b>	<b>9 760 953.19</b>	<b>13 544 465.67</b>
<b>TITLE 3 - OPERATIONAL EXPENDITURE Commitment</b>	<b>70 601 501.63</b>	<b>346 035 542.87</b>	<b>416 637 044.50</b>
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	66 927 955.03	217 014 855.60	283 942 810.63
CH 32 - TECHNOLOGY FOR ITER	3 582 404.00	15 002 979.21	18 585 383.21
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	0.50	10 077 952.72	10 077 953.22
CH 34 - OTHER EXPENDITURE	91 142.10	833 043.64	924 185.74
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	-	103 106 711.70	103 106 711.70
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	-	-	0.00
<b>Total BUDGET in Commitment</b>	<b>74 385 014.11</b>	<b>355 796 496.06</b>	<b>430 181 510.17</b>

To be noted:

- The open commitments from the 2008 administrative budget are to be de-committed and entered in the Budget Outturn Account 2009.
- The total open commitment on Title I amounts to EUR 4 036 773.17 on the 2009 Budget. A part of those commitments for salaries and directly associated costs are to be de-committed (EUR 2 193 376.54) and entered in the Budget Outturn Account.

The actual amount carried over to 2010 on Title I is therefore EUR 1 843 396.63.

#### 4.4. Cancelled Payment appropriations

According to Fusion for Energy Financial Regulation, referring in particular to the principle of annuality, all appropriations unused at the end of the year are cancelled.

Regarding the administrative expenditure, the cancelled commitment and payment appropriations amount to EUR 2 931 314.37.

Regarding the operational appropriations, there is no cancellation in commitment appropriation for the 2009 financial year and the cancellation of payment appropriations amount to EUR 6 301 762.15.

It is to be noted that the bank interests on Fusion for Energy current bank account amounts to EUR 57 018.24. Those revenues are not included in the statement of expenditure and therefore cancelled.

Heading	In Payment appropriations (EUR)		
	Unused Appropriations (1)	Appropriations carried over to 2010 (2)	Cancelled appropriations (3)=(1)-(2)
<b>TITLE 1 - Payment</b>	<b>4 674 252.73</b>	<b>1 843 396.63</b>	<b>2 830 856.10</b>
<b>TITLE 2 - Payment</b>	<b>5 824 638.29</b>	<b>5 724 180.02</b>	<b>100 458.27</b>
<b>Total TITLE 1 &amp; 2 Payment</b>	<b>10 498 891.02</b>	<b>7 567 576.65</b>	<b>2 931 314.37</b>
<b>TITLE 3 - Payment</b>	<b>58 467 264.88</b>	<b>52 165 502.73</b>	<b>6 301 762.15</b>
CH 31 - ITER CONSTRUCTION INCLUDING ITER SITE PREPARATION	4 519 399.13	0.00	4 519 399.13
CH 32 - TECHNOLOGY FOR ITER	1 321 378.01	0.00	1 321 378.01
CH 33 - TECHNOLOGY FOR BROADER APPROACH AND DEMO	2.72	0.00	2.72
CH 34 - OTHER EXPENDITURE	460 982.29	0.00	460 982.29
CH 35 - ITER CONSTRUCTION - APPROPRIATIONS ACCRUING FROM THE HOST STATE CONTRIBUTION	51 188 002.73	51 188 002.73	0.00
CH 36 - APPROPRIATION ACCRUING FROM THIRD PARTIES TO SPECIFIC ITEM OF EXPENDITURE	977 500.00	977 500.00	0.00
<b>Total BUDGET in Payment</b>	<b>68 966 155.90</b>	<b>59 733 079.38</b>	<b>9 233 076.52</b>

## 5. Budget Outturn account 2009

The Outturn for the financial year corresponds to the total revenues actually cashed minus the total payment incurred during the year, minus the appropriations carried over to the following year.

For the financial year 2009, the balance of the budget outturn amounts to EUR -17 991 304.88.

This corresponds to the Budget Outturn Account plus the unused payment appropriations carried over from 2008, adjustment for carry-over from 2008 of appropriations arising from assigned revenue and the exchange difference.

Budget Outturn Account		2009	2008
<b>REVENUE</b>			
Euratom contribution	+	139 758 000.00	122 457 297.35
ITER Host state and Membership contributions	+	2 797 298.55	26 298 100.00
Other revenue	+	421 494.27	1 013 682.94
<b>TOTAL REVENUE (a)</b>		<b>142 976 792.82</b>	<b>149 769 080.29</b>
<b>EXPENDITURE</b>			
<i>Title I: Staff</i>			
Payments	-	17 274 747.27	9 050 469.06
Appropriations carried over	-	1 843 396.63	2 063 062.49
<i>Title II: Infrastructure Expenditure</i>			
Payments	-	1 564 361.71	223 048.21
Appropriations carried over	-	5 724 180.02	5 288 722.23
<i>Title III: Operational Expenditure</i>			
Payments	-	111 037 211.15	82 873 869.37
Appropriations carried over	-	52 165 502.73	24 865 000.00
<i>Total Payments (b)</i>		<i>129 876 320.13</i>	<i>92 147 386.64</i>
<i>Total Appropriations carried over (c)</i>		<i>59 733 079.38</i>	<i>32 216 784.72</i>
<b>TOTAL EXPENDITURE (d)=(b)+(c)</b>		<b>189 609 399.51</b>	<b>124 364 171.36</b>
<b>OUTTURN FOR THE FINANCIAL YEAR (a-d)</b>		<b>-46 632 606.69</b>	<b>25 404 908.93</b>
Cancellation of unused payment appropriations carried over from previous year	+	3 783 512.48	0.00
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	24 865 000.00	0.00
Exchange differences for the year (gain +/-loss -)	+/-	-7 210.67	1 506.29
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>		<b>-17 991 304.88</b>	<b>25 406 415.22</b>

## **5.1. Revenue**

The revenues actually cashed in 2009 amount to EUR 142 976 792.82.

Compared to the statement of revenue previously described, the ITER Host State contribution and two Membership contributions were not received, corresponding to a total amount not cashed of EUR 31 048 990.45.

## **5.2. Expenditure**

The payments actually made in 2009 amount to EUR 129 876 320.13 and the amount carried over to 2010 is EUR 59 733 079.38.

Regarding the carryover, it is to be noted that as exception to the principle of annuality foreseen in Fusion for Energy Financial Regulation, some unused appropriations from the 2009 budget are automatically carried over to the 2010 budget and assigned to the same activities as in the 2009 budget.

In this year's exercise, this concerns:

- the assigned revenue made of the contribution of the ITER Host State and the three ITER Task Agreements signed at the end of 2008.
  - On Title 3, Chapter 3.5: EUR 51 188 002.73 in payment appropriation,
  - On Title 3, Chapter 3.6: EUR 977 500 in payment appropriations.
- the payment appropriations necessary to cover the 2009 open administrative commitments to be paid until the end of 2010 (EUR 7 567 576.65).



## 6. Annexes

### 6.1. Reconciliation between budgetary and accrual based accounts (EUR)

<b>Economic result (- for loss)</b>	<b>74 800 625.33</b>
<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)	27 843 241.47
Adjustments for Accrual Cut-off (cut- off 31.12.N )	-27 305 616.79
Unpaid invoices at year end but booked in charges (class 6)	9 325 155.10
Depreciation of intangible and tangible fixed assets	536 857.86
Provisions	59 141.81
Recovery Orders issued in 2009 in class 7 and not yet cashed	-30 878 389.00
Prefinancing given in previous year and cleared in the year	76 291.84
Prefinancing received in previous year and cleared in the year	0.00
Payments made from carry over of payment appropriations	3 568 272.24
Other (Income from fixed asset donated by Spanish authorities)	-126 364.25
Exchange rate differences	7 210.67
<i>Ajustment for budgetary items (item included in the budgetary result but not in the economic result)</i>	
Asset acquisitions (less unpaid amounts)	-1 310 506.05
New pre-financing paid in the year 2009 and remaining open as at 31.12.2009	-43 884 531.91
Budgetary recovery orders issued before 2009 and cashed in the year	384 298.55
Payment appropriations carried over to 2010	-59 733 079.38
Cancellation of unused carried over payment appropriations from previous year	3 783 512.48
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	24 865 000.00
<b>Total</b>	<b>-17 988 880.03</b>
<b>Budgetary result (+ for surplus)</b>	<b>-17 991 304.88</b>
Delta not explained	-2 424.85

## 6.2. Budget implementation – Details by fund source

**Fund Source : C1 - Credits of the year**

Budget Line Position	Budget Line Description	Commit. Approp. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym.Approp. Amount (4)	Payment Amnt. Accepted (5)	% Paid (5/4)
A-1100	Staff expenditure in the establishment plan	13 425 000.00	13 331 000.00	99.30 %	13 425 000.00	12 705 287.24	94.64 %
A-1200	External staff expenditure (Contracts agents, interim staff and national experts)	4 533 000.00	4 224 280.44	93.19 %	4 533 000.00	2 371 155.05	52.31 %
A-1300	Missions and duty travel	1 560 000.00	1 442 000.00	92.44 %	1 560 000.00	870 960.04	55.83 %
A-1400	Miscellaneous expenditure on staff recruitment and transfer	1 637 000.00	1 527 000.00	93.28 %	1 637 000.00	1 069 897.92	65.36 %
A-1500	Representation	20 000.00	20 000.00	100.00 %	20 000.00	11 629.18	58.15 %
A-1600	Training	344 000.00	338 100.00	98.28 %	344 000.00	137 438.93	39.95 %
A-1700	Other staff management expenditure	386 000.00	385 140.00	99.78 %	386 000.00	77 900.58	20.18 %
A-1800	Traineeships	44 000.00	44 000.00	100.00 %	44 000.00	30 478.33	69.27 %
<b>Total Title 1</b>		<b>21 949 000.00</b>	<b>21 311 520.44</b>	<b>97.10 %</b>	<b>21 949 000.00</b>	<b>17 274 747.27</b>	<b>78.70 %</b>

Budget Line Position	Budget Line Description	Commit. Approp. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym.Approp. Amount (4)	Payment Amnt. Accepted (5)	% Paid (5/4)
A-2100	Buildings and associated costs	772 000.00	772 000.00	100.00 %	772 000.00	53 174.99	6.89 %
A-2200	Information and communication technologies	4 715 000.00	4 707 516.33	99.84 %	4 715 000.00	946 316.31	20.07 %
A-2300	Movable property and associated costs	499 000.00	495 516.40	99.30 %	499 000.00	3 464.40	0.69 %
A-2400	Events and communication	145 000.00	120 309.00	82.97 %	145 000.00	21 029.42	14.50 %
A-2500	Current administrative expenditure	722 000.00	715 700.00	99.13 %	722 000.00	380 086.02	52.64 %
A-2600	Postage and Telecommunications	258 000.00	258 000.00	100.00 %	258 000.00	0.00	0.00 %
A-2700	Expenditure on Formal and other meetings	278 000.00	219 500.00	78.96 %	278 000.00	160 290.57	57.66 %
<b>Total Title 2</b>		<b>7 389 000.00</b>	<b>7 288 541.73</b>	<b>98.64 %</b>	<b>7 389 000.00</b>	<b>1 564 361.71</b>	<b>21.17 %</b>

Budget Line Position	Budget Line Description	Commit. Approp. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym.Approp. Amount (4)	Payment Amnt. Accepted (5)	% Paid (5/4)
B3-100	ITER Construction including the ITER site preparation	238 095 000.00	238 095 000.00	100.00 %	110 192 950.00	105 673 550.87	95.90 %
B3-200	Technology for ITER and DEMO	15 285 000.00	15 285 000.00	100.00 %	2 550 000.00	1 228 621.99	48.18 %
B3-300	Technology for Broader Approach and Demo	10 210 000.00	10 210 000.00	100.00 %	132 050.00	132 047.28	100.00 %
B3-400	Other expenditure	1 000 000.00	1 000 000.00	100.00 %	1 000 000.00	539 017.71	53.90 %
<b>Total Title 3</b>		<b>264 590 000.00</b>	<b>264 590 000.00</b>	<b>100.00 %</b>	<b>113 875 000.00</b>	<b>107 573 237.85</b>	<b>94.47 %</b>

<b>TOTAL C1</b>		<b>293 928 000.00</b>	<b>293 190 062.17</b>	<b>99.75 %</b>	<b>143 213 000.00</b>	<b>126 412 346.83</b>	<b>88.27 %</b>
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**Fund Source : C8 - Carried over credits from previous years**

Budget Line Position	Budget Line Description	Commit. Approp. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym.Approp. Amount (4)	Payment Amnt. Accepted (5)	% Paid (5/4)
A-1200	External staff expenditure (Contracts agents, interim staff and national experts)	91 496.90	91 496.90	100.00 %	91 496.90	84 496.85	92.35 %
A-1300	Missions and duty travel	1 423 774.81	1 423 774.81	100.00 %	1 423 774.81	347 711.90	24.42 %
A-1400	Miscellaneous expenditure on staff recruitment and transfer	197 904.07	197 904.07	100.00 %	197 904.07	31 072.86	15.70 %
A-1500	Representation	15 106.17	15 106.17	100.00 %	15 106.17	660.49	4.37 %
A-1600	Training	102 013.40	102 013.40	100.00 %	102 013.40	26 610.66	26.09 %
A-1700	Other staff management expenditure	232 767.14	232 767.14	100.00 %	232 767.14	65 090.00	27.96 %
<b>Total Title 1</b>		<b>2 063 062.49</b>	<b>2 063 062.49</b>	<b>100.00 %</b>	<b>2 063 062.49</b>	<b>555 642.76</b>	<b>26.93 %</b>

Budget Line Position	Budget Line Description	Commit. Approp. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym.Approp. Amount (4)	Payment Amnt. Accepted (5)	% Paid (5/4)
A-2100	Buildings and associated costs	697 800.00	697 800.00	100.00 %	697 800.00	324 990.19	46.57 %
A-2200	Information and communication technologies	2 747 550.66	2 747 550.66	100.00 %	2 747 550.66	1 759 993.29	64.06 %
A-2300	Movable property and associated costs	572 510.95	572 510.95	100.00 %	572 510.95	403 768.23	70.53 %
A-2400	Events and communication	69 208.53	69 208.53	100.00 %	69 208.53	30 464.15	44.02 %
A-2500	Current administrative expenditure	725 803.75	725 803.75	100.00 %	725 803.75	254 603.42	35.08 %
A-2600	Postage and Telecommunications	293 613.98	293 613.98	100.00 %	293 613.98	112 451.50	38.30 %
A-2700	Expenditure on Formal and other meetings	182 234.36	182 234.36	100.00 %	182 234.36	126 358.70	69.34 %
<b>Total Title 2</b>		<b>5 288 722.23</b>	<b>5 288 722.23</b>	<b>100.00 %</b>	<b>5 288 722.23</b>	<b>3 012 629.48</b>	<b>56.96 %</b>

Budget Line Position	Budget Line Description	Commit. Approp. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym.Approp. Amount (4)	Payment Amnt. Accepted (5)	% Paid (5/4)
B3-100	ITER Construction including the ITER site preparation	103 897 443.50	103 897 443.50	100.00 %	Payment appropriations under C1 Fund source		
B3-200	Technology for ITER and DEMO	4 427 830.00	4 427 830.00	100.00 %			
B3-300	Technology for Broader Approach and Demo	0.50	0.50	100.00 %			
B3-400	Other expenditure	415 450.00	415 450.00	100.00 %			
<b>Total Title 3</b>		<b>108 740 724.00</b>	<b>108 740 724.00</b>	<b>100.00 %</b>			

<b>TOTAL C8</b>		<b>116 092 508.72</b>	<b>116 092 508.72</b>	<b>100.00 %</b>	<b>7 351 784.72</b>	<b>3 568 272.24</b>	<b>48.54 %</b>
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**Fund Source : R0 - Assigned revenues**

Budget Line Position	Budget Line Description	Commit. Approp. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym.Approp. Amount (4)	Payment Amnt. Accepted (5)	% Paid (5/4)
B3-500	ITER construction- Appropriation accruing from the ITER host state contribution	109 251 976.03	106 570 685.00	97.55 %	54 651 976.03	3 463 973.30	6.34 %
B3-600	Appropriation accruing from third parties to specific item of expenditure	977 500.00	0.00	0.00 %	977 500.00	0.00	0.00 %
<b>TOTAL R0</b>		<b>110 229 476.03</b>	<b>106 570 685.00</b>	<b>96.68 %</b>	<b>55 629 476.03</b>	<b>3 463 973.30</b>	<b>6.23 %</b>

## VII. Establishment plan 2009

Function group and grade	2009			
	Authorised under the EU Budget		Filled as of 31/12/2009 (including job offers done)	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD 16				
AD 15				
AD 14		1		1
AD 13	1	1		
AD 12	8	8	15	3
AD 11	12		7	
AD 10	4	10		
AD 9	10	38	4	31
AD 8	4		1	
AD 7		10	1	1
AD 6	2	47		57
AD 5		4	3	3
<b>AD total</b>	<b>41</b>	<b>119</b>	<b>31</b>	<b>96</b>
AST 11	1			
AST 10	1		1	
AST 9	1		2	
AST 8			1	
AST 7	1		1	
AST 6	1		2	
AST 5	6			
AST 4	2		1	
AST 3	1	25		17
AST 2				
AST 1			1	
<b>AST total</b>	<b>14</b>	<b>25</b>	<b>9</b>	<b>17</b>
<b>TOTAL</b>	<b>55</b>	<b>144</b>	<b>40</b>	<b>113</b>
	<b>199</b>		<b>153</b>	

# REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT 2009

## VIII. Legal Framework – Accrual accounting standards in Fusion for Energy

Fusion for Energy being fully consolidated in the EU accounts, the 2009 Fusion for Energy financial statement has been established by using the consolidation package provided by the European Commission. The accounting rules and regulations used in this report are edicted by the European Commission, are on an accrual basis and are compliant with the International Public Sector Accounting Standards (IPSAS).

The representation letter related to the accounts 2009 has been transmitted to the President of the European Court of Auditors in a separate note. It includes no reservation from Fusion for Energy Accounting Officer.

## IX. Financial Information System

### 1. The different financial actors

The **Director** assumes the responsibility of the implementation. He can delegate these tasks to individual staff members subject to the Financial Regulation and the Staff Regulations. The staff concerned – generally Heads of Departments - are known as “Authorising Officers by delegation”. They in turn may further delegate budget implementation tasks to “Authorising Officers by sub-delegation”.

The responsibility of the Authorising Officer covers the entire management process, from determining what needs to be done to achieve the objectives set to managing the activities launched from both an operational and budgetary standpoint, including signing legal commitments, monitoring performance, making payments and even recovering funds, if necessary.

In order to implement activities within the organisation, the Authorising Officer has put in place financial circuits which incorporate three main functions: Authorising Officer, financial officer (initiating and verifying agent) and operational/technical officer (initiating and verifying agent).

The Financial Regulation foresees the concept of the four-eyes principle, meaning that before an operation is authorised, all aspects of the operation have to be verified by

members of staff other than the one who initiated the operation. The person dealing with the verification cannot be subordinated to the initiator of the transaction.

All staff members have to attend appropriate training before acting as actor within the financial circuits.

Sound financial management and proper accountability are assured by the separation of management control (in the hands of the Authorising Officers) from internal audit and compliance control with internal control standards (inspired by COSO international standards), ex-ante and ex-post controls, independent internal auditing on the basis of risk assessments, and regular reporting.

The **Accounting Officer** executes payment and recovery orders drawn up by Authorising Officers and is responsible for managing the treasury, laying down accounting rules and methods, validating accounting systems, keeping the accounts and drawing up the annual accounts. Furthermore, the Accounting Officer is required to sign the accounts declaring that they provide a true and fair view of the financial position.

The **Internal Auditor**, who is not a financial actor in the strict sense of the term, is appointed to verify the proper operation of budgetary implementation systems and procedures and to advise the institution on risk management issues. The Internal Auditor issues independent opinions on the quality of management and control systems and provides recommendations on how to improve operational procedures and promote sound financial management.

## **2. Accrual Based Accounting system**

Fusion for Energy has implemented the ABAC system (Accrual Based Accounting) owned by the European Commission and used by many EU bodies.

Thanks to the ABAC/SAP full outsourcing scheme, Fusion for Energy has benefited from a high standard financial system for a small fraction of its potential acquisition price (2009 ABAC contribution to the Commission has been EUR 125 000). With the exception of the maintenance of the Testa II router, Fusion for Energy IT department has been able to focus on its core business and avoid spending time on financial applications maintenance. The ABAC Service Level Agreement between DG BUDG and Fusion for Energy has been signed in September 2007.



2009, as the first full year of financial autonomy, has been a year of consolidation in the use of the ABAC modules implemented in 2008 (ABAC-SAP, ABAC Workflow and ABAC Assets).

The complete use of ABAC Assets to register all purchases and donations was critical to establish the 2009 Financial Statement.

By being directly linked to the SAP central accounting system for either acquisition or retirement procedures, ABAC Assets ensures the cohesiveness of the overall ABAC system.

Other positive elements include a good control of the supply chain (ABAC Assets requires to place the order and record the goods reception via the system) and some modern means to manage inventory (infra red bar code readers, etc.).

Regarding the ABAC Contract module, a working group has been set up in order to assess the implementation of this module in relation to Fusion for Energy needs in terms of contract management.

### **3. Validation of accounting systems by the Accounting Officer**

While the financial system is now close to the completion stage, it must be noted that the underlying business processes have not been fully formalised and therefore have not been formally validated by the Accounting Officer.

This formalisation of business processes is in progress and piloted by a working group on Internal Control Standards.

Based on the financial circuits and controls in place, the experience and trainings of financial actors, the extensive use and checks made on SAP/ABAC and the execution by the Accounting Officer of most of the financial transactions having an impact on the accounts, the Accounting Officer has a reasonable assurance that Fusion for Energy current accounting systems are reliable and compliant with Fusion for Energy Financial Regulation, its implementing rules and the accounting rules adopted by the Accounting Officer of the Commission .