



**FUSION  
FOR  
ENERGY**

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

**– FUSION FOR ENERGY –**  
-  
**FINAL ACCOUNTS**  
-  
**FINANCIAL STATEMENTS**  
**&**  
**BUDGET IMPLEMENTATION**  
**&**  
**REPORT ON BUDGETARY AND**  
**FINANCIAL MANAGEMENT**  
  
**– 2008 –**  
  
**18 March – 31 December**

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### **REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT 2008**

*Art 111 Fusion for Energy Financial Regulation*

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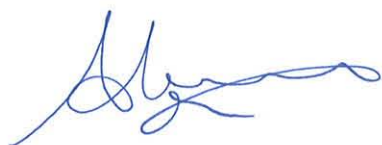
## CERTIFICATION & STATEMENT OF THE DIRECTOR

### Certification

The annual accounts of the EUROPEAN JOINT UNDERTAKING FOR ITER AND THE DEVELOPMENT OF FUSION ENERGY refer to the period starting from 18 March (date of the financial autonomy of the Joint Undertaking) until 31 December 2008. These final accounts have been prepared in accordance with the Financial Regulation and its Implementing Rules of Fusion for Energy<sup>1</sup> and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and community bodies.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Joint Undertaking 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 the Joint Undertaking.



**Mr Abad Villanueva Roberto**

Accounting Officer

### Statement of the Director

I, the undersigned, Director of the EUROPEAN JOINT UNDERTAKING FOR ITER AND THE DEVELOPMENT OF FUSION 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, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the work of ex-ante controls and the preliminary findings of the Court of Auditors' report relative to the audit in respect of the 2008 accounts of Fusion for Energy.

- Confirm that I am not aware of anything not reported here which could harm the interests of the Joint Undertaking.

Barcelona, 22 June 2009



**Mr Gambier Didier**

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 Organization.
- 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 2008 financial statements of Fusion for Energy and its reports on budget implementation for 2008 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 5.0 for the 2008 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 Community bodies and institutions. These rules were adopted on 28 December 2004 and last updated on 15th January 2009. They are accrual based accounting policies derived from International Public Sector Accounting Standard (IPSAS) or by default, International Financial Reporting Standards (IFRS).

## FINANCIAL STATEMENTS 2008

### I. Balance sheet 2008 - Assets

Consolidation account		Note n°	31.12.2008	31.12.2007
	<b>ASSETS</b>			
	<b>A. NON CURRENT ASSETS</b>	<b>2.1.</b>		
210000	Intangible fixed assets		0,00	0,00
200000	Tangible fixed assets		483.472,00	0,00
241000	Computer hardware		109.759,00	0,00
240000	Furniture and vehicles		299.690,00	0,00
242000	Other fixtures and fittings		74.023,00	0,00
	<b>TOTAL NON CURRENT ASSETS</b>		<b>483.472,00</b>	<b>0,00</b>
	<b>B. CURRENT ASSETS</b>			
310000	Stocks		0,00	0,00
405000	Short-term pre-financing	<b>2.2.</b>	<b>6.513.159,60</b>	<b>0,00</b>
range	Short-term pre-financing		6.513.159,60	0,00
range	<i>ST pre-financing with consolidated EC entities</i>		0,00	0,00
400000	Short-term receivables	<b>2.3.</b>	<b>41.711.738,27</b>	<b>0,00</b>
401000	Current receivables		384.900,00	0,00
410900	Sundry receivables		42.579,70	0,00
490000	Other		41.171.589,75	0,00
490010	Accrued income		67.621,95	
490011	Deferred charges			
490090	<i>Deferrals and Accruals with consolidated EC entities</i>		41.103.967,80	
400009	<i>Short-term receivables with consolidated EC entities</i>		112.668,82	0,00
500000	Cash and cash equivalents	<b>2.4.</b>	<b>58.980.569,87</b>	<b>0,00</b>
	<b>TOTAL CURRENT ASSETS</b>		<b>107.205.467,74</b>	<b>0,00</b>
	<b>TOTAL</b>		<b>107.688.939,74</b>	<b>0,00</b>

## Balance sheet 2008 – Liabilities

Consolidation account		Note n°	31.12.2008	31.12.2007
	<b>LIABILITIES</b>			
	<b>A. CAPITAL</b>	<b>2.5.</b>	<b>66.534.076,61</b>	<b>0,00</b>
140000	Accumulated surplus/deficit		0,00	0,00
141000	Economic result of the year - profit+/-loss-		66.534.076,61	0,00
	<b>C. NON CURRENT LIABILITIES</b>	<b>2.6.</b>	<b>977.500,00</b>	<b>0,00</b>
162000	Provisions for risks and charges		0,00	0,00
172000	Other long-term liabilities		977.500,00	0,00
172019	<i>Pre-financing received from consolidated EC entities</i>		977.500,00	0,00
	<b>TOTAL NON CURRENT LIABILITIES</b>		<b>67.511.576,61</b>	<b>0,00</b>
	<b>D. CURRENT LIABILITIES</b>	<b>2.7.</b>	<b>40.177.363,13</b>	<b>0,00</b>
440000	Accounts payable		40.177.363,13	0,00
441000	Current payables		187.019,94	0,00
443000	Sundry payables		645,65	0,00
491000	Other		13.088.518,54	0,00
491010	Accrued charges		12.961.554,46	0,00
491011	Deferred income		0,00	0,00
491090	<i>Deferrals and accruals with consolidated EC entities</i>		126.964,08	0,00
440009	<i>Accounts payable with consolidated EC entities</i>		26.901.179,00	0,00
440019	<i>Pre-financing received from consolidated EC entities</i>		25.406.415,22	0,00
440029	<i>Other accounts payable against consolidated EC entities</i>		1.494.763,78	0,00
	<b>TOTAL CURRENT LIABILITIES</b>		<b>40.177.363,13</b>	<b>0,00</b>
	<b>TOTAL</b>		<b>107.688.939,74</b>	<b>0,00</b>

## II. Economic outturn account 2008

Consolidation account		Note n°	2008	2007
744000	Revenues from administrative operations	2.1.	562.323,48	0,00
745000	Other operating revenue	3.1.	123.739.884,44	0,00
777777	<b>TOTAL OPERATING REVENUE</b>		<b>124.302.207,92</b>	<b>0,00</b>
610000	Administrative expenses		-11.821.558,13	0,00
620100	Staff expenses	3.2.	-8.635.888,07	0,00
630100	Fixed asset related expenses	2.1.	-125.464,55	0,00
611000	Other administrative expenses	3.3.	-3.060.205,51	0,00
600000	Operational expenses		-46.162.378,07	0,00
606000	Other operational expenses	3.4.	-46.162.378,07	0,00
666666	<b>TOTAL OPERATING EXPENSES</b>		<b>-57.983.936,20</b>	<b>0,00</b>
	<b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>		<b>66.318.271,72</b>	<b>0,00</b>
750000	Financial revenues	2.4.	216.304,89	0,00
650000	Financial expenses		-500,00	0,00
	<b>SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES</b>		<b>215.804,89</b>	<b>0,00</b>
	<b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>		<b>66.534.076,61</b>	<b>0,00</b>
790000	Extraordinary gains (+)		0,00	0,00
690000	Extraordinary losses (-)		0,00	0,00
	<b>SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS</b>		<b>0,00</b>	<b>0,00</b>
	<b>ECONOMIC RESULT OF THE YEAR</b>		<b>66.534.076,61</b>	<b>0,00</b>



### III. Cash flow statement 2008 (indirect method)

	2008	2007
<b>Cash Flows from ordinary activities</b>		
<b>Surplus/(deficit) from ordinary activities</b>	<b>66.534.076,61</b>	<b>0,00</b>
<b>Operating activities</b>		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	0,00	
Depreciation (tangible fixed assets) +	263.472,70	
Increase/(decrease) in Provisions for risks and liabilities	0,00	
Increase/(decrease) in Value reduction for doubtful debts	0,00	
(Increase)/decrease in Stock	0,00	
(Increase)/decrease in Long term Pre-financing	0,00	
(Increase)/decrease in Short term Pre-financing	-6.513.159,60	
(Increase)/decrease in Long term Receivables	0,00	
(Increase)/decrease in Short term Receivables	-41.599.069,45	
(Increase)/decrease in Receivables related to consolidated EC entities	-112.668,82	
Increase/(decrease) in Other Long term liabilities	0,00	
Increase/(decrease) in Accounts payable	13.276.184,13	
Increase/(decrease) in Liabilities related to consolidated EC entities	27.878.679,00	
<b>Net cash Flow from operating activities</b>	<b>59.727.514,57</b>	<b>0,00</b>
<b>Cash Flows from investing activities</b>		
Increase of tangible and intangible fixed assets (-)	-746.944,70	
Proceeds from tangible and intangible fixed assets (+)		
<b>Net cash flow from investing activities</b>	<b>-746.944,70</b>	<b>0,00</b>
Net increase/(decrease) in cash and cash equivalents	58.980.569,87	0,00
<b>Cash and cash equivalents at the beginning of the period</b>	<b>0,00</b>	
<b>Cash and cash equivalents at the end of the period</b>	<b>58.980.569,87</b>	<b>0,00</b>

#### IV. Statement of Changes in Capital - 2008

Capital	Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
<b>Balance as of 31 December 2007</b>	0,00	0,00	0,00
Changes in accounting policies 1)			0,00
<b>Balance as of 1 January 2008 (if restated)</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Other 2)			0,00
Fair value movements			0,00
Movement in Guarantee Fund reserve			0,00
Allocation of the Economic Result of Previous Year	0,00	0,00	0,00
Amounts credited to Member States			0,00
Economic result of the year		66.534.076,61	66.534.076,61
<b>Balance as of 31 December 2008</b>	<b>0,00</b>	<b>66.534.076,61</b>	<b>66.534.076,61</b>
<b>Account</b>	<b>140000</b>	<b>141000</b>	

## **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 charges and income for the financial year, and a Balance Sheet designed to establish the financial position of the Joint Undertaking 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 420 EUR. 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>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%

Within the Host agreement with Spain, the building used by Fusion for Energy is free of charge. The assets owned by Fusion for Energy as of 31/12/2008 are mainly donated by the Spanish government and the European Commission.

Based on information and/or supporting documents (mainly invoices and offers) provided by CIEMAT<sup>4</sup> and the European Commission, the estimated original value of the assets

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<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.

donated amounts to €700.331,63. After depreciation (€138.008,15) the net value of the fixed assets received amounts to **€562.323,48** as of 01.01.2008.

The total depreciation for 2008 amounts to **€125.464,55**, resulting in a net book value of **€483.472,00** as of 31.12.2008.

The variation of the tangible fixed assets in 2008 is composed of:

2008		Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	Total
<b>Gross carrying amounts 01.01.2008</b>	+	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Additions	+	233.071,45	365.831,25	148.042,00	<b>746.944,70</b>
Disposals	-				<b>0,00</b>
Transfer between headings	+/-				<b>0,00</b>
Other changes (1)	+/-				<b>0,00</b>
<b>Gross carrying amounts 31.12.2008</b>		<b>233.071,45</b>	<b>365.831,25</b>	<b>148.042,00</b>	<b>746.944,70</b>
					<b>0,00</b>
<b>Accumulated amortization and impairment 01.01.2008</b>	-				<b>0,00</b>
Depreciation	-	-123.312,45	-66.141,25	-74.019,00	<b>-263.472,70</b>
Write-back of depreciation	+				<b>0,00</b>
Disposals	+				<b>0,00</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 31.12.2008</b>		<b>-123.312,45</b>	<b>-66.141,25</b>	<b>-74.019,00</b>	<b>-263.472,70</b>
<b>Net carrying amounts 31.12.2008</b>		<b>109.759,00</b>	<b>299.690,00</b>	<b>74.023,00</b>	<b>483.472,00</b>
Accounts		241000	240000	242000	200000

Fusion for Energy has introduced the module ABAC Assets during the third quarter of 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

Account	Pre-financing without interest for the EC entity <1 yr	31.12.2008	31.12.2007
405290	Pre-financing (PF) given to third parties (TP)	6.660.961,54	
405297	Accrued charges on PF TP	-147.801,94	
405200	<b>Total</b>	<b>6.513.159,60</b>	<b>0,00</b>

These pre-financings are related to an annex to a Procurement arrangement signed with the Japan Atomic Energy Agency (5,8 M€ - Cf. note 2.8.2.) and the first grants signed in 2008.

## 2.3. Short-term receivables

2.3.1. Current receivables : **€384.900,00** referring to a Membership contribution due by a Member State as of 31.12.2008.

2.3.2. Sundry receivables : **€42.579,70** 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 : **€41.171.589,75** composed of:

- €41.011.940,00 : deferred charges corresponding to the 2009 cash contribution to ITER organization (ITER-IO)
- € 67.621,95 : December 2008 bank interests to be received in 2009 from BBVA on current account and “ITER Host state” account (Cf. note 2.4.)
- € 92.027,80 : December 2008 bank interests to be received in 2009 from BBVA on “Euratom contribution” bank account (Cf. note 2.4.)

2.3.4. Short-term receivables with consolidated EC entities totalling **€112.668,82** and composed mainly of a pre-financing (112.500 €) to be received from ITER IO (Cf. note 2.8.3.)

## 2.4. Cash and cash equivalents

Account	Description	31.12.2008
505000	<i>Unrestricted cash:</i>	
505300	Current accounts (bank accounts)	10.625.862,06
505400	Imprest accounts	
505500	Cash in hand ("Caisses")	
505600	Transfers (Cash in transit) *)	-424,64
505700	Short-term deposits and other cash equivalents	48.355.132,45
500000	<b>Total</b>	<b>58.980.569,87</b>

The important cash position at the end of 2008 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 and the "ITER-Host state" account amounts to € 216.304,89 (the interests for December 2008, € 67.621,95, are due in January 2009).

The bank interests generated by the Euratom contribution amounts to € 1.459.877,65 (the interests for December 2008, € 92.027,80, are due in January 2009).

The balance of the budget outturn account and the interests generated on the Euratom contribution (**€ 26.866.292,87**) are to be reimbursed to the Commission in 2009.

## 2.5. Capital

Fusion for Energy capital is increased by the positive economic outturn of the year : **€ 66.534.076,61**.

## 2.6. Long-term liabilities

Other long-term liabilities : **€ 977.500,00** corresponding to 3 pre-financings received from ITER IO (Cf. note 2.8.3.).

## 2.7. Short-term liabilities

2.7.1. Current and sundry payables are reaching **€ 187.665,59** and are mainly constituted of supplier's invoices received but not paid at year end (€ 164.210,23) and a reimbursement to be done to CERN for a seconded national expert (€ 22.809,71).

Account	Current payables	31.12.2008	31.12.2007
441100	Vendors	164.210,23	
441700	Other	22.809,71	
441000	<b>Total</b>	<b>187.019,94</b>	<b>0,00</b>

Account	Sundry payables	31.12.2008	31.12.2007
	Staff	645,65	
443000	<b>Total</b>	<b>645,65</b>	<b>0,00</b>

2.7.2. Deferrals and accruals : **€13.088.518,54** which represent mainly invoices to be received in 2009 for services rendered in 2008, including ;

- € 10.491.000 for services rendered in 2008 and not invoiced at 31/12/2008 by CEA ITER FRANCE
- € 316.240, 05 for Fusion for Energy staff's untaken leave as at the end of December 2008. 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 **€25.406.415,22** at the end of 2008 and correspond to the balance of the budget outturn account 2008, to be reimbursed to the Commission in 2009 (Cf. Section VI point 3 – Budget outturn account).

2.7.4. Other accounts payable against consolidated EC entities totalling **€1.494.763,78** include the bank interests generated by the Euratom contribution (€ 1.459.877,65), to be paid back to the Commission in 2009 (Cf. note 2.4), and other debts towards the Commission and EU bodies.



## 2.8. Contingent liabilities and Commitments for future fundings

There are no contingent liabilities or assets to disclose for the year ended 31<sup>st</sup> December 2008.

Account	Commitments for future fundings	31.12.2008	31.12.2007
902500	RAL - Commitments against appropriations not yet consumed	59.604.397,63	
903200	Operating lease	0,00	
903300	Contractual commitments (for which budget commitments have not yet been made) (*)	202.718.477,67	0,00
903100	Other	0,00	
	<b>TOTAL</b>	<b>262.322.875,30</b>	<b>0,00</b>

### (\*) Details of Contractual commitments (for which budget commitments have not yet been made)

The Procurement Arrangements establish a detailed common understanding of each Party on the in-kind contribution to be provided to ITER 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.

#### 2.8.1. Procurement Arrangement (ITER-IO)

2008 Exchange rate Euro/IUA = 1.498,16

(1.000)

	Value signed PA		Budgetary commitment		Balance	
	IUA	EURO	IUA	EURO	IUA	EURO
Supply of Toroidal Field Coils	89,7	134.444,9	0,0	0,0	89,7	134.444,9
Building design and construction	12,8	19.176,4	0,0	0,0	12,8	19.176,4
<b>TOTAL</b>	<b>102,5</b>	<b>153.621,3</b>	<b>0,0</b>	<b>0,0</b>	<b>102,5</b>	<b>153.621,3</b>

For the two Procurement Arrangements signed with ITER-IO, 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.

## 2.8.2. Annex to Procurement Arrangement (JAEA)

2008 Exchange rate Euro/IUA = 1.498,16

(1.000)

	Value signed PA		Budgetary commitment		Balance	
	IUA	EURO	IUA	EURO	IUA	EURO
Transfer of financial contributions for the implementation of Procurement Arrangement	24,5	36.704,9	3,9	5.797,9	20,6	30.907,0
	3,1	4.645,0	0,0	0,0	3,1	4.645,0
	7,7	11.590,1	0,0	0,0	7,7	11.590,1
<b>TOTAL</b>	<b>35,3</b>	<b>52.940,0</b>	<b>3,9</b>	<b>5.797,9</b>	<b>31,5</b>	<b>47.142,2</b>

Regarding the 3 arrangements signed between Fusion for Energy, the Japan Atomic Energy Agency (JAEA) and ITER-IO, 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 up-to-dated Credit Allocation Scheme of the Procurement Arrangement agreed between JAEA and ITER-IO and endorsed by Fusion for Energy.

## 2.8.3. ITER Tasks Agreement

(1,000 Euro)

ITER IC Antenna R&D programme	Value signed ITA's	Budgetary Commitment	Balance	Pre-financing
Faraday Shield	740,0	0,0	740,0	370,0
Vacuum Window	990,0	0,0	990,0	495,0
Exploitation of Antenna Low Power Mock-ups	225,0	0,0	225,0	112,5
<b>TOTAL</b>	<b>1.955,0</b>	<b>0,0</b>	<b>1.955,0</b>	<b>977,5</b>

The objective of these 3 task agreements signed with ITER-IO, are the development and execution of one of the most urgent R&D programme items required to produce the built to print design of the ITER Ion Cyclotron Heating and Current Drive Antenna.

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.

## 2.9. Post balance sheet events

No significant post balance sheet event occurred between 31<sup>st</sup> December 2008 and the final closing of the accounting year.

### 3. Notes to the Economic Outturn Account

#### 3.1. Other operating revenue

The amount of **€123.739.884,44** includes mainly the following contributions :

3.1.1. The Euratom contribution requested and cashed for 2008 amounts to M€ 122.5 (M€96 for operational expenditures and M€26,5 for administrative expenditures). Out of this amount, **€97.050.882,13** has been booked as revenue under this heading.

The balance, M€25,4, has to be reimbursed to the European Commission (Cf. section VI point 3 – Budget outturn account).

3.1.2. The Membership contributions requested for 2008 amounts to **€2.683.000**. All members, except one, paid their contribution by 31.12.2008 (Cf. note 2.3.1.).

3.1.3. The ITER Host state contribution requested and cashed for 2008 amounts to **€24.000.000**.

#### 3.2. Staff expenses - **€8.635.888,07**

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 **€3.060.205,51** includes mainly the following items :

- Missions € 1.000.725,29
- Office supplies & maintenance € 365.932,47
- Maintenance & security for the building € 254.010,59
- Experts and related expenditure € 217.198,14
- Expenses with consolidated entities (mainly "service level agreements" with the EC) € 205.930,94
- Communications & publications € 202.393,71

- Interim staff € 163.286,33
- Selection € 70.000,00
- Training € 24.615,50

### 3.4. Operational expenses

The amount of **€46.162.378,07** includes mainly the following items :

- ITER site preparation (CEA – ITER France) € 27.780.872,39
- 2008 Cash contribution to ITER organization € 17.584.130,47
- Voluntary contribution to ITER organization € 484.389,00
- 3 grants € 147.801,94
- IFMIF\_EVEDA – 2008 Cash contribution € 111.712,20

### 4. Reconciliation between budgetary and accrual based accounts

	<b>amount</b>
<b>Economic result (- for loss)</b>	<b>66.534.076,61</b>
<b>Ajustment for accrual items (items not in the budgetary result)</b>	
Adjustments for Accrual Cut-off (cut- off 31.12.N )	-27.843.241,47
Unpaid invoices at year end but booked in charges (class 6)	192.855,47
Depreciation of intangible and tangible fixed assets	125.464,55
Recovery Orders issued in 2008 in class 7 and not yet cashed	-384.900,00
Other (fixed assets donated by the Commission and the Spanish authorities)	-562.323,48
Exchange rate differences	-1.506,29
<b>Ajustment for budgetary items (item not in the economic result)</b>	
Asset acquisitions (less unpaid amounts)	-46.613,07
New pre-financing paid in the year 2008 and remaining open as at 31.12.2008	-6.660.961,54
New pre-financing received in the year 2008 and remaining open as at 31.12.2008	865.000,00
Budgetary recovery orders issued in 2008 on balance sheet accounts and cashed	25.406.415,22
Payment appropriations carried over to 2009	-32.216.784,72
<b>total</b>	<b>25.407.481,28</b>
<b>Budgetary result (+ for surplus)</b>	<b>25.406.415,22</b>
Delta not explained	-1.066,06

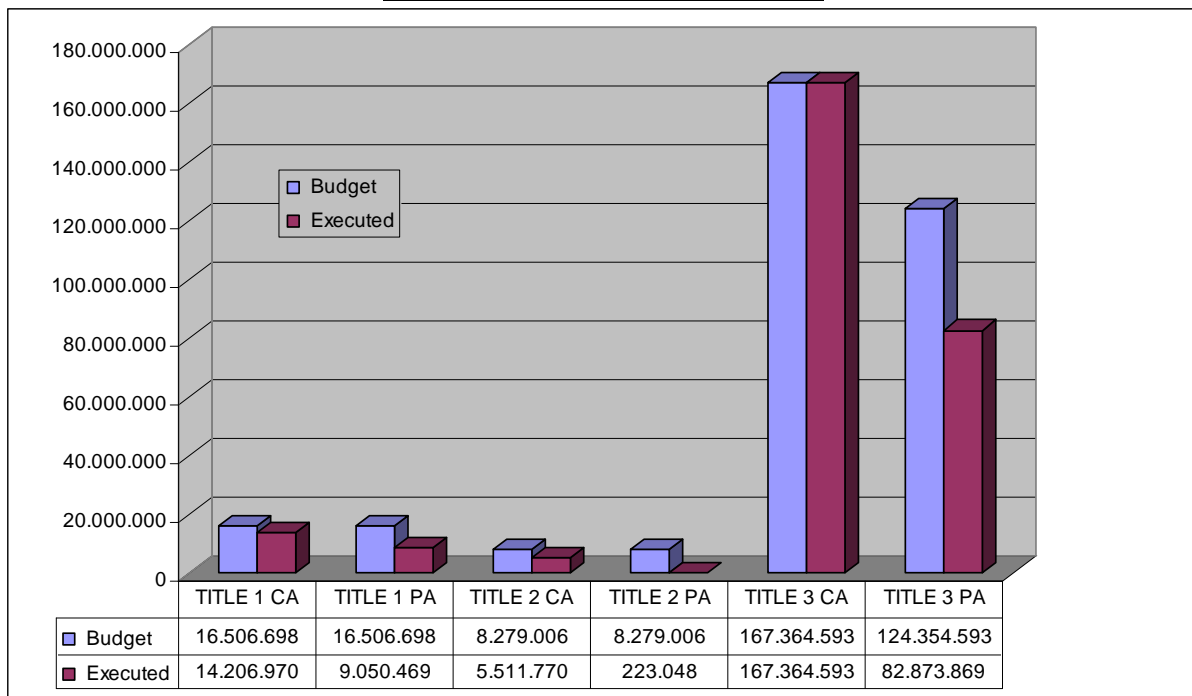
## BUDGET IMPLEMENTATION 2008

### VI. Budgetary implementation 2008

The results of the implementation of the first year's budget are as follow :

- 99.7% of the revenues foreseen in the budget were collected by 31.12.2008;
- 97.4% of the overall budget in commitment appropriations was implemented, of which 100% of the operational budget appropriations (Title 3 of the budget) and 79.6% of the administrative expenditure (Title 1 & 2 of the budget);
- 61.8% of the overall budget was implemented in payment appropriations, of which 66.6% of the operational budget appropriations and 37.4% of the administrative expenditure (Title 1 & 2 of the budget);
- M€ 8.3 recuperated from unused administrative expenditure including the interests earned on the current bank accounts (in both commitment and payment appropriations).

**Implementation of the 2008 budget**



*TITLE 1:* Staff expenditure

*TITLE 2:* Buildings, equipment and miscellaneous operating expenditure

*TITLE 3:* Operational expenditure

*CA:* Commitment appropriation

*PA:* Payment appropriation

## 1. 2008 Budget Evolution

### 1.1. Statement of revenue – Evolution of the budget

#### Commitment appropriations

Heading	Initial budget 2008	Amendments to the budget	Final Budget 2008	Final actual revenue
1: PARTICIPATION FROM EUROPEAN COMMUNITY	212.632.885,00	-70.965.587,65	141.667.297,35	141.667.297,35
2: ANNUAL MEMBERSHIP CONTRIBUTIONS	2.683.000,00	0,00	2.683.000,00	2.683.000,00
3: ASSIGNED REVENUE ACCRUING FROM THE ITER HOST STATE	47.800.000,00	0,00	47.800.000,00	47.800.000,00
4: REVENUE FROM FEES AND CHARGES	p.m.	p.m.	p.m.	148.682,94
5: ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	p.m.	p.m.	p.m.	977.500,00
<b>Total Revenue 2008</b>	<b>263.115.885,00</b>	<b>-70.965.587,65</b>	<b>192.150.297,35</b>	<b>193.276.480,29</b>

#### Payment appropriations

Heading	Initial budget 2008	Amendments to the budget	Final adopted Budget 2008	Final actual revenue
1: PARTICIPATION FROM EUROPEAN COMMUNITY	90.317.000,00	32.140.297,35	122.457.297,35	122.457.297,35
2: ANNUAL MEMBERSHIP CONTRIBUTIONS	2.683.000,00	0,00	2.683.000,00	2.298.100,00
3: ASSIGNED REVENUE ACCRUING FROM THE ITER HOST STATE	28.000.000,00	-4.000.000,00	24.000.000,00	24.000.000,00
4: REVENUE FROM FEES AND CHARGES	p.m.	p.m.	p.m.	148.682,94
5: ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	p.m.	p.m.	p.m.	865.000,00
<b>Total Revenue 2008</b>	<b>121.000.000,00</b>	<b>28.140.297,35</b>	<b>149.140.297,35</b>	<b>149.769.080,29</b>
Non budgetary items : BANK INTEREST ON EURATOM CONTRIBUTION + EXCHANGE DIFF.				1.461.383,94

The amendments to the budget adopted by the Governing Board in July and December were mainly made of:

- The decrease of the Euratom contribution in commitment appropriations for the operational budget,
- The decrease of the administrative revenue/expenditure directly implemented by the European Commission before Fusion for Energy financial Autonomy.
- The addition of miscellaneous revenue to the operational contribution from Euratom
- The adjustments of the revenue from France and Euratom in payment appropriations.

In addition to the final budget adopted by the Governing Board on 4 December 2008, the following should be noted:

- 3 “non-credited” ITA agreements were concluded with ITER at the end of the year, and the associated revenue in both commitment and payment appropriations figures under the Title 5 (for € 977.500 requested and € 865.000 received). These amounts, received at the end of the year, were not budgeted in the statement of expenditure.
- One Fusion for Energy Member did not pay his annual membership contribution in 2008 (€ 384.900 under Title 2);
- Fusion for Energy earned interest in its bank accounts for a total of € 216.304,89 (€148.682,94 were cashed in 2008). According to the Fusion for Energy Financial Regulation, this amount stays with Fusion for Energy. Again this amount was received at the end of the year and therefore not budgeted in the statement of expenditure.
- The interest earned from the Euratom contribution (which is kept on a separate bank account) is amounted to € 1.459.877,65 (€ 1,367.849,85 were cashed in 2008). According to the Fusion for Energy Financial Regulation, those interests belong to Euratom and have to be reimbursed to the Commission in 2009.

## **1.2. Statement of expenditure – Evolution of the budget**

The table below details the information provided to the Governing Board for the adoption of the final budget in December 2008, and indicates under the column “Last Transfers” the amounts transferred by the Director in the final days of implementation to reach the full implementation of the operational budget.

Heading	F4E Initial budget for 2008	Implementation by European Commission	F4 Budget for direct implementation by F4E	Amendments and Transfers (information already transmitted)	Final adopted Budget 2008	Last transfers	F4E Final 2008 budget
<b>TITLE 1 - Commitment and Payment</b>	<b>17.542.000,00</b>	<b>1.035.302,47</b>	<b>16.506.697,53</b>	<b>0,00</b>	<b>16.506.697,53</b>	<b>0,00</b>	<b>16.506.697,53</b>
CH 11 - STAFF IN THE ESTABLISHMENT PLAN EXPENDITURE	10.221.000,00	494.322,10	9.726.677,90	-500.000,00	9.226.677,90		9.226.677,90
CH 12 - EXTERNAL STAFF EXPENDITURE ( CA AND SNE)	3.015.000,00	150.949,11	2.864.050,89		2.864.050,89		2.864.050,89
CH 13 - MISSIONS AND DUTY TRAVEL	2.106.000,00	69.183,41	2.036.816,59		2.036.816,59		2.036.816,59
CH 14 - MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT	1.221.000,00	218.342,65	1.002.657,35	500.000,00	1.502.657,35		1.502.657,35
CH 15 - REPRESENTATION	20.000,00	0,00	20.000,00		20.000,00		20.000,00
CH 16 -TRAINING	194.000,00	0,00	194.000,00		194.000,00		194.000,00
CH 17 - OTHER STAFF MANAGEMENT EXPENDITURE	765.000,00	102.505,20	662.494,80		662.494,80		662.494,80
<b>TITLE 2 - Commitment and Payment</b>	<b>8.288.000,00</b>	<b>7.400,18</b>	<b>8.280.599,82</b>	<b>0,00</b>	<b>8.280.599,82</b>	<b>-1.593,37</b>	<b>8.279.006,45</b>
CH 21 - BUILDINGS AND ASSOCIATED COSTS	742.000,00	0,00	742.000,00		742.000,00		742.000,00
CH 22 - DATA PROCESSING and IT EQUIPMENT	5.861.000,00	7.400,18	5.853.599,82	-1.300.000,00	4.553.599,82		4.553.599,82
CH 23 - MOVABLE PROPERTY AND ASSOCIATED COSTS	94.000,00	0,00	94.000,00	650.000,00	744.000,00		744.000,00
CH 24 - COMMUNICATION	392.000,00	0,00	392.000,00		392.000,00		392.000,00
CH 25 - CURRENT ADMINISTRATIVE EXPENDITURE	537.000,00	0,00	537.000,00	650.000,00	1.187.000,00	-1.593,37	1.185.406,63
CH 26 - POSTAGE AND TELECOMMUNICATIONS	336.000,00	0,00	336.000,00		336.000,00		336.000,00
CH 27 - EXPENDITURE ON FORMAL AND OTHER MEETINGS	326.000,00	0,00	326.000,00		326.000,00		326.000,00
<b>Total TITLE 1 &amp; 2 - Commit &amp; Pay</b>	<b>25.830.000,00</b>	<b>1.042.702,65</b>	<b>24.787.297,35</b>	<b>0,00</b>	<b>24.787.297,35</b>	<b>-1.593,37</b>	<b>24.785.703,98</b>



Heading	F4E Initial budget for 2008	Implementation by European Commission	F4 Budget for direct implementation by F4E	Amendments and Transfers (information already transmitted)	Final adopted Budget 2008	Last transfers	F4E Final 2008 budget
<b>TITLE 3 - Commitment</b>	<b>237.285.885,00</b>	<b>0,00</b>	<b>237.285.885,00</b>	<b>-69.922.885,00</b>	<b>167.363.000,00</b>	<b>1.593,37</b>	<b>167.364.593,37</b>
CH 31 - ITER CONSTRUCTION	163.870.885,00	-	163.870.885,00	-49.292.715,00	114.578.170,00	-53.119,33	114.525.050,67
CH 32 - TECHNOLOGY FOR ITER AND DEMO	23.615.000,00	-	23.615.000,00	-19.233.170,00	4.381.830,00	46.000,00	4.427.830,00
CH 33 - TECHNOLOGY FOR BROADER APPROACH	2.000.000,00	-	2.000.000,00	-1.897.000,00	103.000,00	8.712,70	111.712,70
CH 34 - OTHER EXPENDITURE	p.m.	-	p.m.	500.000,00	500.000,00		500.000,00
CH 35 - ITER CONSTRUCTION - (FRANCE CONTRIBUTION)	47.800.000,00	-	47.800.000,00		47.800.000,00		47.800.000,00

<b>Total BUDGET in Commitment</b>	<b>263.115.885,00</b>	<b>1.042.702,65</b>	<b>262.073.182,35</b>	<b>-69.922.885,00</b>	<b>192.150.297,35</b>	<b>0,00</b>	<b>192.150.297,35</b>
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<b>TITLE 3 - Payment</b>	<b>95.170.000,00</b>	<b>0,00</b>	<b>95.170.000,00</b>	<b>29.183.000,00</b>	<b>124.353.000,00</b>	<b>1.593,37</b>	<b>124.354.593,37</b>
CH 31 - ITER CONSTRUCTION	60.737.000,00	-	60.737.000,00	37.263.000,00	98.000.000,00	-7.119,33	97.992.880,67
CH 32 - TECHNOLOGY FOR ITER AND DEMO	5.750.000,00	-	5.750.000,00	-4.000.000,00	1.750.000,00		1.750.000,00
CH 33 - TECHNOLOGY FOR BROADER APPROACH	683.000,00	-	683.000,00	-580.000,00	103.000,00	8.712,70	111.712,70
CH 34 - OTHER EXPENDITURE	p.m.	-	p.m.	500.000,00	500.000,00		500.000,00
CH 35 - ITER CONSTRUCTION - (FRANCE CONTRIBUTION)	28.000.000,00	-	28.000.000,00	-4.000.000,00	24.000.000,00		24.000.000,00

<b>Total BUDGET in Payment</b>	<b>121.000.000,00</b>	<b>1.042.702,65</b>	<b>119.957.297,35</b>	<b>29.183.000,00</b>	<b>149.140.297,35</b>	<b>0,00</b>	<b>149.140.297,35</b>
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## 2. 2008 Budget Implementation

### 2.1. Statement of revenue - Implementation

Heading	Final adopted Budget 2008	Entitlement established	Revenue received	Outstanding at end of 2008
<b>TITLE1: PARTICIPATION FROM EUROPEAN COMMUNITY</b>	122.457.297,35	122.457.297,35	122.457.297,35	0,00
PARTICIPATION FROM EUROPEAN COMMUNITY	96.000.000,00	96.000.000,00	96.000.000,00	0,00
REVENUE FROM ADMINISTRATIVE EXPENDITURE	26.457.297,35	26.457.297,35	26.457.297,35	0,00
<b>TITLE 2: ANNUAL MEMBERSHIP CONTRIBUTIONS</b>	2.683.000,00	2.683.000,00	2.298.100,00	384.900,00
ANNUAL MEMBERSHIP CONTRIBUTIONS	2.683.000,00	2.683.000,00	2.298.100,00	384.900,00
<b>TITLE 3: ASSIGNED REVENUE ACCRUING FROM THE ITER HOST STATE</b>	24.000.000,00	24.000.000,00	24.000.000,00	0,00
CONTRIBUTION FROM ITER HOST STATE	24.000.000,00	24.000.000,00	24.000.000,00	0,00
<b>TITLE 4: REVENUE FROM FEES AND CHARGES</b>	p.m.	148.682,94	148.682,94	0,00
REVENUE FROM FEES AND CHARGES	p.m.	p.m.		
ADDITIONAL REVENUE	p.m.	p.m.		
OTHER REVENUE	p.m.	148.682,94	148.682,94	0,00
<b>TITLE 5: ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE</b>	p.m.	977.500,00	865.000,00	112.500,00
ASSIGNED REVENUE TO SPECIFIC ITEM OF EXPENDITURE	p.m.	977.500,00	865.000,00	112.500,00
<b>Total Revenue 2008</b>	<b>149.140.297,35</b>	<b>150.266.480,29</b>	<b>149.769.080,29</b>	<b>497.400,00</b>

Regarding title 2 – Annual membership contribution, all members have paid their contribution in 2008 except one.

Concerning title 5 – Assigned revenue, one pre-financing related to an ITER task agreement has not been received as of 31.12.2008.

## 2.2. Statement of expenditure - Implementation

### Commitment Appropriation

Heading	F4E Final 2008 budget	Final implementation 31/12/08	% implementation	Implementation F4E + COM 2008
<b>TITLE 1 - STAFF EXPENDITURE Commitment</b>	<b>16.506.697,53</b>	<b>14.206.970,00</b>	<b>86,1%</b>	<b>15.242.272,47</b>
<b>TITLE 2 - OTHER OPERATING EXPEND. Commitment</b>	<b>8.279.006,45</b>	<b>5.511.770,44</b>	<b>66,6%</b>	<b>5.519.170,62</b>
<b>Total TITLE 1 &amp; 2 Commitment</b>	<b>24.785.703,98</b>	<b>19.718.740,44</b>	<b>79,6%</b>	<b>20.761.443,09</b>
<b>TITLE 3 - OPERATIONAL EXPENDITURE Commitment</b>	<b>167.364.593,37</b>	<b>167.364.593,37</b>	<b>100,0%</b>	<b>167.364.593,37</b>
CH 31 - ITER CONSTRUCTION	114.525.050,67	114.525.050,67	100,0%	
CH 32 - TECHNOLOGY FOR ITER AND DEMO	4.427.830,00	4.427.830,00	100,0%	
CH 33 - TECHNOLOGY FOR BROADER APPROACH	111.712,70	111.712,70	100,0%	
CH 34 - OTHER EXPENDITURE	500.000,00	500.000,00	100,0%	
CH 35 - ITER CONSTRUCTION - (FRANCE CONTRIBUTION)	47.800.000,00	47.800.000,00	100,0%	
<b>Total BUDGET in Commitment</b>	<b>192.150.297,35</b>	<b>187.083.333,81</b>	<b>97,4%</b>	<b>188.126.036,46</b>

### Payment Appropriation

Heading	F4E Final 2008 budget	Final implementation 31/12/08	% implementation	Implementation F4E + COM 2008
<b>TITLE 1 - STAFF EXPENDITURE Payment</b>	<b>16.506.697,53</b>	<b>9.050.469,06</b>	<b>54,8%</b>	<b>10.085.771,53</b>
<b>TITLE 2 - OTHER OPERATING EXPEND. Payment</b>	<b>8.279.006,45</b>	<b>223.048,21</b>	<b>2,7%</b>	<b>230.448,39</b>
<b>Total TITLE 1 &amp; 2 Payment</b>	<b>24.785.703,98</b>	<b>9.273.517,27</b>	<b>37,4%</b>	<b>10.316.219,92</b>
<b>TITLE 3 - OPERATIONAL EXPENDITURE Payment</b>	<b>124.354.593,37</b>	<b>82.873.869,37</b>	<b>66,6%</b>	<b>82.873.869,37</b>
CH 31 - ITER CONSTRUCTION	97.992.880,67	82.677.607,17	84,4%	
CH 32 - TECHNOLOGY FOR ITER AND DEMO	1.750.000,00	0,00	0,0%	
CH 33 - TECHNOLOGY FOR BROADER APPROACH	111.712,70	111.712,20	100,0%	
CH 34 - OTHER EXPENDITURE	500.000,00	84.550,00	16,9%	
CH 35 - ITER CONSTRUCTION - (FRANCE CONTRIBUTION)	24.000.000,00	0,00	0,0%	
<b>Total BUDGET in Payment</b>	<b>149.140.297,35</b>	<b>92.147.386,64</b>	<b>61,8%</b>	<b>93.190.089,29</b>

As mentioned with the revenue, the statement of revenue and the statement of expenditure are unbalanced due to the additional revenues received at the end of the year.

Based on the final budget, these tables detail the implementation in Commitment and Payment Appropriations, as well as in percentage terms.

These tables also show the part directly implemented by the Commission before the financial autonomy of Fusion for Energy on 18 March 2008.

### 2.3. Open commitments from the 2008 budget

Heading	Implementation 2008 in commitment	Open Commitments
<b>TITLE 1 - STAFF EXPENDITURE Commitment</b>	<b>14.206.970,00</b>	<b>5.156.500,94</b>
<b>TITLE 2 - OTHER OPERATING EXPEND. Commitment</b>	<b>5.511.770,44</b>	<b>5.288.722,23</b>
<b>Total TITLE 1 &amp; 2 Commitment</b>	<b>19.718.740,44</b>	<b>10.445.223,17</b>
<b>TITLE 3 - OPERATIONAL EXPENDITURE Commitment</b>	<b>167.364.593,37</b>	<b>84.490.724,00</b>
CH 31 - ITER CONSTRUCTION	114.525.050,67	31.847.443,50
CH 32 - TECHNOLOGY FOR ITER AND DEMO	4.427.830,00	4.427.830,00
CH 33 - TECHNOLOGY FOR BROADER APPROACH	111.712,70	0,50
CH 34 - OTHER EXPENDITURE	500.000,00	415.450,00
CH 35 - ITER CONSTRUCTION - (FRANCE CONTRIBUTION)	47.800.000,00	47.800.000,00
<b>Total BUDGET in Commitment</b>	<b>187.083.333,81</b>	<b>94.935.947,17</b>

The open commitments correspond to actions launched in 2008 but not yet completed.

### 3. Budget outturn account 2008

According to F4E Financial Regulation, referring in particular to the principle of annuality, all appropriations unused at the end of the year are cancelled.

For the 2008 exercise, with the exception of administrative expenditure, there is no cancellation in commitment appropriation, the 2008 budget being fully implemented.

The unused operational payment appropriations as well as the unused administrative expenditure enter in the budget outturn account.

### **3.1. Carry-over from 2008 to 2009**

In exception to the principle of annuality some unused appropriations from the 2008 budget are automatically carried over to the 2009 budget and assigned to the same activities as in the 2008 budget.

In this year's exercise, this concerns:

- the assigned revenue made of the contribution of the ITER Host State and the 3 ITAs (Respectively on Title 3, Chapter 35, amount M€24 in payment appropriation and M€ 0.9775 in commitment / M€ 0,865 in payment appropriations)
- the payment appropriations necessary to cover the open administrative commitments; to be paid before the end of 2009 (€7.351.784,72, consists of €10.445.223,17 of open administrative commitments minus € 3.093.438,45 of outdated commitments )

### **3.2. Cancelled appropriations**

Unused operational commitment appropriations are cancelled and are ready to be entered into the budget of the following year. For this exercise, the amount is €0.

Unused operational payment appropriations are cancelled. For this exercise, the amount is € 17.480.724,00.

Unused administrative appropriations (both in commitments and payments) are cancelled. With the agreement of the Commission and of the Governing Board, these amounts may be entered in the following year's budget as new revenue from the Commission.

For this exercise, the amount is € 8.300.000 including the interests on the current bank accounts.

### **3.3. Budget Outturn Account 2008**

Corresponds to unused payment appropriations that are not carried over to the following year. This includes the amounts related to membership contributions and any other revenues (Titles 1, 3 and 4 of Revenues).

For 2008, this is made of:

- unused administrative appropriations (€ 5.066.963,54)
- unused administrative commitments (in particular for salaries) to be de-committed (€ 3.093.438,45),

- unused operational appropriations from Title 3 (€ 17.480.724,00)
- bank interests received on the current Fusion for Energy bank accounts (€ 148.682,94)
- minus the unpaid membership contributions (€ 384.900)

The budget outturn for 2008 amounts to € 25.404.908,93. The amount to be returned to Euratom (€ 26.866.292,87) includes the budget outturn and two non-budgetary transactions: the bank interests earned from the Euratom contribution (€ 1.459.877,65) and the other income earned from bank transactions in other currencies (€ 1.506,29).

Heading	F4E Final 2008 budget	Unused Payment Appropriation	Appropriation carried over to 2009	Budget Outturn Account
<b>TITLE 1 Payment</b>	<b>16.506.697,53</b>	<b>7.456.228,47</b>	<b>5.156.500,94</b>	<b>2.299.727,53</b>
CH 11 - STAFF IN THE ESTABLISHMENT PLAN	9.226.677,90	3.533.533,54	2.036.855,64	1.496.677,90
CH 12 - EXTERNAL STAFF EXPENDITURE	2.864.050,89	1.413.853,66	828.692,77	585.160,89
CH 13 - MISSIONS AND DUTY TRAVEL	2.036.816,59	1.504.591,40	1.423.774,81	80.816,59
CH 14 - MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT	1.502.657,35	471.509,38	443.492,03	28.017,35
CH 15 - REPRESENTATION	20.000,00	15.106,17	15.106,17	0,00
CH 16 -TRAINING	194.000,00	179.773,40	102.013,40	77.760,00
CH 17 - OTHER STAFF MANAGEMENT EXP	662.494,80	337.860,92	306.566,12	31.294,80
<b>TITLE 2 - Payment</b>	<b>8.279.006,45</b>	<b>8.055.958,24</b>	<b>5.288.722,23</b>	<b>2.767.236,01</b>
CH 21 - BUILDINGS AND ASSOCIATED COSTS	742.000,00	742.000,00	697.800,00	44.200,00
CH 22 - DATA PROCESSING and IT EQUIPMENT	4.553.599,82	4.494.827,72	2.747.550,66	1.747.277,06
CH 23 - MOVABLE PROPERTY AND ASSOCIATED COSTS	744.000,00	693.010,62	572.510,95	120.499,67
CH 24 - COMMUNICATION	392.000,00	380.561,18	69.208,53	311.352,65
CH 25 - CURRENT ADMINISTRATIVE EXP	1.185.406,63	1.173.810,38	725.803,75	448.006,63
CH 26 - POSTAGE AND TELECOMMUNICATIONS	336.000,00	330.013,98	293.613,98	36.400,00
CH 27 - EXP. ON FORMAL & OTHER MEETINGS	326.000,00	241.734,36	182.234,36	59.500,00
<b>Total TITLE 1 &amp; 2 Payment</b>	<b>24.785.703,98</b>	<b>15.512.186,71</b>	<b>10.445.223,17</b>	<b>5.066.963,54</b>
<b>TITLE 3 - Payment</b>	<b>124.354.593,37</b>	<b>42.345.724,00</b>	<b>24.865.000,00</b>	<b>17.480.724,00</b>
CH 31 - ITER CONSTRUCTION	97.992.880,67	16.180.273,50	865.000,00	15.315.273,50
CH 32 - TECHNOLOGY FOR ITER AND DEMO	1.750.000,00	1.750.000,00	0,00	1.750.000,00
CH 33 - TECHNOLOGY FOR BROADER APPROACH	111.712,70	0,50	0,00	0,50
CH 34 - OTHER EXPENDITURE	500.000,00	415.450,00	0,00	415.450,00
CH 35 - ITER CONSTRUCTION	24.000.000,00	24.000.000,00	24.000.000,00	0,00
<b>Total BUDGET in Payment</b>	<b>149.140.297,35</b>	<b>57.857.910,71</b>	<b>35.310.223,17</b>	<b>22.547.687,54</b>

**Additional Budgetary Outturn**

DEFAULT PAYMENT ON MEMBERSHIP CONTRIBUTION	-384.900,00	0,00	-384.900,00
BANK INTEREST RECEIVED IN 2008	148.682,94	0,00	148.682,94
DECOMMITMENT MADE ON OUTDATED COMMITMENT			3.093.438,45

<b>Total Budgetary Outturn</b>			<b>25.404.908,93</b>
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**Additional Non Budgetary Outturn**

BANK INTEREST on EURATOM CONTRIBUTION			1.459.877,65
EXCHANGE DIFFERENCE (on payment in other currency than Euro)			1.506,29

<b>Final Outturn</b>			<b>26.866.292,87</b>
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#### 4. Annexes

##### 4.1. Budget implementation \_ Details

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

Budget Line Position	Budget Line Description	Commit. Approp. Transact. Amnt. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym. Approp. Transact. Amount (4)	Payment Amnt. Accepted (5)	% Paid (5/4)
A-1100	Staff expenditure in the establishment plan	9.226.677,90	7.730.000,00	83,78 %	9.226.677,90	5.693.144,36	61,70 %
A-1200	External staff expenditure (Contracts agents, interim staff and national experts)	2.864.050,89	2.278.890,00	79,57 %	2.864.050,89	1.450.197,23	50,63 %
A-1300	Missions and duty travel	2.036.816,59	1.956.000,00	96,03 %	2.036.816,59	532.225,19	26,13 %
A-1400	Miscellaneous expenditure on staff recruitment and transfer	1.502.657,35	1.474.640,00	98,14 %	1.502.657,35	1.031.147,97	68,62 %
A-1500	Representation	20.000,00	20.000,00	100,00 %	20.000,00	4.893,83	24,47 %
A-1600	Training	194.000,00	116.240,00	59,92 %	194.000,00	14.226,60	7,33 %
A-1700	Other staff management expenditure	662.494,80	631.200,00	95,28 %	662.494,80	324.633,88	49,00 %
<b>Total Title 1</b>		<b>16.506.697,53</b>	<b>14.206.970,00</b>	<b>86,07 %</b>	<b>16.506.697,53</b>	<b>9.050.469,06</b>	<b>54,83 %</b>



Budget Line Position	Budget Line Description	Commit. Approp.Transact. Amnt. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym.Approp.Transact. Amount (4)	Payment Amnt. Accepted (5)	% Paid (5/4)
A-2100	Buildings and associated costs	742.000,00	697.800,00	94,04 %	742.000,00		
A-2200	Data processing and IT equipment	4.553.599,82	2.806.322,76	61,63 %	4.553.599,82	58.772,10	1,29 %
A-2300	Movable property and associated costs	744.000,00	623.500,33	83,80 %	744.000,00	50.989,38	6,85 %
A-2400	Events and communication	392.000,00	80.647,35	20,57 %	392.000,00	11.438,82	2,92 %
A-2500	Current administrative expenditure	1.185.406,63	737.400,00	62,21 %	1.185.406,63	11.596,25	0,98 %
A-2600	Postage and Telecommunications	336.000,00	299.600,00	89,17 %	336.000,00	5.986,02	1,78 %
A-2700	Expenditure on Formal and other meetings	326.000,00	266.500,00	81,75 %	326.000,00	84.265,64	25,85 %
<b>Total Title 2</b>		<b>8.279.006,45</b>	<b>5.511.770,44</b>	<b>66,58 %</b>	<b>8.279.006,45</b>	<b>223.048,21</b>	<b>2,69 %</b>

Budget Line Position	Budget Line Description	Commit. Approp.Transact. Amnt. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym.Approp.Transact. Amount (4)	Payment Amnt. Accepted (5)	% Paid (5/4)
B3-100	ITER Construction including the ITER site preparation	114.525.050,67	114.525.050,67	100,00 %	97.992.880,67	82.677.607,17	84,37 %
B3-200	Technology for ITER and DEMO	4.427.830,00	4.427.830,00	100,00 %	1.750.000,00		
B3-300	Technology for Broader Approach	111.712,70	111.712,70	100,00 %	111.712,70	111.712,20	100,00 %
B3-400	Other expenditure	500.000,00	500.000,00	100,00 %	500.000,00	84.550,00	16,91 %
<b>Total Title 3</b>		<b>119.564.593,37</b>	<b>119.564.593,37</b>	<b>100,00 %</b>	<b>100.354.593,37</b>	<b>82.873.869,37</b>	<b>82,58 %</b>

<b>TOTAL C1</b>		<b>144.350.297,35</b>	<b>139.283.333,81</b>	<b>96,49 %</b>	<b>125.140.297,35</b>	<b>92.147.386,64</b>	<b>73,64 %</b>
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**Fund Source : C8 – Carried over credits from the Commission**

Budget Line Position	Budget Line Description	Commit. Approp. Transact. Amnt. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym. Approp. Transact. Amount (4)*	Payment Amnt. Accepted (5)	% Paid (5/4)
B3-100	ITER Construction including the ITER site preparation	72.050.000,00	72.050.000,00	100,00 %	0,00		
<b>TOTAL C8</b>		<b>72.050.000,00</b>	<b>72.050.000,00</b>	<b>100,00 %</b>	<b>0,00</b>		

\* C1 credits consumed in payment appropriations

**Fund Source : R0 – Assigned revenues**

Budget Line Position	Budget Line Description	Commit. Approp. Transact. Amnt. (1)	Commitment Amount Accepted (2)	% Committed (2/1)	Paym. Approp. Transact. Amount (4)	Payment Amnt. Accepted (5)	% Paid (5/4)
B3-500	ITER construction- Appropriation accruing from the ITER host state contribution	47.800.000,00	47.800.000,00	100,00 %	24.000.000,00		
<b>TOTAL R0</b>		<b>47.800.000,00</b>	<b>47.800.000,00</b>	<b>100,00 %</b>	<b>24.000.000,00</b>		

## 4.2. Budget implementation \_ summary table

### Implementation of the budget for the financial year 2008 - Summary table

(1 000 euro)

Revenue					Expenditure										
Origin of Revenue		Revenue entered in the final budget for the financial year	Revenue collected	Outstanding at the end 2008	Allocation of expenditure		Appropriations under the final budget								
							Entered* (a)	committed (b)	% (b/a)	paid (c)	% (c/a)	carried over (d)	% (d/a)	cancelled (e)	% (e/a)
Title I Community subsidies	- CA	141.667	122.457	0	Title I Staff	- CA	16.507	14.207	86,1%	9.050	54,8%	2.063	12,5%	5.393	32,7%
	- RO	122.457				- PA									
Title II Membership contributions	- CA	2.683	2.298	385	Title II Administration	- CA	8.279	5.512	66,6%	223	2,7%	5.289	63,9%	2.767	33,4%
	- RO					- PA									
Title III ITER host state contribution	- CA	47.800	24.000	0	Title III Operational expenditure	- CA	119.713	119.565	99,9%	82.874	82,8%	0	0,0%	149	0,1%
	- RO	24.000				- PA									
Title IV - V Other revenue*	- CA	1.126	1.014	113	Title III Earmarked revenue	- CA	48.778	47.800	98,0%	0	0,0%	978	2,0%	0	0,0%
	- RO					- PA									
<b>TOTAL</b>	- CA	<b>193.276</b>	<b>149.769</b>	<b>497</b>	<b>TOTAL</b>	- CA	<b>193.276</b>	<b>187.083</b>	<b>96,8%</b>			<b>8.329</b>	<b>4,3%</b>	<b>8.309</b>	<b>4,3%</b>
	- RO	<b>150.266</b>				- PA	<b>149.769</b>		<b>92.147</b>	<b>61,5%</b>	<b>32.217</b>	<b>21,5%</b>	<b>25.405</b>	<b>17,0%</b>	

RO = Entitlements established

\* including all amounts collected which were p.m. in the budget

CA: Commitment appropriation

PA: Payment appropriation

### 4.3. Budget Outturn Account (DG BUDG format)

			2008
<b>REVENUE</b>	Euratom contribution	+	122.457.297,35
	ITER host state and Membership contributions	+	26.298.100,00
	Other revenue	+	1.013.682,94
<b>TOTAL REVENUE (a)</b>			<b>149.769.080,29</b>
<b>EXPENDITURE</b>	<i>Title I: Staff</i>		
	Payments	-	9.050.469,06
	Appropriations carried over	-	2.063.062,49
	<i>Title II: Administrative Expenses</i>		
	Payments	-	223.048,21
	Appropriations carried over	-	5.288.722,23
	<i>Title III: Operating Expenditure</i>		
	Payments	-	82.873.869,37
	Appropriations carried over	-	24.865.000,00
<b>TOTAL EXPENDITURE (b)</b>			<b>124.364.171,36</b>
<b>OUTTURN FOR THE FINANCIAL YEAR (a-b)</b>			<b>25.404.908,93</b>
Exchange differences for the year (gain +/loss -)		+/-	1.506,29
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>			<b>25.406.415,22</b>

## VII. Establishment plan 2008

Category	Posts Authorised 2008		Filled as at 31/12/2008	
	Permanent Posts	Temporary Posts	Permanent Posts	Temporary Posts
AD16				
AD15				
AD14		1		1
AD13	1			
AD12	8		13	3
AD11	12		6	
AD10	14			
AD9	10	24	4	22
AD8	4			
AD7			1	1
AD6	2	35		31
AD5			2	2
<b>Total AD category</b>	<b>51</b>	<b>60</b>	<b>26</b>	<b>60</b>
	<b>111</b>		<b>86</b>	
AST11				
AST10	1		1	
AST9			1	
AST8	1		1	
AST7			1	
AST6	1		2	
AST5	1			
AST4	1		1	
AST3	2	25	1	6
AST2	1			
AST1	1		1	
<b>Total AST category</b>	<b>9</b>	<b>25</b>	<b>9</b>	<b>6</b>
	<b>34</b>		<b>15</b>	
<b>TOTAL</b>	<b>60</b>	<b>85</b>	<b>35</b>	<b>66</b>
	<b>145</b>		<b>101</b>	

## **REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT 2008**

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

Fusion for Energy being fully consolidated in the EU accounts, the 2008 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 assurance statement related to the accounts 2008 has been transmitted to the Accounting Officer of the Commission in a separate note. It includes no reservation from Fusion for Energy Accounting Officer.

### **IX. Financial Information System**

Fusion for Energy has chosen to introduced 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 (2008 ABAC contribution to the Commission has been 100 KEURO whilst a comparable system deployment would have been in the range of at least 3-5 MEURO). 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 on September 2007.

The first modules, ABAC-SAP and ABAC Workflow (managing appropriations, legal entities and bank accounts validation, commitments, payments and incomes) have been introduced during the first quarter of the year.

The ABAC-Asset module has been introduced in production during the third quarter of the year.

After its production status, the system has been immediately used to introduce the donations/stock takes whose results were critical to establish the Financial Statement 2008.

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 positives 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.).

While the financial system is now close to the completion stage (the only missing module being ABAC Contracts), it must be noted that the underlying business processes have not been formalised and have not been validated by the Accounting Officer.

This formalisation issue is critical for the internal control and should be addressed in 2009.