

Fuel Cells and Hydrogen

Joint Undertaking

Final Annual Accounts

Financial year 2013

**Financial Statements and
Report on the implementation of the budget**

**Accompanied by
Report on budgetary and financial management
during the year**

Brussels, 16 June 2014



Table of Contents

Abbreviations	4
Introduction	5
Basis of preparation	5
Reporting entity	5
Certificate of the Interim Accounting Officer	7
1. Financial Statements	8
1.1. Balance Sheet – Assets	8
1.2. Balance Sheet - Liabilities	9
1.3. Economic Outturn Account	10
1.4. Cash flow statement (Indirect method)	11
1.5. Statement of changes in net assets and liabilities	12
2. Notes to the financial statements.....	13
2.1. Accounting principles and accounting rules	13
2.2. Accounting policies.....	13
2.3. Validation of the accounting system	14
2.4. Transactions and balances in foreign currency.....	14
2.5. Use of estimates	14
2.6. Cut-off methodology.....	14
2.7. Voting rights	15
2.8. Related party disclosure.....	15
2.9. Non-exchange transactions	16
2.10. Events after the reporting date	16
2.11. Receivables	16
2.12. Commitments for future funding at 31.12.2013.....	16
2.13. Notes to the balance sheet.....	18
Note 1: Non-current assets: Tangible and intangible fixed assets:	18
Note 2: Long-term Pre-financing	18
Note 3: Current assets: Short-term pre-financing	19
Note 4: Short-term receivables.....	20
Note 5: Cash and cash equivalents	20
Note 6: Current liabilities: Current payables.....	20
Note 7: Accrued charges	20

Note 8: Co-Financing to be paid	21
Note 9: Contributions from Members to be validated	21
Note 10: Short-term provision for risks and charges.....	22
Note 11: Net assets: Contributions from Members.....	22
Note 12: Contributions from Members used during the year	24
2.14. Notes to the economic outturn account	25
Note 13: Other operating revenue.....	25
Note 14: Administrative expenses	26
Note 15: Operational expenses	26
Note 16: Financial revenues	26
Note 17: Financial expenses	26
3. Report on the implementation of the budget	27
3.1. Budget outturn account	27
3.2. Reconciliation of economic outturn and budgetary outturn	27
3.3. Budget execution 2013	29
4. Report on budgetary and financial management during the year.....	37
4.1. Budget.....	37
4.1.1. Budget structure and fund sources.....	37
4.1.2. Budget Revenue	37
4.1.3. Budget amendments and transfers.....	38
4.1.4. Budget expenditure.....	39
4.1.5. Amounts due to be recovered.....	44
4.2. Financial management.....	44

Abbreviations

AD	Administrator
CA	Commitment Appropriations
EC	European Commission
eFP7	Research Participants Portal for the 7th Framework Programme
EFTA	European Free Trade Association
EP	European Parliament
EU	European Union
FCH JU	Fuel Cells and Hydrogen Joint Undertaking
FORCE	FOR m C Editor, software
GB	Governing Board
IG	Industry Grouping
IPSAS	International Public Sector Accounting Standards
JRC	Joint Research Centre
JTI	Joint Technology Initiative
OJ	Official Journal
PA	Payment Appropriations
PMO	Paymasters Office
RG	Research Grouping
RTD	Research, Technological development and Demonstration

Introduction

Basis of preparation

The final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking (FCH-JU) include the financial statements and the budgetary implementation report. They are accompanied by the report on budgetary and financial management during the year drawn up under the responsibility of the Executive Director.

The financial statements comprise the balance sheet, the economic outturn account, the cash flow table and the statement of changes in net assets and liabilities. The notes to the financial statements supplement and comment on the information presented in the statements.

The objectives of financial statements are to provide information about the financial position, performance and cash flows of an entity that are useful to a wide range of users. For a public-private partnership such as the Fuel Cells and Hydrogen Joint Undertaking, 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 financial statements have been prepared in accordance with the Financial Regulation¹ of the Fuel Cells and Hydrogen Joint Undertaking and with the EC accounting rules and methods adopted by the European Commission's Accounting Officer following accrual accounting principles of accrual based accounting. The budgetary implementation report and the report on budgetary and financial management are prepared on the basis of the modified cash basis of accounting.

Reporting entity

The Fuel Cells and Hydrogen Joint Undertaking is an independent legal entity, set up as public-private partnership established by the Regulation (EC) No 521/2008 of the Council of 30 May 2008² for the period up to 31 December 2017. This regulation was amended by Council Regulation (EU) No 1183/2011 of 14 November 2011³.

Having become autonomous on 15 November 2010, the Joint Undertaking is establishing its third annual financial statements for a complete financial year. These statements show the Joint Undertaking as a whole and include therefore pre-autonomy costs as reported.

The Fuel Cells and Hydrogen Joint Undertaking shall contribute to the implementation of the Seventh Framework Programme and in particular the Specific Programme "Cooperation" themes for "Energy", "Nanosciences, Nanotechnologies, Materials and New Production Technologies", "Environment (including Climate Change)", and "Transport (including Aeronautics)".

¹ http://ec.europa.eu/research/fch/pdf/financial_rules.pdf#view=fit&pagemode=none

² http://ec.europa.eu/research/fch/pdf/regulation_521-2008_en_1.pdf#view=fit&pagemode=none

³ <http://www.fch-ju.eu/sites/default/files/amendment%20to%20council%20regulation.pdf>

It shall in particular:

- a) aim at placing Europe at the forefront of fuel cell and hydrogen technologies worldwide and at enabling the market breakthrough of fuel cell and hydrogen technologies, thereby allowing commercial market forces to drive the substantial potential public benefits;
- b) support Research, Technological development and Demonstration (hereafter referred to as RTD) in the Member States and countries associated with the Seventh Framework Programme in a coordinated manner to overcome the market failure and focus on developing market applications and thereby facilitate additional industrial efforts towards a rapid deployment of fuel cells and hydrogen technologies;
- c) support the implementation of the RTD priorities of the JTI on Fuel Cells and Hydrogen, notably by awarding grants following competitive calls for proposals;
- d) aim to encourage increased public and private research investment in fuel cells and hydrogen technologies in the Member States and Associated countries.

The Joint Undertaking is a consolidated entity in accordance with article 185 of the general Financial Regulation.

FCH JU receives contributions from private and public sector entities.

The seat of FCH Joint Undertaking is Brussels, Belgium⁴.

⁴ Council regulation EC No 521/2008, article 1.2 published in OJ L153 on 12.06.2008

Certificate of the Interim Accounting Officer

The final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the year 2013 have been prepared in accordance with the Financial Regulation of the JU 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 the Joint Undertaking in accordance with Article 43 of the Financial Regulation of the JU.

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

The former accounting officer of FCH JU validated the accounting system of the JU on 21 November 2011, identifying some weaknesses and making some observations and recommendations. The FCH JU will follow up on this validation report in 2014, focusing on the follow up of the recommendations of the 2011 report and any other major changes to the systems, additional information and/or improvements implemented in the meantime.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present a true and fair view of the financial position of the JU in all material aspects.

A handwritten signature in black ink, appearing to read 'Antonio Requena Fernández', with a horizontal line drawn across the bottom of the signature.

Antonio Requena Fernández
Interim Accounting Officer

1. Financial Statements

1.1. Balance Sheet – Assets

(All amounts in EUR)

	Note	31.12.2013	31.12.2012
NON CURRENT ASSETS			
Intangible fixed assets	1	6,039.41	9,822.45
Tangible fixed assets		52,064.04	68,412.08
Long-term pre-financing	2	34,864,617.01	54,793,034.49
TOTAL NON CURRENT ASSETS		34,922,720.46	54,871,269.02
CURRENT ASSETS			
Short-term pre-financing	3	12,311,842.13	13,421,620.85
Short-term receivables	4	459,373.90	114,646.39
Sundry receivables		448,732.69	107,092.15
Deferred charges		10,641.21	7,554.24
Cash and cash equivalents	5	26,613,787.67	12,393,872.26
TOTAL CURRENT ASSETS		39,385,003.70	25,930,139.50
TOTAL		74,307,724.16	80,801,408.52

1.2. Balance Sheet - Liabilities

(All amounts in EUR)

	Note	31.12.2013	31.12.2012
CURRENT LIABILITIES			
Accounts payable		475,354.75	724,993.93
Current payables	6	3,681.42	117,094.77
Accrued charges	7	471,411.33	604,067.05
Other accounts payable		262.00	3,832.11
Co-Financing to be paid to the Members	8	16,285,663.18	5,199,797.90
Contributions from Members to be validated	9	115,084,653.21	76,074,697.05
Short-term provisions for risks and charges	10	30,514.98	67,652.32
Other short-term provisions		30,514.98	67,652.32
TOTAL LIABILITIES		131,876,186.12	82,067,141.20
NET ASSETS			
Contributions from Members		312,160,352.20	217,388,183.67
EU Contributions	11	231,618,816.81	175,225,551.81
Industry Grouping Contributions	11	57,035,454.16	29,669,088.24
Research Grouping Contributions	11	23,506,081.23	12,493,543.62
Accumulated contribution from Members used previous years		(218,653,916.76)	(91,624,743.75)
Contribution from Members used during the year	12	(151,074,897.40)	(127,029,172.60)
TOTAL NET ASSETS		(57,568,461.96)	(1,265,732.68)
TOTAL NET ASSETS + LIABILITIES		74,307,724.16	80,801,408.52

1.3. Economic Outturn Account

(All amounts in EUR)

	Note	2013	2012
OPERATING REVENUE			
Other operating revenue	13	972,297.31	1,145,730.39
TOTAL OPERATING REVENUE		972,297.31	1,145,730.39
OPERATING EXPENSES			
Administrative ⁵ expenses	14	(3,968,767.36)	(3,908,329.82)
Operational expenses	15	(148,177,746.26)	(124,440,253.65)
TOTAL OPERATING EXPENSES		(152,146,513.62)	(128,348,583.47)
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		(151,174,216.31)	(127,202,853.08)
FINANCIAL INCOME AND EXPENSES			
Financial revenues	16	99,331.36	173,931.40
Financial expenses	17	(12.45)	(250.92)
SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES		99,318.91	173,680.48
CONTRIBUTIONS USED DURING THE YEAR		(151,074,897.40)	(127,029,172.60)

⁵ Due to some variations between the FCH JU Founding regulation and the financial regulation and the relevant accounting tables to be used the expression "Administrative expenses" is to be understood as "running costs". "Running costs" are defined as Title 1 and 2 expenditure.

1.4. Cash flow statement (Indirect method)

(All amounts in EUR)

	2013	2012
Cash Flows from operating activities		
SURPLUS/DEFICIT FROM ORDINARY ACTIVITIES	(151,074,897.40)	(127,029,172.60)
Adjustments:		
Amortisation of intangible fixed assets	4,683.04	4,297.89
Depreciation and impairment of tangible fixed assets	22,194.42	17,352.83
Non-cash in kind expenses	35,942,267.61	24,909,384.41
Increase/(decrease) in Provisions for risks and liabilities	(37,137.34)	67,652.32
(Increase)/decrease in Long term Pre-financing	19,928,417.48	2,235,551.94
(Increase)/decrease in Short term Pre-financing	1,109,778.72	17,571,651.86
(Increase)/decrease in Short term Receivables	(344,727.51)	72,048.05
Increase/(decrease) in Accounts payable	(249,639.18)	89,690.98
Increase/(decrease) in Co-financing to be paid to the Members	11,085,865.28	(12,083,276.44)
Increase/(decrease) in Contributions from Members to be validated	39,009,956.16	41,047,237.01
(Gains)/losses on disposal of Property, plant and equipment	1,985.11	587.21
NET CASH-FLOW FROM OPERATING ACTIVITIES	(44,601,253.61)	(53,096,994.54)
Cash Flows from investing activities		
Increase of tangible and intangible fixed assets	(8,731.90)	(46,517.57)
NET CASH FLOW FROM INVESTING ACTIVITIES	(8,731.90)	(46,517.57)
Cash flow from financing activities		
Contribution from Members (including cash for running costs)	58,829,900.92	56,324,774.74
NET CASH FLOW FROM FINANCING ACTIVITIES	58,829,900.92	56,324,774.74
NET CASH FLOW FROM ORDINARY ACTIITIES	14,219,915.41	3,181,262.63
Net increase/decrease in cash and cash equivalents	14,219,915.41	3,181,262.63
Cash and cash equivalents at the beginning of the period	12,393,872.26	9,212,609.63
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	26,613,787.67	12,393,872.26

1.5. Statement of changes in net assets and liabilities

(All amounts in EUR)

	2013	2012
NET ASSETS 01.01.2013	(1,265,733.09)	44,529,280.36
Contributions from Members	94,772,168.53	81,234,159.15
Contributions from Members used during the year	(151,074,897.40)	(127,029,172.60)
Net assets 31.12.2013	(57,568,461.96)	(1,265,733.09)

2. Notes to the financial statements

2.1. Accounting principles and accounting rules

The final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking have been prepared according to Article 111 of the JUs Financial Regulation which sets out the following accounting principles to be applied in drawing up the financial statements:

- Going concern basis
- Prudence
- Consistent accounting methods
- Comparability of information
- Materiality
- No netting
- Reality over appearance
- Accrual-based accounting

And according to the accounting rules and methods adopted by the European Commissions' Accounting Officer (Article 43(1)d of the Financial Regulation).

The accounting system of FCH JU comprises general accounts and budget accounts. These are kept in Euro on the basis of the calendar year.

2.2. Accounting policies

Cash contributions to the Joint Undertaking

The cash contributions to the Joint Undertaking are treated as contributions from members (or "quasi" equity) in accordance with the EU Accounting Rule 1. Even though the "General Financing Agreement between the European Commission and the Joint Undertaking" uses the term "pre-financing", in substance this "pre-financing" is to be considered EU's member contribution.

In-kind contributions to the Joint Undertaking

The Members of the Joint Undertaking can contribute "resources", usually in-kind contributions to the Joint Undertaking. In-kind contributions are of equal "value" as the cash contributions and should be treated similarly.

Therefore both cash and in-kind contributions are shown in the balance sheet under the heading "net assets". In-kind contributions from Industry Grouping and Research Grouping will derive from beneficiaries' participation in FCH JU projects and will become net assets after validation by the Authorising Officer. The Governing Board of FCH JU adopted the "methodology for assessing the in-kind contributions"⁶ on 10 February 2012.

⁶ Council Regulation (EC) No 521/2008, Statutes of FCH JU, article 12

2.3. Validation of the accounting system

Article 43 e) of the Financial rules of the FCH JU foresee that the accounting officer shall be responsible for:

“Laying down and validating the accounting systems and, where appropriate, validating systems laid down by the authorising officer to supply or justify accounting information; the accounting officer shall be empowered to verify the respect of validation criteria”.

The former accounting officer of FCH JU validated the accounting system of the JU on 21 November 2011, identifying some weaknesses and making some observations and recommendations. The FCH JU will follow up on this validation report in 2014, focusing on the follow up of the recommendations of the 2011 report and any other major changes to the systems, additional information and/or improvements implemented in the meantime.

2.4. Transactions and balances in foreign currency

Foreign currency transactions are converted into Euros using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the economic outturn account.

2.5. Use of estimates

In accordance with generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management. Significant estimates include, but are not limited to, accrued income and charges, contingent assets and liabilities. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

2.6. Cut-off methodology

In line with the accrual based principles of the EC Accounting rules, at the end of the financial year the JU is required to recognise project costs where a reliable estimate of these costs may be made (the year-end “cut-off”). This typically includes expenditure incurred by projects which is not covered by cost claims already validated by the end of the year. This is important given the multi-annual nature of the projects funded by the JU, as many projects will be on-going at the year-end and precise information regarding the level of costs incurred may not be available at the date of the preparation of the accounts.

In recognising expenditure for the year-end cut-off, the JU forms its estimate by using the following information:

- Cost claims validated in the financial year;
- Cost claims validated by the cut-off date for 2013 Final Accounts (06 June 2014);
- Claims received by the cut-off date but not yet validated by management; and
- An estimate of expenditure for periods in the financial year not covered by cost claims validated or received by the cut-off date. This is based on a pro-rata temporis calculation of any remaining project budget⁷ not covered by cost claims.

In line with EC Accounting Rules and for the purposes of the year-end Accounts closure, expenditure is first offset against open pre-financing on a project-by-project basis. Any remaining expenditure not covered by open pre-financing is recognised within liabilities as ‘Co-financing to be paid’ for the additional JU contribution and as ‘Contributions from Members to be validated’ for the in-kind contributions. This adjustment is performed for the purposes of the year-end Accounts closure only, and does not represent formal validation of these cost claims/expenses or legal clearance of the pre-financing.

Further details of the impact of the cut-off methodology regarding in-cash and in-kind contributions are provided in notes 8 and 9.

2.7. Voting rights

The Governing Board of the Fuel Cells and Hydrogen Joint Undertaking is composed of 12 representatives, each one with one voting right. The Industry Grouping has 6 seats and voting rights; the Research Grouping one seat and voting right; and the European Commission holds 5 seats and voting rights. The vote of the Commission is indivisible. The members shall use their best efforts to achieve consensus. Failing consensus, the Governing Board shall take its decisions by a three-quarter majority of the voting rights (9/12).

2.8. Related party disclosure

	2013	2012
Number of Authorising Officers at year end	1	1
Number of Authorising Officers by delegation at year end	2	2
Analysis by grade:		
AD14	1	1
AD11	2	2

The Authorising Officer and the Authorising Officers by delegation are remunerated in accordance with the Staff Regulation of the European Communities.

⁷ For establishing this estimate, it has been assumed that the final budget consumption of unfinished projects will be 95% of the original budget, based on results from finished projects.

2.9. Non-exchange transactions

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Disclosure and recognition of non-exchange transaction is governed by EU Accounting rule 17, which is based on International Public Accounting Standard (IPSAS) 23.

FCH JU is disclosing the following services in-kind:

“The Leasing (Availability) of a Hydrogen powered Fuel Cell car for the FCH JU” from 3 October 2011 to 10 February 2013 (and renewed up to 14 March 2014) for 1.00 EUR from Hyundai Motor Company Brussels Office; this lease contract is considered an operating lease.

2.10. Events after the reporting date

Two hundred and thirty-seven cost claims (including cost claims adjustments for previous reporting periods and audit adjustments) related to twenty six projects have been validated between year-end and the cut-off date (6 June 2014 for the Final Accounts 2013). As these validations concern 2013 and previous years, the in-cash and in-kind contributions validated are included in the 2013 accounts.

In addition to the ex-post audits finalised during 2013, appropriate consideration has been given in the relevant sections of the Final Accounts to ex-post audit results which have been received and not fully finalised. The results of ex-post audits point to conditions (i.e. eligibility of expenditures incurred by beneficiaries) that existed at the balance sheet and should therefore considered to be an adjusting event. The balances at the year-end are thus adjusted to reflect the ex-post auditing findings in line with the relevant EC accounting rules.

2.11. Receivables

Receivables are carried at original invoice amounts less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that FCH JU will not be able to collect all amounts due according to the original terms of receivables.

2.12. Commitments for future funding at 31.12.2013

This is a voluntary disclosure that provides the reader with information on the total of commitments not yet consumed. The operating lease relates to the building premises located at avenue de la Toison d’Or 56-60, 1060 Bruxelles. The building has a lease of 15 years starting 29.11.2010, which includes an option to terminate on 31.12.2017. Outstanding contract amounts include rent, works, and related charges for the period up to 31.12.2017.

(All amounts in EUR)

	31.12.2013	31.12.2012
Commitments for future funding		
RAL - Commitments against appropriations not yet consumed	166,913,250.70	137,585,850.16
Operating lease	1,306,400.00	1,541,200.00
TOTAL	168,219,650.70	139,127,050.16

2.13. Notes to the balance sheet

Note 1: Non-current assets: Tangible and intangible fixed assets:

Items acquired whose purchase price is €420 or above, with a period of use greater than one year, are recorded in the fixed assets accounts. Items with an acquisition price value below €420 have been reflected in the accounts as administrative expenses.

The assets are valued at their acquisition price, less depreciation/amortisation and impairment. The depreciation method chosen is the monthly straight-line method applying the following depreciation rates:

Type of asset	Depreciation rate
Software	25%
Hardware	25%
Furniture	10 – 33 %
Plant, machinery and equipment	12.5 – 25 %

As of 31.12.2013:

(All amounts in EUR)

	Software (intangible)	Hardware	Furniture	Equipment	Total
Gross carrying amount on 01.01.2013	17,907.23	56,627.92	10,664.03	31,149.01	116,348.19
+/- Reclassification adjustments				0.60	0.60
+ Additions	900.00	450.07	5,837.14	1,543.68	8,730.89
- Phased out (purchase price)		(3,073.72)			(3,073.72)
Gross carrying amount on 31.12.2013	18,807.23	54,004.27	16,501.17	32,693.29	122,005.96
Accumulated depreciation and impairment 01.01.2013	8,084.78	22,188.49	1,477.36	6,363.03	38,113.66
+/- Reclassification adjustments					-
+ Depreciation, year of reporting	4,683.04	13,781.83	1,464.41	6,948.18	26,877.46
- Depreciation phased out items		(1,088.61)			(1,088.61)
+ Impairment, current year	-	-	-	-	-
Accumulated depreciation 31.12.2013	12,767.82	34,881.71	2,941.77	13,311.21	63,902.51
Net carrying amount	6,039.41	19,122.56	13,559.40	19,382.08	58,103.45

During the year, FCH acquired fixed assets in the amount of €8,730.89, which consist primarily of some furniture for the offices, material for communication purposes and IT equipment. Two laptop computers were phased out due to loss during the year, which led to recognition of a loss on disposal in the amount of €1,985.11.

Note 2: Long-term Pre-financing

All open pre-financing amounts on 31 December 2013 which are unlikely to be cleared in the course of the following year are reclassified as long-term pre-financing. FCH JU has made a systematic case-by-case pro-rata assessment for all pre-financings open on 31 December 2013.

Note 3: Current assets: Short-term pre-financing

Pre-financings made to the beneficiaries of grants remain the property of the JU until clearing through acceptance of costs from cost statements.

At the stage of project negotiation the programme office carries out ex ante verifications of the financial capacity of the beneficiaries. If a beneficiary is not successful in this verification the programme office either withholds all pre-financing to this beneficiary or requests a financial guarantee for the pre-financing amount. As of 31.12.2013, FCH JU held 57 letters of guarantee for a total amount of €18,639,064.31. These guarantees will be returned to the respective Guarantor upon actual clearing of the pre-financing.

According to accruals-based accounting principles, the part of the outstanding pre-financing deemed to have been used by the final beneficiary is estimated at 31 December 2013. This part is recognised as an expense and reduces the short-term pre-financing.

Provision for irrecoverable pre-financing

The short-term pre-financing balance is shown net of a provision for irrecoverable pre-financing of €1,134,976.87. This provision relates to three projects where beneficiaries went bankrupt whilst in receipt of pre-financing which had not yet been cleared through validation of cost claims. Recovery proceedings for these amounts have already started and the FCH JU is in contact with the administrators/liquidators of the companies. However, the FCH JU has concluded that it is unlikely that the open pre-financing will be recovered from the beneficiaries in question.

The provision has been applied to reduce open pre-financing as follows (data for 2012 is also indicated for comparative purposes):

	(All amounts in EUR)	
	2013	2012
Open pre-financing balance at 31 December	13,446,819.00	14,923,834.45
Provision for irrecoverable pre-financing	(1,134,976.87)	(1,502,213.60)
Net open pre-financing at 31 December	12,311,842.13	13,421,620.85

An equivalent expense has been recognised in the Economic Outturn Account for the movement in this provision. The provision will be reversed in 2014 should any amounts be recovered.

Contingent Assets: Potential recoveries of costs from beneficiaries resulting from ex-post audits

	(All amounts in EUR)	
	2013	2012
Contingent Assets	13,799.73	-
Potential recovery of costs from beneficiaries resulting from ex-post audits	13,799.73	-

From 2011 to 2013, the JU commissioned a number of ex-post audits of cost claims relating to the first calls for projects. As at the date of preparation of the Final Accounts 2013, the results of one audit had yet to be formally finalised, but the auditors noted adjustments reducing the original amount of the claim which had previously been validated by the JU. The JU has therefore

considered it more probable than not that this amount will be repayable to the JU. The contingent asset disclosed above represents the €13,799.73 recoverable in cash from the beneficiary by the JU.

Note 4: Short-term receivables

Sundry receivables

The sundry receivables balance is shown net of a provision for doubtful debts. This provision, amounting to €698,699.79, relates to receivables from two beneficiaries whose financial solvency is in question and which could negatively affect the likelihood to recover the amounts due to the JU.

	(All amounts in EUR)	
	2013	2012
Open accounts receivable balance at 31 December	1,147,432.48	107,092.15
Provision for doubtful debts	(698,699.79)	-
Net open accounts receivable at 31 December	448,732.69	107,092.15

Deferred charges

Deferred charges amounting to €10,641.21 consist of prepaid office expenses, missions, subscriptions and maintenance of software and hardware items that have been paid in 2013 but relate to the 2014 financial year.

Note 5: Cash and cash equivalents

At the end of the year 2013 FCH JU held one bank account with ING in Brussels. The balance on 31 December 2013 in this account was €26,613,787.67.

Note 6: Current liabilities: Current payables

On 31 December 2013 FCH JU had current payables in the amount of €3,681.42 to be paid to suppliers.

Note 7: Accrued charges

The accrued charges are the amounts estimated by the Authorising Officer of the costs incurred for services and goods delivered in year 2013 but not yet invoiced or processed by the end of the year. The total amount of €471,411.33 can be grouped in the following categories:

(All amounts in EUR)

	2013	2012
EC entities (evaluation platform and other services)	3,055.98	268,924.40
External service providers	167,603.44	102,590.03
Communication expenses	188,802.22	127,800.85
Experts	10,152.20	19,596.22
IT expenditure	16,448.84	7,160.68
Rent and building related expenditure	27,902.42	12,666.29
Annual leave not taken	46,292.79	46,243.94
Other staff expenditure	-	6,935.27
Fixed assets received but not invoiced	3,436.45	4,955.87
Other	7,716.99	7,193.50
Total	471,411.33	604,067.05

Note 8: Co-Financing to be paid

Co-Financing to be paid represents the anticipated JU in-cash contribution for operating expenses where expenditure has been estimated at the year-end. This includes expenses for claims received but not yet validated, pro-rated expense estimates less any pre-financing outstanding, and cash payable for claims validated and ex-post audit results finalised in 2014 up to the cut-off date. Amounts are calculated on a project-by-project basis.

The corresponding members' contributions to be validated represent the members' in-kind contributions relating to these estimated expenses and are detailed in Note 9 below.

Therefore, in line with the cut-off methodology detailed in section 2.6, eligible project costs sustained by the beneficiaries during a certain year, for which there is not yet a deliverable or cost statement or where deliverables or cost statements have not yet been accepted by the year end, are assessed by the programme office and accounted for as:

- accrued expenditure in the Economic Outturn account;
- the estimated contribution from the Members is entered as liability (Contributions from Members to be validated, see note 9)
- the FCH JU contribution is entered as liability in co-financing to be paid
- pre-financing on projects is cleared for 2013

Note 9: Contributions from Members to be validated

For all on-going or ended projects without a cost statement validated the programme office has estimated expenditure and related contributions from Members on a case by case basis with the best available information.

(All amounts in EUR)

	2013	2012
Industry in-kind contributions to running projects	76,557,970.07	52,195,614.68
Research in-kind contributions to running projects	38,526,683.14	23,879,082.37
Total	115,084,653.21	76,074,697.05

Further details of the cut-off methodology are provided in section 2.6.

Note 10: Short-term provision for risks and charges

	(All amounts in EUR)	
	2013	2012
Provision for salary indexation	30,514.98	67,652.32
Total	30,514.98	67,652.32

Provision for salary indexation

In compliance with the EU accounting rules, the JU has recognised a short term provision for outstanding salary payments relating to July 2012 to December 2013. After the decision of the European Court of Justice, the payment (for the same amount as indicated in the provision) was made by the date of preparation of the Final Accounts 2013.

Note 11: Net assets: Contributions from Members

The Fuel Cells and Hydrogen Joint Undertaking has three members, the European Commission, the Industry Grouping and the Research Grouping. All three members contribute in cash to the running costs of the JU. The European Commission contributes in cash to the funding of RTD projects whereas the Industry and Research Groupings contribute in-kind through project participants.

Detail Contributions validated at 31.12.2013⁸

(All amounts in EUR)

Contribution received up to 31.12.2013	Commission		Industry Grouping		Research Grouping		Total ⁸	
	Cash	In kind	Cash	In kind	Cash	In kind	Cash	In kind
A. Running Costs	5,423,301.54	1,808,299.27	7,176,780.23	-	1,196,129.55	-	13,796,211.32	1,808,299.27
Previous years	4,231,496.54	1,808,299.27	5,088,235.16	-	848,038.70	-	10,167,770.40	1,808,299.27
Current year	1,191,805.00	-	2,088,545.07	-	348,090.85	-	3,628,440.92	-
B. Operational costs (R&D Projects)	207,088,396.00	17,298,820.00	-	49,858,673.93	-	22,309,951.68	207,088,396.00	89,467,445.61
Previous years	151,886,936.00	17,298,820.00	-	24,580,853.08	-	11,645,504.92	151,886,936.00	53,525,178.00
Current year	55,201,460.00	-	-	25,637,677.50	-	10,707,147.59	55,201,460.00	36,344,825.09
Adjustments	-	-	-	(359,856.65)	-	(42,700.83)	-	(402,557.48)
TOTAL A+B	212,511,697.54	19,107,119.27	7,176,780.23	49,858,673.93	1,196,129.55	22,309,951.68	220,884,607.32	91,275,744.88
Contribution in cash/kind in %	96.21%	20.93%	3.25%	54.62%	0.54%	24.44%	100%	100%
Total contribution in %	74.20%		18.27%		7.53%		100%	
Voting rights	41.67%		50.00%		8.33%		100%	

⁸ By the cut-off date for the Final Accounts 2013 the Executive Director has also validated Other in-kind contributions from the JRC of an amount of €207,089.31. The cumulative amount validated in previous years was €454,492.62. JRC contributions are not included in the accounts according to Council Regulation (EC) No 521/2008 Article 5.4

Negative net assets

As at 31 December 2013, the JU has reported negative net assets of €57,568,461.96. This is due to the estimates required to prepare the 2013 Final Accounts and the timing for validating in-kind contributions. As noted above, only validated in-kind contributions are recognised in the Net Assets of the JU, representing cost claims which had been validated by the Authorising Officer at the date of the Final Accounts 2013 preparation (see Section 2.2 – Accounting Policies).

As at the date of the Final Accounts 2013 preparation, a significant proportion of the expenditure recognised by the JU has been validated by the Authorising Officer. In-kind contributions have been transferred to the Net Assets of the JU in the 2013 Final Accounts following validation of the related cost claims and adjustments by management.

The remaining portion of operational expenditure recognised in the 2013 Final Accounts has been calculated based on pro-rated estimates and/or claims which had been received but not yet validated by the JU as at the preparation date. The ‘in cash’ and ‘in-kind’ contributions for those cost claims and adjustments not yet approved by the Authorising Officer are reflected in the liabilities of the Balance sheet as “co-financing to be paid” and “contributions from members to be validated”, respectively.

The negative Net Assets do not indicate any risk of solvency, but are the consequence of the accounting method applied according to the specific accounting rules and guidance provided by the Commission for Joint Undertakings.

European Commission In-kind contribution

In 2010, FCH JU took over all running projects including the paid pre- financings which constitute financial assets for FCH JU. Previous year in-kind contributions from the EC represent the transfer of these assets from the EC to FCH JU for pre-autonomy running costs.

In-kind contributions from other members for operational cost

Column “Adjustments” includes only adjustments to validated in-kind contributions. These include ex-post audit adjustments of €266,085.39 and other adjustments for €136,472.09.

Note 12: Contributions from Members used during the year

The contributions from Members used during the year equal the Economic Outturn Account of the year 2013.

2.14. Notes to the economic outturn account

Note 13: Other operating revenue

	(All amounts in EUR)	
	2013	2012
Adjustments as a result of ex-post audits relating to claims previously validated	727,418.63	846,806.55
Negative claims received relating to claims previously validated	203,882.00	287,057.33
Reversal of provision for salary increases	37,137.34	-
Other revenue	3,859.34	11,866.51
Total	972,297.31	1,145,730.39

By the date of preparation of the Final Accounts 2013, the JU has received the results of 22 ex-post audits showing a reduction in the expenditure on contributions originally validated in previous years. The JU is entitled to recover the cash contribution and reduce the contributions from members by the portion affected. These amounts will be recovered in 2014 through recovery orders or offsetting with future claims of the same beneficiaries from the same projects audited.

Another ex-post audit showing reduced expenditure was still to be finalised as at the date of preparation of the Final Accounts 2013; this is disclosed separately in Note 3 as contingent assets.

Furthermore, in 2013 the JU received and validated a number of negative claim adjustments from beneficiaries relating to claims where the original amount had been validated in previous years (€67,409.91 JU in-cash, €90,186.42 industry in-kind, and €46,285.67 research in-kind).

In accordance with EC Financial Guideline 03 (IV.2.1.4), the finalised ex-post audit adjustments and validated negative claims relating to claims validated by the JU in previous years have been presented as 'Other Revenue' in the 2013 Final Accounts and the corresponding in-kind contribution in net assets has been reduced accordingly.

Funds received in cash from the Commission and from the other members of the JU are shown as Contributions received from members in the Net Assets of the Balance Sheet. They do not appear as revenue for the JU in the Economic Outturn Account.

The reversal of the provision for salary increases concern the reduction of the provision established in 2012 for the annual indexation for years 2011 and 2012, following the decision of the European Court of Justice.

Other Revenue includes only liquidated damages.

Financial revenue is disclosed in note 16 below.

Note 14: Administrative expenses

Administrative expenses incurred by the JU during 2013 can be grouped in terms of staff and other expenses and include the following:

	(All amounts in EUR)	
	2013	2012
Staff expenses	2,167,479.04	2,273,329.43
Salaries & entitlements	2,050,163.94	2,169,662.99
Missions	96,805.57	84,251.84
Training costs	20,509.53	19,414.60
Other administrative expenses	1,801,288.32	1,635,000.39
Experts	301,022.91	364,307.15
Rent and related cost	309,619.34	307,284.66
EC enties (evaluation platform and other services)	237,915.40	287,476.11
Other external service providers	384,099.76	270,396.55
Communication	400,904.23	259,427.04
IT costs	115,605.52	90,544.95
Other expenses	23,258.59	33,913.21
Depreciation and amortisation	26,877.46	21,650.72
Loss on disposal of fixed assets	1,985.11	-
Total	3,968,767.36	3,908,329.82

Note 15: Operational expenses

Operational expenses comprise all expenses related to projects that were performed in 2013 (estimated project progress).

	(All amounts in EUR)	
	2013	2012
Operational expenses validated (cost claims)	68,288,745.08	50,449,131.37
Operational expenses estimated based on received claims and pro-rated	78,948,890.12	71,188,882.62
Operational expenses - studies	608,648.00	1,300,026.06
Provision for irrecoverable pre-financing	331,463.06	1,502,213.60
Total	148,177,746.26	124,440,253.65

Note 16: Financial revenues

Financial revenues include only interest received on the bank account. According to the Statutes of FCH JU, article 12.5, bank interest shall be considered revenue and will be included in future budgets of FCH JU.

Note 17: Financial expenses

Financial expenses represent realised exchange rate differences for the year.

3. Report on the implementation of the budget

3.1. Budget outturn account

(All amounts in EUR)

	2013	2012
Revenue		
European Union Contribution	56,393,265.00	53,615,206.00
Industry Group Contribution	2,088,545.07	2,322,487.49
Research Group Contribution	348,090.85	387,081.25
Other revenue	312,910.26	2,001,585.52
Total revenue (1)	59,142,811.18	58,326,360.26
Expenditure		
Personnel expenses - Budget Title 1 - Payments	2,264,469.81	2,226,555.04
Administrative expenses - Budget Title II - Payments	1,183,604.60	921,573.03
Operational expenses - Budget Title III - Payments	38,961,481.40	51,146,785.18
Total expenditure (2)	42,409,555.81	54,294,913.25
Budget surplus (3)=(1)-(2)	16,733,255.37	4,031,447.01
Payment appropriations carried forward (RAL) (4)	618,612.58	807,637.62
Payment appropriations carried over (C4 to C5) (5)	172,104.49	1,732,080.91
Cancellation of unused appropriations from previous year (6)	55,891.72	111,932.62
Positive balance from year N-1 (7)	9,807,262.53	7,473,129.70
Other revenue not included in final accounts 2011 (8)	-	302,658.64
Overstatement of expenses final accounts 2011 (9)	-	427,813.09
Total Budget outturn (10) =(3)-(4)-(5)+(6)+(7)+(8)+(9)	25,805,692.55	9,807,262.53

3.2. Reconciliation of economic outturn and budgetary outturn

The financial statements of FCH JU are prepared on an accrual basis by which transactions are recorded in the period to which they relate. The result for the year using this basis is indicated in the economic outturn account. However, FCH JU uses a modified cash accounting system for preparing the budget outturn account. In this system, only the payments made and the revenues received in the period as well as the carry-over of appropriations are recorded. The difference between the budgetary outturn and the economic outturn is explained as follows:

		2013	2012
Economic result (- for loss)	-	(151,074,897.40)	(127,029,172.60)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)		-	
Adjustment for accrual Cut-off (reversal 31.12 N-1)	-	(146,482,751.08)	(68,627,126.14)
Adjustments for Accrual Cut-off (cut-off 31.12.N)	+	238,143,023.51	142,940,623.19
Unpaid invoices at year end but booked in charges (class 6)	+	475,354.75	120,926.88
Movement in short-term provisions	-/+	(37,137.34)	67,652.32
Movement in provision for irrecoverable pre-financing	+	(367,236.73)	1,502,213.60
Depreciation of intangible and tangible fixed assets	+	26,877.46	21,650.72
(Gains)/losses on disposal of Property, plant and equip.	-/+	1,985.11	587.21
Deferrals from N-1 (excluding interest)	+	7,554.24	24,277.78
Deferrals N	-	(10,641.21)	(7,554.24)
In-kind contributions	+	35,942,267.61	24,909,384.41
Pre-financing given in previous year and cleared in the year	+	10,920,924.57	12,025,925.81
Other receivables from N-1 (not cashed assigned revenue)	+	107,092.15	12,885.00
Other receivables N (not cashed assigned revenue)	-	(448,732.69)	(107,092.15)
Payments made from carry-over of payment appropriations	-	(724,993.93)	(37,646.16)
Bank interest received in N not in Budget Outturn Account	-	(28,383.32)	(63,511.75)
Recoveries in non-budget lines	-	(6,825.76)	(2,274.87)
Payments in non-budget lines	+	1,205.48	8,573.99
Payments using C5-C8 funds	+	2,483,826.81	906,897.04
Adjustments for budgetary items (items included in the budgetary result but not in the economic result)		-	-
Asset acquisitions	-	(8,731.90)	(46,517.57)
Assets additions included in accruals N	+	-	4,955.87
New pre-financing paid in the year and remaining open	-	(31,079,942.64)	(40,839,603.30)
Bank interest received in N for N-1	+	63,516.75	149,531.66
Budgetary recovery orders issued on balance sheet accounts (not 7 or 6 accounts) - Contributions	+	56,393,265.00	56,324,774.74
Budgetary recovery orders issued on balance sheet accounts (not 7 or 6 accounts) - pre-financing cashed in the year	+	2,088,545.07	1,702,450.00
Budgetary recovery orders issued on balance sheet accounts (not 7 or 6 accounts) - remaining uncashed	+	348,090.85	68,573.29
Payment appropriations carried over to N	-	(618,612.58)	(807,637.62)
Cancellation of unused carried over payment appropriations from previous year	+	55,891.72	111,932.62
Adjustment for carry-over from the previous year of appropriations available at 31.12. arising from assigned revenue	-	(172,104.49)	(1,732,080.91)
Budgetary result year N-1	+	9,807,262.53	7,473,129.70
Other revenue not included in final accounts N-1	+	-	302,658.64
Overstatement of expenses final accounts N-1	+	-	427,813.09
Total	+	25,805,692.55	9,807,200.26
Budgetary result (+ for surplus)	+	25,805,692.55	9,807,262.53
Delta not explained		0.00	62.27

3.3. Budget execution 2013

Fund Source: C1

B. L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (Amount Accepted + In WKFL) (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1100	Basic salaries	1,451,472.00	1,339,639.44	92.30%	1,339,639.44	92.30%	111,832.56	-
A-1101	Family Allowances	263,000.00	199,489.76	75.85%	199,489.76	75.85%	63,510.24	-
A-1102	Expatriation and foreign residence allowance	182,000.00	156,428.68	85.95%	156,428.68	85.95%	25,571.32	-
	Sum:	1,896,472.00	1,695,557.88	89.41%	1,695,557.88	89.41%	200,914.12	-
A-1110	Contract Agents	207,136.00	200,052.41	96.58%	200,052.41	96.58%	7,083.59	-
A-1111	Non statutory staff and trainees	156,069.00	156,069.00	100.00%	100,148.44	64.17%	-	55,920.56
	Sum:	363,205.00	356,121.41	98.05%	300,200.85	82.65%	7,083.59	55,920.56
A-1130	Insurance against sickness	54,000.00	45,761.73	84.74%	45,761.73	84.74%	8,238.27	-
A-1131	Insurance against accidents and occupational disea	12,000.00	6,775.03	56.46%	6,775.03	56.46%	5,224.97	-
A-1132	Unemployment insurance for temporary staff	22,000.00	18,170.46	82.59%	18,170.46	82.59%	3,829.54	-
	Sum:	88,000.00	70,707.22	80.35%	70,707.22	80.35%	17,292.78	-
A-1141	Annual travel costs from the place of employment t	41,790.00	40,672.71	97.33%	40,672.71	97.33%	1,117.29	-
	Sum:	41,790.00	40,672.71	97.33%	40,672.71	97.33%	1,117.29	-
A-1177	Other services rendered	25,000.00	15,000.00	60.00%	12,277.62	49.11%	10,000.00	2,722.38
	Sum:	25,000.00	15,000.00	60.00%	12,277.62	49.11%	10,000.00	2,722.38
A-1200	Sundry engagement expenditure	5,000.00	4,416.02	88.32%	4,416.02	88.32%	583.98	-
A-1201	Installation resettlement and daily subsistence al	32,733.00	17,117.70	52.29%	14,457.70	44.17%	15,615.30	2,660.00
	Sum:	37,733.00	21,533.72	57.07%	18,873.72	50.02%	16,199.28	2,660.00

A-1300	Mission expenses duty travel expenses and other an	100,000.00	100,000.00	100.00%	94,222.91	94.22%	-	5,777.09
	Sum:	100,000.00	100,000.00	100.00%	94,222.91	94.22%	-	5,777.09
A-1430	Medical service	8,000.00	6,450.00	80.63%	2,707.72	33.85%	1,550.00	3,742.28
A-1431	Mobility costs and other social expenses for staff	5,000.00	4,327.44	86.55%	4,327.44	86.55%	672.56	-
	Sum:	13,000.00	10,777.44	82.90%	7,035.16	54.12%	2,222.56	3,742.28
A-1440	Training	30,000.00	27,793.58	92.65%	21,404.58	71.35%	2,206.42	6,389.00
	Sum:	30,000.00	27,793.58	92.65%	21,404.58	71.35%	2,206.42	6,389.00
A-1700	Entertainment and representation expenses	10,000.00	4,453.06	44.53%	3,517.16	35.17%	5,546.94	935.90
	Sum:	10,000.00	4,453.06	44.53%	3,517.16	35.17%	5,546.94	935.90
A-2000	Rentals	203,000.00	198,512.63	97.79%	198,512.63	97.79%	4,487.37	-
	Sum:	203,000.00	198,512.63	97.79%	198,512.63	97.79%	4,487.37	-
A-2010	Insurance	2,300.00	621.35	27.02%	621.35	27.02%	1,678.65	-
	Sum:	2,300.00	621.35	27.02%	621.35	27.02%	1,678.65	-
A-2020	Water gas electricity and heating	43,500.00	43,500.00	100.00%	33,115.94	76.13%	-	10,384.06
	Sum:	43,500.00	43,500.00	100.00%	33,115.94	76.13%	-	10,384.06
A-2030	Cleaning and maintenance	29,500.00	29,500.00	100.00%	18,825.09	63.81%	-	10,674.91
	Sum:	29,500.00	29,500.00	100.00%	18,825.09	63.81%	-	10,674.91
A-2040	Fitting-out of premises	50,000.00	45,364.07	90.73%	45,364.07	90.73%	4,635.93	-
	Sum:	50,000.00	45,364.07	90.73%	45,364.07	90.73%	4,635.93	-
A-2050	Security and surveillance	4,000.00	0.00	0.00%			4,000.00	-
	Sum:	4,000.00	-	0.00%			4,000.00	-

A-2101	Data-processing equipment	14,000.00	13,260.15	94.72%	6,407.25	45.77%	739.85	6,852.90
A-2102	Software development and purchase	57,000.00	42,303.24	74.22%	38,245.10	67.10%	14,696.76	4,058.14
A-2103	Other expenses	61,000.00	60,058.67	98.46%	43,563.49	71.42%	941.33	16,495.18
	Sum:	132,000.00	115,622.06	87.59%	88,215.84	66.83%	16,377.94	27,406.22
A-2200	Purchase	8,000.00	636.98	7.96%	636.98	7.96%	7,363.02	-
A-2202	Maintenance utilisation and repairs	2,000.00	0.00	0.00%			2,000.00	
	Sum:	10,000.00	636.98	6.37%	636.98	6.37%	9,363.02	-
A-2300	Stationery and office supplies	15,000.00	14,579.23	97.19%	6,433.52	42.89%	420.77	8,145.71
	Sum:	15,000.00	14,579.23	97.19%	6,433.52	42.89%	420.77	8,145.71
A-2320	Bank charges	500.00	0.00	0.00%			500.00	
	Sum:	500.00	-	0.00%			500.00	
A-2330	Legal expenses	5,000.00	0.00	0.00%			5,000.00	
	Sum:	5,000.00	-	0.00%			5,000.00	
A-2351	Petty expenses	2,000.00	0.00	0.00%			2,000.00	
	Sum:	2,000.00	-	0.00%			2,000.00	
A-2360	Library stocks purchase of books	10,000.00	6,456.68	64.57%	5,906.68	59.07%	3,543.32	550.00
	Sum:	10,000.00	6,456.68	64.57%	5,906.68	59.07%	3,543.32	550.00
A-2370	Translation interpretation	8,500.00	4,979.92	58.59%	4,979.92	58.59%	3,520.08	-
	Sum:	8,500.00	4,979.92	58.59%	4,979.92	58.59%	3,520.08	-
A-2400	Correspondence postage and telecommunications	14,500.00	13,460.59	92.83%	6,906.88	47.63%	1,039.41	6,553.71
	Sum:	14,500.00	13,460.59	92.83%	6,906.88	47.63%	1,039.41	6,553.71

A-2500	Meetings in general	40,000.00	33,936.52	84.84%	31,179.64	77.95%	6,063.48	2,756.88
	Sum:	40,000.00	33,936.52	84.84%	31,179.64	77.95%	6,063.48	2,756.88
A-2600	Communication costs	440,000.00	426,422.23	96.91%	203,366.85	46.22%	13,577.77	223,055.38
A-2601	External audit	187,998.00	161,081.74	85.68%	5,300.00	2.82%	26,916.26	155,781.74
	Sum:	627,998.00	587,503.97	93.55%	208,666.85	33.23%	40,494.03	378,837.12
A-2700	Studies	25,000.00	12,757.50	51.03%			12,242.50	12,757.50
	Sum:	25,000.00	12,757.50	51.03%			12,242.50	12,757.50
A-2800	Expert contracts and meetings	430,000.00	384,314.53	89.38%	302,357.21	70.32%	45,685.47	81,957.32
A-2801	Evaluation platform and eFP7 services	233,002.00	231,882.00	99.52%	231,882.00	99.52%	1,120.00	-
	Sum:	663,002.00	616,196.53	92.94%	534,239.21	80.58%	46,805.47	81,957.32
B3-000	Implementing the research agenda of FCH JU	69,991,039.00	69,606,239.00	99.45%	30,387,290.40	43.42%	384,800.00	39,218,948.60
	Sum:	69,991,039.00	69,606,239.00	99.45%	30,387,290.40	43.42%	384,800.00	39,218,948.60
	Sum:	74,482,039.00	73,672,484.05	98.91%	33,835,364.81	45.43%	80,9554.95	39,837,119.24

Fund Source: C2

B. L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (Amount Accepted + In WKFL) (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
B3-000	Implementing the research agenda of FCH JU	8,056,325.00	8,056,325.00	100.00%	8,574,191.00	106.43%	-	(517,866.00)
	Sum:	8,056,325.00	8,056,325.00	100.00%	8,574,191.00	106.43%	-	(517,866.00)
	Sum:	8,056,325.00	8,056,325	100.00%	8,574,191.00	106.43%	0	-517866

Fund Source: C4

B. L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (Amount Accepted + In WKFL) (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1177	Other services rendered	104.53	0.00	0.00%			104.53	
	Sum:	104.53	-	0.00%			104.53	
A-2010	Insurance	294.21	0.00	0.00%			294.21	
	Sum:	294.21	-	0.00%			294.21	
B3-000	Implementing the research agenda of FCH JU	171,999.96	94,322.84	54.84%			77,677.12	94,322.84
	Sum:	171,999.96	94,322.84	54.84%			77,677.12	94,322.84
	Sum:	172,398.70	94322.84	54.71%			78075.86	94322.84

Fund Source: C5

B. L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (Amount Accepted + In WKFL) (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1440	Training	645.00	645.00	100.00%	645.00	100.00%	-	-
	Sum:	645.00	645.00	100.00%	645.00	100.00%	-	-
A-2101	Data-processing equipment	722.68	722.68	100.00%	450.07	62.28%	-	272.61
	Sum:	722.68	722.68	100.00%	450.07	62.28%	-	272.61
A-2400	Correspondence postage and telecommunications	169.33	169.33	100.00%			-	169.33
	Sum:	169.33	169.33	100.00%			-	169.33
A-2500	Meetings in general	243.60	243.60	100.00%	243.60	100.00%	-	-
	Sum:	243.60	243.60	100.00%	243.60	100.00%	-	-

B3-000	Implementing the research agenda of FCH JU	1,302,010.34	1,302,010.34	100.00%	1,730,300.30	132.89%	-	(428,289.96)
	Sum:	1,302,010.34	1,302,010.34	100.00%	1,730,300.30	132.89%	-	(428,289.96)

	Sum:	1,303,790.95	1303790.95	100.00%	1,731,638.97	132.82%	0	-427848.02
--	------	--------------	------------	---------	--------------	---------	---	------------

Fund Source: C8

B. L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (Amount Accepted + In WKFL) (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1111	Non statutory staff and trainees	33,550.34	32,506.47	96.89%	32,506.47	96.89%	1,043.87	-
	Sum:	33,550.34	32,506.47	96.89%	32,506.47	96.89%	1,043.87	-

A-1177	Other services rendered	490.00	60.00	12.24%	60.00	12.24%	430.00	-
	Sum:	490.00	60.00	12.24%	60.00	12.24%	430.00	-

A-1201	Installation resettlement and daily subsistence al	6,613.96	6,613.96	100.00%	6,613.96	100.00%	-	-
	Sum:	6,613.96	6,613.96	100.00%	6,613.96	100.00%	-	-

A-1300	Mission expenses duty travel expenses and other an	1,300.00	1,108.57	85.27%	1,108.57	85.27%	191.43	-
	Sum:	1,300.00	1,108.57	85.27%	1,108.57	85.27%	191.43	-

A-1430	Medical service	2,822.20	881.70	31.24%	881.70	31.24%	1,940.50	-
A-1431	Mobility costs and other social expenses for staff	321.31	299.42	93.19%	299.42	93.19%	21.89	-
	Sum:	3,143.51	1,181.12	37.57%	1,181.12	37.57%	1,962.39	-

A-1440	Training	5,893.50	5,893.50	100.00%	5,893.50	100.00%	-	-
	Sum:	5,893.50	5,893.50	100.00%	5,893.50	100.00%	-	-

A-2020	Water gas electricity and heating	33.55	0.00	0.00%			33.55	-
	Sum:	33.55	-	0.00%			33.55	-
A-2030	Cleaning and maintenance	3,223.81	0.00	0.00%			3,223.81	-
	Sum:	3,223.81	-	0.00%			3,223.81	-
A-2050	Security and surveillance	4,000.00	0.00	0.00%			4,000.00	-
	Sum:	4,000.00	-	0.00%			4,000.00	-
A-2101	Data-processing equipment	775.87	775.87	100.00%	775.87	100.00%	-	-
A-2102	Software development and purchase	21,587.09	21,587.09	100.00%	19,159.89	88.76%	-	2,427.20
A-2103	Other expenses	9,308.73	6,099.81	65.53%	6,099.81	65.53%	3,208.92	-
	Sum:	31,671.69	28,462.77	89.87%	26,035.57	82.20%	3,208.92	2,427.20
A-2200	Purchase	4,075.56	4,075.56	100.00%	4,075.56	100.00%	-	-
	Sum:	4,075.56	4,075.56	100.00%	4,075.56	100.00%	-	-
A-2300	Stationery and office supplies	5,928.59	5,626.66	94.91%	5,626.66	94.91%	301.93	-
	Sum:	5,928.59	5,626.66	94.91%	5,626.66	94.91%	301.93	-
A-2370	Translation interpretation	12,648.67	11,232.10	88.80%	11,232.10	88.80%	1,416.57	-
	Sum:	12,648.67	11,232.10	88.80%	11,232.10	88.80%	1,416.57	-
A-2400	Correspondence postage and telecommunications	4,323.26	3,098.75	71.68%	3,098.75	71.68%	1,224.51	-
	Sum:	4,323.26	3,098.75	71.68%	3,098.75	71.68%	1,224.51	-
A-2500	Meetings in general	1,643.62	1,309.92	79.70%	1,309.92	79.70%	333.70	-
	Sum:	1,643.62	1,309.92	79.70%	1,309.92	79.70%	333.70	-

A-2600	Communication costs	146,395.78	122,369.44	83.59%	122,369.44	83.59%	24,026.34	-
A-2601	External audit	208,665.56	208,427.56	99.89%	208,427.56	99.89%	238.00	-
	Sum:	355,061.34	330,797.00	93.17%	330,797.00	93.17%	24,264.34	-
A-2700	Studies	48,440.00	47,204.00	97.45%	47,204.00	97.45%	1,236.00	-
	Sum:	48,440.00	47,204.00	97.45%	47,204.00	97.45%	1,236.00	-
A-2800	Expert contracts and meetings	19,596.22	19,469.88	99.36%	19,469.88	99.36%	126.34	-
A-2801	Evaluation platform and eFP7 services	266,000.00	255,974.78	96.23%	255,974.78	96.23%	10,025.22	-
	Sum:	285,596.22	275,444.66	96.45%	275,444.66	96.45%	10,151.56	-
B3-000	Implementing the research agenda of FCH JU	218,192,995.32	206,530,006.98	94.65%			11,662,988.34	206,530,006.98
	Sum:	218,192,995.32	206,530,006.98	94.65%			11,662,988.34	206,530,006.98
	Sum:	219,000,632.94	207,284,622	94.65%	752,187.84	0.34%	11,716,010.92	206,532,434.2

4. Report on budgetary and financial management during the year

Legal framework

In accordance with article 109 of the FCH JU Financial Rules the annual accounts shall be accompanied by a report on the budgetary and financial management during the year. This report is drawn under the responsibility of the Executive Director and the relevant part will be part of his Annual Activity Report.

4.1. Budget

In accordance with the Council Regulation 521/2008 setting up the Fuel Cells and Hydrogen Joint Undertaking (article 12 of its Statutes), the FCH JU is financed through contributions from its Members, including cash contributions from the Union and the Industry and Research Groupings for its running costs and a cash contribution from the Union for its operational activities.

4.1.1. Budget structure and fund sources

The budget of the FCH JU is divided into 3 titles as follows:

TITLE 1 Staff expenses

TITLE 2 Administrative expenses

TITLE 3 Operational expenses

Fund sources include funds from the current year (C1), funds carried over from the previous year (C8), reactivated unused appropriations from previous years (C2), internal assigned revenue (C4) and assigned revenues carried over from 2012 (C5).

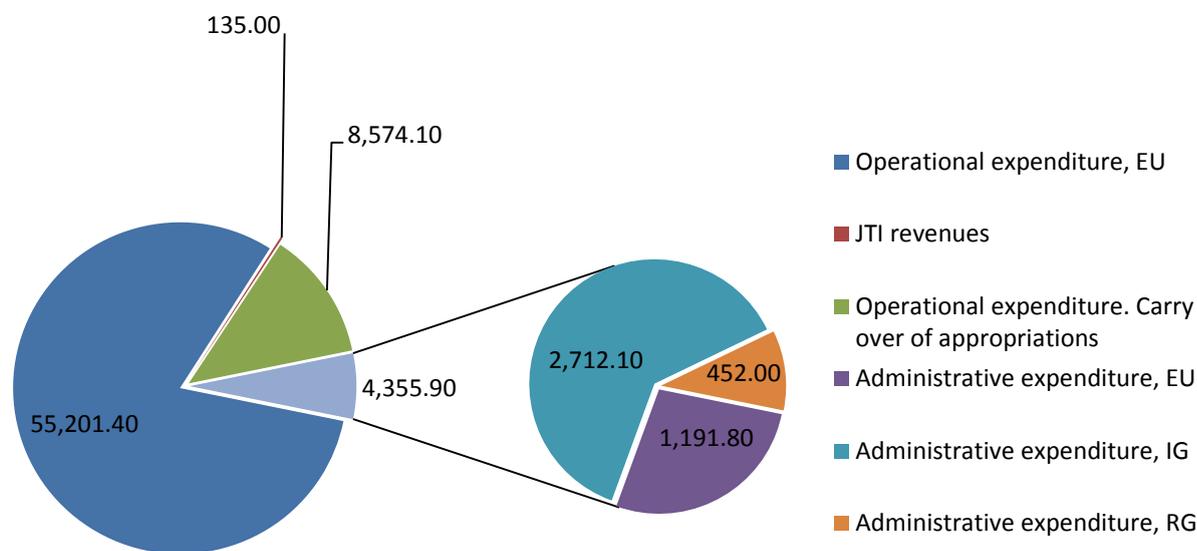
4.1.2. Budget Revenue

The funding of the FCH JU budget 2013 was as follows (in €):

Heading	CA	PA	Cashed in 2013
Union contribution* for operational expenditure	69,991,039	55,201,460	55,201,460
Union Contribution* for administrative expenditure	1,191,805	1,191,805	1,191,805
Industry Grouping	2,712,167	2,712,167	2,088,545
Research Grouping	452,028	452,028	348,091
Other revenues	135,000	135,000	312,910
Re-activation of appropriations	8,056,325	8,574,191	
TOTAL	82,538,364	68,266,651	59,142,811

* Includes EFTA contribution

FCH JU Budget 2013 Breakdown of Payment appropriations (in thousands €) PA



(Note: Other revenues include, in addition to interest, liquidated damages.)

For Title 1 and 2 appropriations are non-differentiated: commitment and payment appropriations are of equal amount. For Title 3 appropriations are differentiated. Commitments are paid over several years in accordance with contractual obligations.

4.1.3. Budget amendments and transfers

- Amendments

During the financial year 2013 the FCH JU carried out three budget amendments as follows (amounts in €):

	Initial	Amendment n° 1	Amendment n° 2	Amendment n° 3	Final budget
CA	80,560,693	+241,574	+1,896,097	-160,000	82,538,364
PA	82,651,000	+8,574,191	-22,798,540	-160,000	68,266,651

CA=Commitment Appropriations

PA= Payment Appropriations

Budget amendment n°1 was adopted by the GB on 14 March 2013 and consisted in reactivations as presented in the following table (amounts in €):

Heading	CA	PA
C2 reactivation of appropriations (2011)	46,638	46,638
C2 reactivation of appropriations (2012)	194,936	8,527,553
<i>Total</i>	241,574	8,574,191

Budget amendment n° 2 was adopted by the GB at its meeting of 24 June 2013 and consisted in the reactivations of Commitment Appropriations and a decrease in Payment Appropriations for Operations as presented in the following table (amounts in €):

Heading	CA	PA
European Commission subsidy for operational expenditure	-	-22,798,540
C2 reactivation of commitment appropriations (2011)	1,896,097	-
<i>Total</i>	1,896,097	-22,798,540

Budget amendment n° 3 was adopted by the GB by written procedure in October 2013 and consisted in the modifications as presented in the following table (amounts in €):

Heading	CA	PA
JTI revenues	-160,000	-160,000
<i>Total</i>	-160,000	-160,000

- Transfers

In accordance with the FCH JU Financial Rules (article 23) the Executive Director may make transfers from one chapter to another without limit and from one title to another up to 10% of the appropriations for the financial year shown on the line from which the transfer is made. There were no budget transfers between titles. The Executive Director authorized on 29 May 2013, 26 September 2013 and on 6 November 2013 three budget transfers between expenditure lines within title 1 and within title 2, in order to adjust expenditure to the needs of the FCH JU.

4.1.4. Budget expenditure

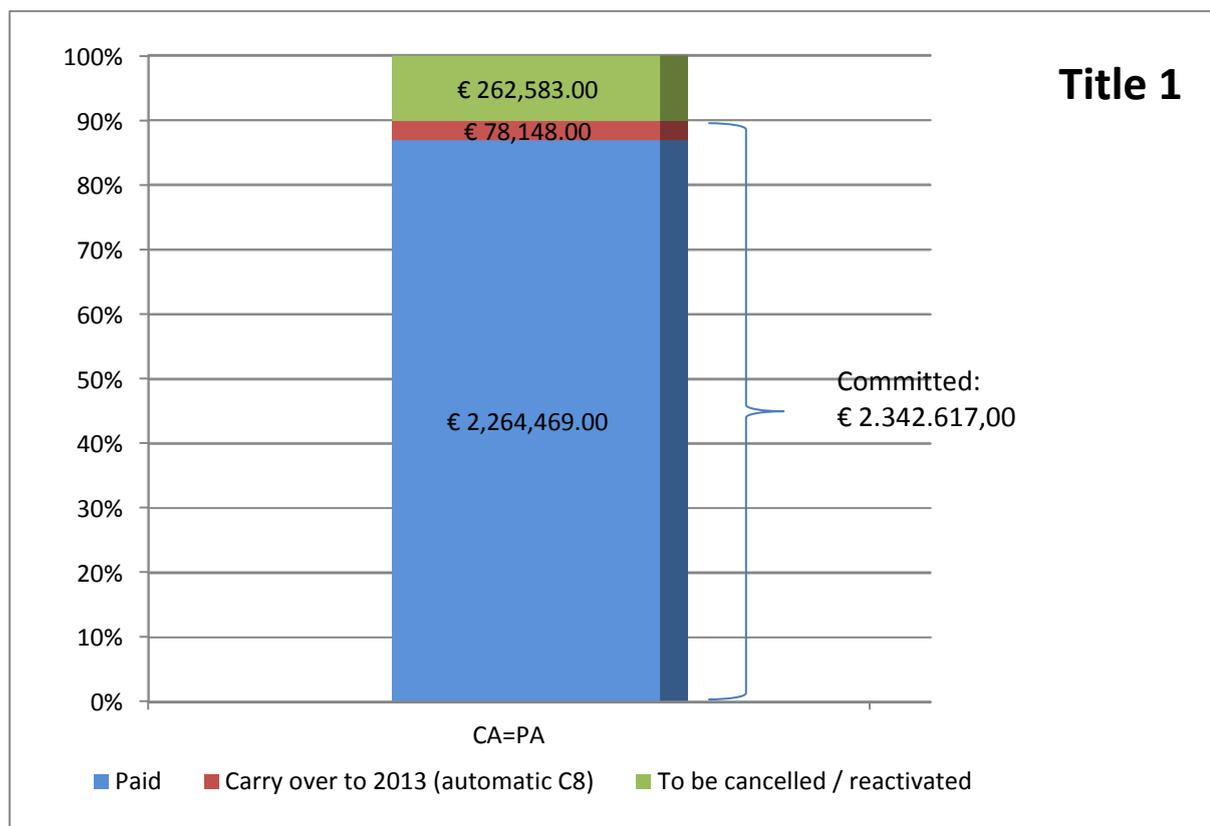
Budget execution at year end for fund source C1 reached 98.91% in terms of commitment appropriations and 56.68 % in terms of payment execution.

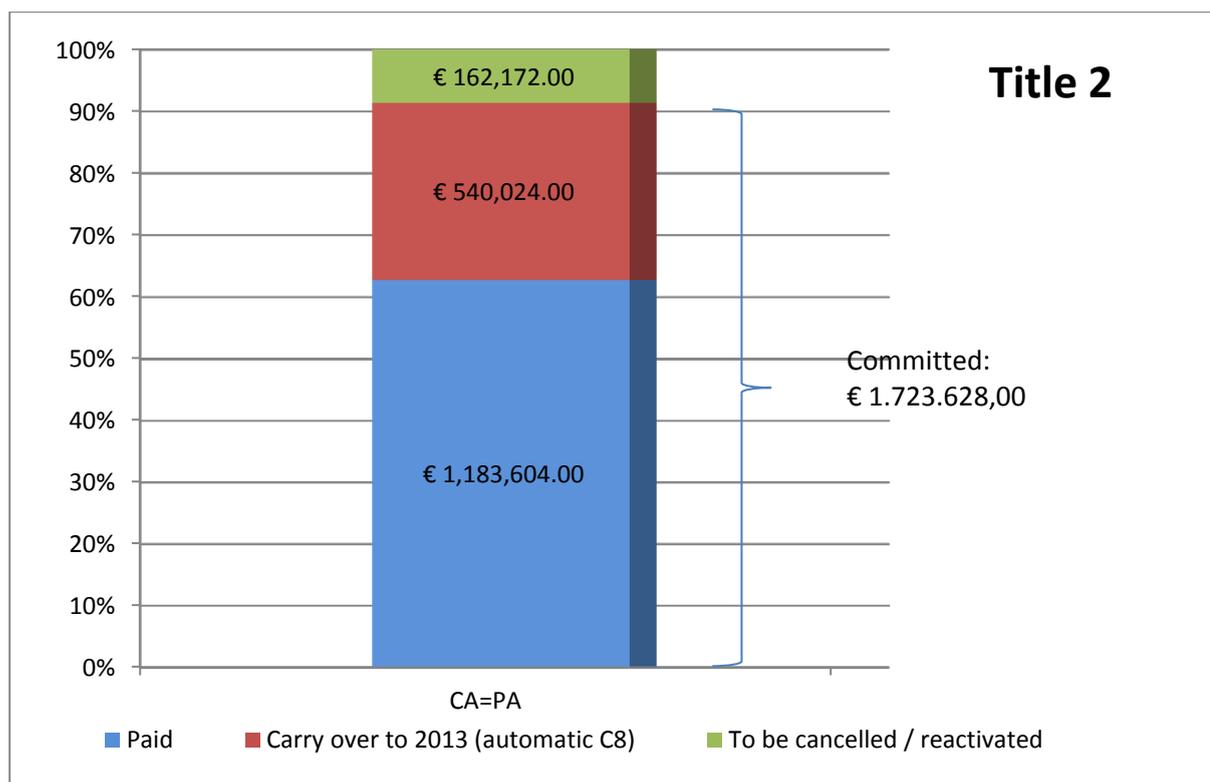
Below is an overview of the budget implementation (execution on commitments and payments) by fund source:

2013 - C 1

(amounts in €)

	Commitment Appropriations	Committed	% committed	Payment Appropriations	Paid	% paid	Carry over to 2014 (automatic C8)	To be cancelled/ reactivated
Title 1	2,605,200.00	2,342,617.00	89.92%	2,605,200.00	2,264,469.81	86.92	78,147.19	262,583.00
Title 2	1,885,800.00	1,723,628.03	91.40%	1,885,800.00	1,183,604.60	62.76	540,023.43	162,171.97
<i>Subtotal</i>	<i>4,491,000.00</i>	<i>4,066,245.03</i>	<i>90.54%</i>	<i>4,491,000.00</i>	<i>3,448,074.41</i>	<i>76.77</i>	<i>618,170.62</i>	<i>424,754.97</i>
Title 3	69,991,039.00	69,606,239.00	99.45%	55,201,460.00	30,387,290.40	55.04	0.00	24,814,169.60
Total	74,482,039.00	73,672,484.03	98.91%	59,692,460.00	33,835,364.81	56.68	618,170.62	25,238,924.57





Automatic carry-overs and reactivations to budget year 2014

- Automatic carry-overs

- Non-differentiated appropriations corresponding to obligations duly contracted at the close of the financial year are carried over automatically to the following year (C8).

These automatic carry-overs amount to 618,170.62 € and mainly relate to: ex-post audits of beneficiaries (155.781,74 €) communication (223.055,38 €) expert meetings and FP7 tools (81.957,32 €) non statutory staff and trainees (55.920,56 €) and IT infrastructure (27.406,22 €)

- Reactivations

- Unused payment appropriations from operations 2013 (24,814,169.60 €) stem from the lower amount of paid pre-financing on call 2012 (due to failure of negotiations for 2 large projects of which only partially compensated by 1 project taken from the reserve list, and guarantees for pre-financing not received) and from the lower amount paid under cost claims due notably to clarification reports in the frame of ex-ante controls still pending. They will be reactivated as necessary in the FCH JU 2014 budget through a budget amendment for adoption by the Governing Board and used for payment of operations (title 3).

2013 – C 2

(amounts in €)

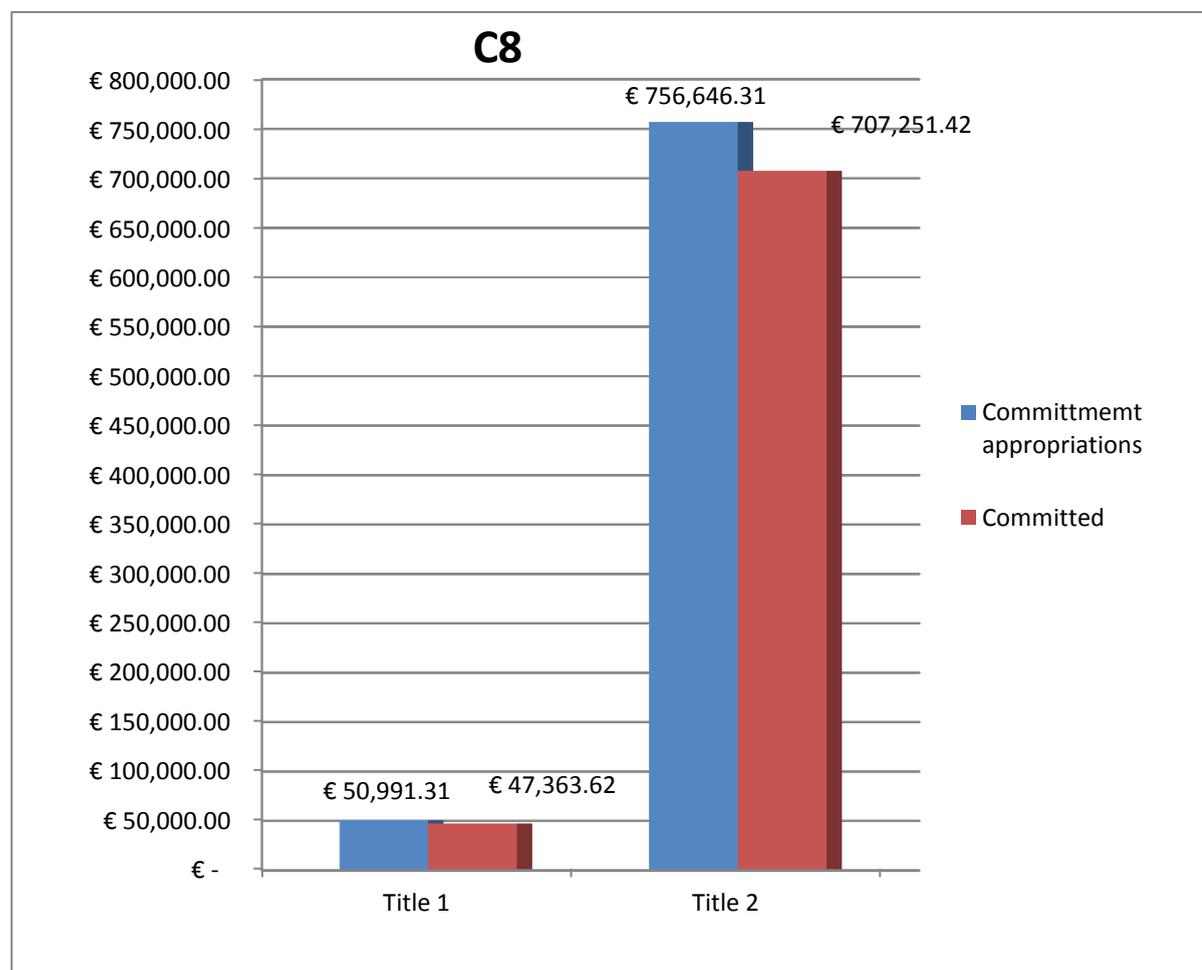
	Commitment appropriations	Committed	% committed	Balance commitment	Payment appropriations	Paid	% Paid
Title 3	8.056.325,00	8.056.325,00	100 %	0	8.574.191,00	8.574.191,00	100 %

These amounts correspond to reactivation of unused appropriations cancelled in 2012 and entered in 2013 budget initially or by amendment.

2013 – C 8

(amounts in €)

	Commitment Appropriations	Committed	% committed	Payment Appropriations	Paid	% paid	To be cancelled /reactivated
Title 1	50,991.31	47,363.62	92,89%	50,991.31	47,363.62	92,89%	3,627.69
Title 2	756,646.31	707,251.42	93,47%	756,646.31	704,824.22	93,15%	49,394.89
<i>Subtotal</i>	807,637.62	754,615.04	93,43%	807,637.62	752,187.84	93,13%	53,022.58
Title 3	218,192,995.32	206,530,006.98	94,65%	0	0		11,662,988.34
Total	219,000,632.94	207,284,622.02	94,65%	807,637.62	752,187.84		11,716,010.92





- A total amount of 754,615.04 € carried over from 2012 appropriations for administrative expenditure (title 1 & 2) were paid. These payments consisted mainly of recruitment of non-statutory staff and trainees (32,506.47 €) installation, resettlement and daily subsistence allowance (6,613.96 €) and training (5,893.50 €) for Title 1 and in communication costs (122,369.44 €), expenditures related to external audit (208,427.56 €), expert contracts and meetings (19,469.88 €) and expenditures related to evaluation platform and eFP7 services (255,974.78 €).
- The unused commitment appropriations from operations (11,662,988.34 €) include an amount of 11,654,464.40 € related to call 2012 (2 large projects for which the negotiation failed), and of 8,523.94 € related to studies 2011. These will be reactivated as necessary for call 2013-2. .

2013 – C 4

(amounts in €)

	Appropriations	Committed	%	Paid	%
Title 1	104.53	0	0	0	0
Title 2	294.21	0	0	0	0
<i>Sub-total</i>	398.74	0	0	0	0
Title 3	171,999.96	94,322.84	54,71 %	0	0
Total	172,398.70	94,322.84	54,71 %	0	0

The funds relate to recovery of amounts due by third parties. These amounts are carried over automatically to 2014 (C5) and will be used for the FCH JU activity.

2013 – C 5

(amounts in €)

	Commitment Appropriations	Committed	% committed	Payment Appropriation	Paid	% paid	To be cancelled/ reactivated
Title 1	645.00	645.00	100 %	645.00	645.00	100%	0
Title 2	1,135.61	1,135.61	100 %	1,135.61	693.67	61.08%	441.94
<i>Sub-total</i>	1,780.61	1,780.61	100 %	1,780.61	1,338.67	75.18%	441.94
Title 3	1,302,010.34	1,302,010.34	100 %	1,730,300.30	1,730,300.30	100%	0
Total	1,303,790.95	1,303,790.95	100 %	1,732,080.91	1,731,638.97	99.97%	441.94

The funds correspond to assigned revenues of 2012 carried over in 2013.

The amount of 441.94 € from Title 2 is carried over automatically to C8, in 2014.

4.1.5. Amounts due to be recovered

Article 59 of the FCH JU Financial Rules provides for the attachment of the list of amounts due to be recovered to the report on budgetary and financial management. As of 31.12.2013 there were 3 recovery orders issued in March 2013 corresponding to recovery of pre-financing due by a bankrupt company for an amount of 751,932 €. This amount is unlikely to be recovered and will be waived when the file is closed.

Furthermore, an amount of 134.21 € corresponding to the reimbursement of the share of common insurance due by another JU was cashed on 27.01.2014.

4.2. Financial management

For the year 2013 main achievements include the following:

- The Finance & Administration unit verified commitments for administrative expenditure (titles 1 & 2) for an amount of 4,066,245.03 € and for operations for an amount of 77,662,564 € (including mainly 28 projects call 2012 and 1 procured study). Payment orders, issued by the Director were executed during the year for a total amount 44,893,382.62 € with the following breakdown:

Type	Amount
Operational expenditure (pre-financings projects Call 2012)	28,151,279.00€
Operational expenditure (pre-financings projects Calls 2008-2011)	2,928,663.64€
Operational expenditure (interim payments projects Calls 2008-2011)	8,940,194.05€
Operational expenditure (final payments projects Call 2008/2009)	130,568.95€
Operational expenditure (studies)	541,076.06€
Sub-total operational	40,691,781.70€
Administrative expenditure	4,201,600.92 €
TOTAL	44,893,382.62€

- The team also carried out the verification and payment of missions for staff (about 110) and of reimbursement claims for experts and candidates (159).
- The development and implementation of a tool for generating any kind of document related to FCH JU projects directly from templates that are stored in the system.
- The procurement activity included notably the following:
 - Finalisation of a negotiated procedure for a study on electrolyser. The study is on-going and will be finalised by the end of January 2014.
 - Conclusion of a specific contract for a study exploring the conditions in which private investments, in particular debt finance, could become available to finance the H2 infrastructure.
 - Conclusion of an opened negotiated procedure for a contract for catering services.
 - Contracting of an external audit firm through use of the Commission's framework contract (with reopening of competition).
 - In addition the FCH JU joined several inter-institutional procurement procedures launched by the EC in particular for audits, accounting advice, IT products and services.
- The carrying out of Financial Verifications checks for about 51 beneficiaries in call 2012 projects and for 71 beneficiaries (out of a total of 119) in call 2013 for which negotiations are on-going.
- The ex-ante control of cost claims submitted by beneficiaries and the processing of related payments. The ex-ante control procedures were also reviewed and checklists revised with the aim of reducing the errors in cost claims.
- The further development of the ex-post audit process with the implementation of results of the on-going ex-post audits launched in 2011 and in 2012 and the further implementation of the ex-post audit strategy with the launch of a new additional batch involving the 3 external audit firms with which the JU has a framework contract.
- The organisation of 2 sessions of a communication campaign (with both on site and on-line participation) for beneficiaries and CFS auditors covering 117 projects emphasising and giving advice on avoiding the most common errors in cost claims.
- The updating of the Guide to financial issues and of the Guide on Project Reporting for beneficiaries of the FCH JU programme published in October and December 2013.