

Fuel Cells and Hydrogen

Joint Undertaking

Provisional Annual Accounts

Financial year 2012

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

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

Brussels, 22 February 2013



Table of Contents

Abbreviations

| | |
|--|-----------|
| Introduction | 1 |
| <i>Basis of preparation</i> | <i>1</i> |
| <i>Reporting entity.....</i> | <i>1</i> |
| <i>Certificate of the Interim Accounting Officer</i> | <i>3</i> |
| | |
| 1. Financial Statements | 4 |
| 1.1. <i>Balance Sheet – Assets</i> | <i>4</i> |
| 1.2. <i>Balance Sheet - Liabilities.....</i> | <i>5</i> |
| 1.3. <i>Economic Outturn Account</i> | <i>6</i> |
| 1.4. <i>Cash flow statement (Indirect method).....</i> | <i>7</i> |
| 1.5. <i>Statement of changes in net assets and liabilities 2012.....</i> | <i>8</i> |
| | |
| 2. Notes to the financial statements..... | 9 |
| 2.1. <i>Accounting principles and accounting rules</i> | <i>9</i> |
| 2.2. <i>Accounting policies.....</i> | <i>9</i> |
| 2.3. <i>Validation of the accounting system.....</i> | <i>10</i> |
| 2.4. <i>Transactions and balances in foreign currency</i> | <i>10</i> |
| 2.5. <i>Use of estimates</i> | <i>10</i> |
| 2.6. <i>Cut-off methodology.....</i> | <i>10</i> |
| 2.7. <i>Voting rights</i> | <i>11</i> |
| 2.8. <i>Related party disclosure</i> | <i>11</i> |
| 2.9. <i>Non-exchange transactions</i> | <i>12</i> |
| 2.10. <i>Events subsequent to period end.....</i> | <i>12</i> |
| 2.11. <i>Receivables.....</i> | <i>12</i> |
| 2.12. <i>Commitments for future funding at 31.12.2012</i> | <i>13</i> |
| | |
| 2.13. <i>Notes to the balance sheet.....</i> | <i>14</i> |
| | |
| Note 1: <i>Non-current assets: Tangible and intangible fixed assets</i> | <i>14</i> |
| Note 2: <i>Long-term Pre-financing.....</i> | <i>15</i> |
| Note 3: <i>Current assets: Short-term pre-financing</i> | <i>15</i> |
| Note 4: <i>Short-term receivables.....</i> | <i>17</i> |
| Note 5: <i>Cash and cash equivalents</i> | <i>17</i> |
| Note 6: <i>Current liabilities: Current payables.....</i> | <i>17</i> |
| Note 7: <i>Accrued charges.....</i> | <i>17</i> |
| Note 8: <i>Co-Financing to be paid</i> | <i>18</i> |
| Note 9: <i>Contributions from Members to be validated</i> | <i>19</i> |
| Note 10: <i>Short term Provision for risks and charges.....</i> | <i>19</i> |
| Note 11: <i>Net assets: Contributions from Members.....</i> | <i>20</i> |
| Note 12: <i>Contributions from Members used during the year</i> | <i>23</i> |

| | | |
|-----------|---|-----------|
| 2.14. | <i>Notes to the economic outturn account</i> | 23 |
| | <i>Note 13: Other operating revenue</i> | 23 |
| | <i>Note 14: Administrative expenses</i> | 24 |
| | <i>Note 15: Operational expenses</i> | 24 |
| | <i>Note 16: Financial revenues</i> | 25 |
| | <i>Note 17: Financial expenses</i> | 25 |
| 3. | Report on the implementation of the budget | 26 |
| 3.1. | <i>Budget outturn account</i> | 26 |
| 3.2. | <i>Reconciliation of economic outturn and budgetary outturn</i> | 27 |
| 3.3. | <i>Budget execution 2012</i> | 28 |
| 4. | Report on budgetary and financial management during the year | 35 |
| 4.1. | <i>Budget</i> | 35 |
| 4.1.1. | <i>Budget structure and fund sources</i> | 35 |
| 4.1.2. | <i>Budget Revenue</i> | 36 |
| 4.1.3. | <i>Budget amendments and transfers</i> | 37 |
| 4.1.4. | <i>Budget expenditure</i> | 38 |
| 4.1.5. | <i>Amounts due to be recovered</i> | 43 |
| 4.2. | <i>Financial Management</i> | 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 | FORm 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 provisional 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 second 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 provisional annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the year 2012 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.

I was appointed by the Governing Board as Interim Accounting Officer on 28th January 2013. I have taken note of the hand-over letter of the 29th January 2013 from the former Accounting Officer.

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, consisting of a large, stylized initial 'A' followed by the name 'Antonio Requena Fernandez' written in a cursive script.

Antonio REQUENA FERNANDEZ

Interim Accounting Officer

1. Financial Statements

1.1. Balance Sheet – Assets

| | Note | 31.12.2012 € | 31.12.2011 € |
|---------------------------------|------|----------------------|----------------------|
| NON CURRENT ASSETS | | | |
| Intangible fixed assets | 1 | 9,822.45 | 13,341.76 |
| Tangible fixed assets | | 68,412.08 | 40,613.13 |
| Long-term pre-financing | 2 | 15,296,793.05 | 57,028,586.43 |
| TOTAL NON CURRENT ASSETS | | 15,375,027.58 | 57,082,541.32 |
| CURRENT ASSETS | | | |
| Short-term pre-financing | 3 | 48,932,204.78 | 30,993,272.71 |
| Short-term receivables | | 84,242.15 | 186,694.44 |
| Sundry receivables | 4 | 76,687.91 | 12,885.00 |
| Deferred charges | | 7,554.24 | 173,809.44 |
| Cash and cash equivalents | 5 | 12,393,872.26 | 9,212,609.63 |
| TOTAL CURRENT ASSETS | | 61,410,319.19 | 40,392,576.78 |
| TOTAL | | 76,785,346.77 | 97,475,118.10 |

1.2. Balance Sheet - Liabilities

| | Note | 31.12.2012 € | 31.12.2011 € |
|--|------|-------------------------|------------------------|
| CURRENT LIABILITIES | | | |
| Accounts payable | | 96,114,995.84 | 52,945,837.33 |
| Current payables | 6 | 117,094.77 | 37,646.16 |
| Accrued charges | 7 | 604,067.05 | 597,656.79 |
| Other accounts payable | | 3,832.11 | - |
| Co-Financing to be paid to the Members | 8 | 6,705,999.18 | 17,283,074.34 |
| Contributions from Members to be validated | 9 | 88,684,002.73 | 35,027,460.04 |
| Short-term provisions for risks and charges | 10 | 629,741.81 | - |
| TOTAL LIABILITIES | | 96,744,737.65 | 52,945,837.33 |
| NET ASSETS | | | |
| Contributions from Members | | 211,688,975.67 | 136,154,024.52 |
| EU Contributions | 11 | 175,225,551.81 | 121,610,345.81 |
| Industry Grouping Contributions | 11 | 26,384,678.93 | 10,696,181.21 |
| Research Grouping Contributions | 11 | 10,078,744.93 | 3,847,497.50 |
| Accumulated contribution from Members used previous years | | (91,624,743.75) | (25,922,013.11) |
| Contribution from Members used during the year | 12 | (140,023,622.80) | (65,702,730.64) |
| TOTAL NET ASSETS | | (19,959,390.88) | 44,529,280.77 |
| TOTAL NET ASSETS + LIABILITIES | | 76,785,346.77 | 97,475,118.10 |

1.3. Economic Outturn Account

| | Note | 2012 € | 2011 € |
|---|------|-------------------------|------------------------|
| OPERATING REVENUE | | | |
| Other operating revenue | 13 | 1,087,987.74 | 215.13 |
| TOTAL OPERATING REVENUE | | 1,087,987.74 | 215.13 |
| OPERATING EXPENSES | | | |
| Administrative ⁵ expenses | 14 | (3,908,329.82) | (3,217,141.92) |
| Operational expenses | 15 | (137,376,961.20) | (62,746,511.45) |
| TOTAL OPERATING EXPENSES | | (141,285,291.02) | (65,963,653.37) |
| SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES | | (140,197,303.28) | (65,963,438.24) |
| | | | |
| FINANCIAL INCOME AND EXPENSES | | | |
| Financial revenues | 16 | 173,931.40 | 261,557.91 |
| Financial expenses | 17 | (250.92) | (850.31) |
| SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES | | 173,680.48 | 260,707.60 |
| CONTRIBUTIONS USED DURING THE YEAR | | (140,023,622.80) | (65,702,730.64) |

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)

| | 2012 € | 2011 € |
|---|-------------------------|------------------------|
| SURPLUS/DEFICIT FROM ORDINARY ACTIVITIES | (140,023,622.80) | (65,702,730.64) |
| Cash Flows from operating activities | | |
| <i>Adjustments:</i> | | |
| Amortisation of intangible fixed assets | 4,297.89 | 4,060.61 |
| Depreciation and impairment of tangible fixed assets | 17,352.83 | 12,589.09 |
| Increase/(decrease) in Provisions for risks and liabilities | 629,741.81 | - |
| (Increase)/decrease in Long term Pre-financing | 41,731,793.38 | (11,892,503.33) |
| (Increase)/decrease in Short term Pre-financing | (17,938,932.07) | (24,818,180.71) |
| (Increase)/decrease in Short term Receivables | 102,452.29 | 28,379.51 |
| Increase/(decrease) in Accounts payable | 43,169,158.51 | 33,032,948.51 |
| (Gains)/losses on disposal of Property, plant and equipment | 587.21 | - |
| NET CASH-FLOW FROM OPERATING ACTIVITIES | (72,307,170.95) | (69,335,436.96) |
| Cash Flows from investing activities | | |
| Increase of tangible and intangible fixed assets | (46,517.57) | (70,604.59) |
| NET CASH FLOW FROM INVESTING ACTIVITIES | (46,517.57) | (70,604.59) |
| Cash flow from financing activities | | |
| Contribution from Members | 75,534,951.15 | 73,602,677.98 |
| NET CASH FLOW FROM FINANCING ACTIVITIES | (72,353,688.52) | (69,406,041.55) |
| NET CASH FLOW FROM ORDINARY ACTIITIES | 3,181,262.63 | 4,196,636.43 |
| Cash and cash equivalents at the beginning of the period | 9,212,609.63 | 5,015,973.20 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 12,393,872.26 | 9,212,609.63 |

1.5. Statement of changes in net assets and liabilities

| | 2012 € | 2011 € |
|---|------------------------|----------------------|
| NET ASSETS 01.01.2012 | 44,529,280.77 | 36,629,333.43 |
| Contributions from Members | 75,534,951.15 | 73,602,677.98 |
| Contributions from Members used during the year | (140,023,622.80) | 65,702,730.64 |
| Net assets 31.12.2012 | (19,959,390.88) | 44,529,280.77 |

2. Notes to the financial statements

2.1. Accounting principles and accounting rules

The provisional 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 interim accounting officer will follow up on this validation report in 2013, 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 relating to cost incurred in the financial year. (08 February 2013 was used as the cut-off date for 2012 Provisional Accounts);
- 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 budget 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

| | 2012 | 2011 |
|--|------|------|
| Number of Authorising Officers at year end | 1 | 1 |
| Number of Authorising Officers by delegation at year end | 2 | 2 |
| <i>Analysis by grade:</i> | | |
| 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.

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 for 1.00 EUR from Hyundai Motor Company Brussels Office; this lease contract is considered an operating lease.

2.10. Events subsequent to period end

Twenty-one cost claims related to four projects have been validated between year-end and the cut-off date (8 February 2013 for the Provisional Accounts 2012). As these validations concern the years 2011 and 2012 the in-cash and in-kind contributions validated are included in the 2012 accounts.

In addition to the ex-post audits finalised during 2012, appropriate consideration has been given in the relevant sections of the Provisional Accounts to ex-post audit results which have been received and not fully finalised.

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 31.12.2012

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.

| | 31.12.2012 | 31.12.2011 |
|---|-----------------------|-----------------------|
| Commitments for future funding | € | € |
| RAL - Commitments against appropriations not yet consumed | 137,585,850.16 | 197,402,235.20 |
| Operating lease | 1,541,200.00 | 1,855,688.00 |
| TOTAL | 139,127,050.16 | 199,257,923.20 |

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 31.12.2012:

| | Software (intangible) € | Hardware € | Furniture € | Equipment € | Total € |
|---|-------------------------------|------------------|------------------|------------------|-------------------|
| Gross carrying amount on 01.01.2012 | 17,402.37 | 35,448.85 | 6,513.03 | 11,240.34 | 70,604.59 |
| +/- Reclassification adjustments | (1,642.34) | 1,273.78 | - | 258.82 | (109.74) |
| + Additions | 2,147.20 | 19,905.29 | 4,151.00 | 20,372.57 | 46,576.06 |
| - Phased out (purchase price) | - | - | - | (722.72) | (722.72) |
| Gross carrying amount on 31.12.2012 | 17,907.23 | 56,627.92 | 10,664.03 | 31,149.01 | 116,348.19 |
| Accumulated depreciation and impairment 01.01.2012 | 4,060.61 | 10,794.29 | 573.03 | 1,221.77 | 16,649.70 |
| +/- Reclassification adjustments | (273.72) | 206.29 | - | 16.18 | (51.25) |
| + Depreciation, year of reporting | 4,297.89 | 11,187.91 | 904.33 | 5,260.59 | 21,650.72 |
| - Depr., Phased out items | - | - | - | (135.51) | (135.51) |
| Accumulated depreciation 31.12.2012 | 8,084.78 | 22,188.49 | 1,477.36 | 6,363.03 | 38,113.66 |
| Net carrying amount | 9,822.45 | 34,439.43 | 9,186.67 | 24,785.98 | 78,234.53 |

During the year, FCH acquired fixed assets in the amount of €46,576, which consist primarily of computer hardware and other equipment additions. A single item was phased out due to loss during the year, which led to recognition of a loss on disposal in the amount of €587.21 (related insurance recoveries are included in other 'Other Revenue' – see Note 13). A physical stock take of inventory items was performed during the year and led to the minor reclassification of some asset items from computer software to hardware and equipment asset accounts. The net impact of the reclassification was to reduce the net carrying amount of fixed assets by approximately €60.

Note 2: Long-term Pre-financing

All open pre-financing amounts on 31 December 2012 that which is 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 2012.

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 31.12.2012, FCH JU held 44 letters of guarantee for a total amount of €13,645,156.90. 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 2012. 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 €1,346,632. This provision relates to two 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 will be commenced in 2013. 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:

| | 2012 |
|---|----------------------|
| | € |
| Open pre-financing balance at 31 December 2012 | 50,278,836.83 |
| Provision for irrecoverable pre-financing | (1,346,632.05) |
| Net open pre-financing at 31 December 2012 | 48,932,204.78 |

An equivalent expense has been recognised in the Economic Outturn Account for the movement in this provision. The provision will be reversed in 2013 should any amounts be recovered.

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

| | 2012 | 2011 |
|--|------------------|-------------|
| | € | € |
| Contingent Assets | 24,327.27 | - |
| Potential recovery of costs from beneficiaries resulting from ex-post audits | 24,327.27 | - |

In 2011 and 2012, 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 Provisional Accounts 2012, the results of these audits had yet to be formally finalised, however in a number of cases 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 these amounts will be repayable to the JU by these beneficiaries as a result of the ex-post audits.

As these audits have yet to be formally finalised, and management has not yet issued formal recovery orders for these amounts, an asset has not been recognised in the Provisional Accounts 2012 as the inflows of economic benefit are not yet virtually certain. The amounts involved are however deemed to be reliably measurable by the JU, and the flow of economic benefits to the JU is judged by management to be probable, and therefore a Contingent Asset has been disclosed for these amounts.

The total value of the adjustments reducing the expenses claimed was €36,182.63, of which the JU in-cash contribution represents €24,327.27, with the remaining €11,855.36 representing a potential reduction in the in-kind contribution from beneficiary. The contingent asset disclosed above by the JU thus represents the €24,327.27 recoverable in cash from the beneficiaries by the JU.

On formal finalisation of these audits in 2013, the appropriate accounting treatment will be considered for the 2012 Final Accounts should further information be available.

The JU has also noted that results of a number of other ex-post audits have indicated potential increases to the original in-cash and in-kind contributions validated, where the JU is likely to incur additional expenses to those originally claimed. These have been considered in Note 10 (Short-term provisions for risks and charges) and do not form part of the contingent asset above.

Note 4: Short-term receivables

Sundry receivables

Short-term receivables of €76,687.91 include receivables due from beneficiaries totalling €76,340.14 and taxes receivable of €347.77.

Deferred charges

Deferred charges amounting to €7,554.24 consist of prepaid office expenses and subscriptions that have been paid in 2012 but relate to the 2013 fiscal year.

Note 5: Cash and cash equivalents

At the end of the year 2012 FCH JU held one bank account with ING in Brussels. The balance on 31 December 2012 in this account was €12,393,872.26.

Note 6: Current liabilities: Current payables

On 31.12.2012 FCH JU had current payables in the amount of €117,094.77, including €106,424.77 to be paid to suppliers and €10,670.00 payable to EC entities.

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 2012 but not yet invoiced or processed by the end of the year. The total amount of €604,067.05 can be grouped in the following categories:

| Accrued charges | 2012 € | 2011 € |
|--|-------------------------|-------------------------|
| EC enties (evaluation platform and other services) | 268,924.40 | 346,000.00 |
| External service providers | 102,590.03 | - |
| Communication expenses | 127,800.85 | 97,625.75 |
| Experts | 19,596.22 | 28,446.61 |
| IT expenditure | 7,160.68 | 6,075.26 |
| Rent and building related expenditure | 12,666.29 | - |
| Annual leave not taken | 46,243.94 | 52,959.49 |
| Other staff expenditure | 6,935.27 | 22,189.90 |
| Fixed assets received but not invoiced | 4,955.87 | - |
| Other | 7,193.50 | 43,922.08 |
| Subtotal | 604,067.05 | 597,219.09 |
| Other passive accruals and deferrals | - | 437.70 |
| Total | 604,067.05 | 597,656.79 |

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 in 2013 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 2012

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.

| Item | 2012 € | 2011 € |
|--|----------------------|----------------------|
| Industry in-kind contributions to running projects | 60,083,100.65 | 24,949,984.70 |
| Research in-kind contributions to running projects | 28,600,902.09 | 10,077,475.34 |
| Total | 88,684,002.73 | 35,027,460.04 |

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

Note 10: Short-term provision for risks and charges

| Item | 2012 € | 2011 € |
|---|-------------------|-------------------|
| Potential additional expenses and contributions resulting from ex-post audits | 562,089.49 | - |
| Provision for salary indexation | 67,652.32 | - |
| Total | 629,741.81 | - |

Potential additional contributions and expenses resulting from ex-post audits

As described in Note 3 (Contingent Assets), in 2011 and 2012 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 Provisional Accounts 2012, the results of these audits had yet to be formally finalised, however in a number of cases the auditors noted adjustments for potential increases to the original in-cash and in-kind contributions validated, where the JU is likely to incur additional expenses to those originally claimed. The JU has therefore considered it more probable than not that additional amounts will be payable to these beneficiaries as a result of the ex-post audits.

As these audits have yet to be formally finalised, the JU management has not yet validated cost claims for these amounts. Therefore, neither a payable nor an accrual has been recognised in the Provisional Accounts 2012 as the outflows of economic benefit are not yet virtually certain.

The amounts involved are however deemed to be reliably estimated by the JU, and the flow of economic benefits from the JU is judged by management to be more probable than not. A provision has therefore been recognised in the Provisional Accounts 2012 for these amounts.

This provision represents the value of the probable JU contribution to these additional claim adjustments (€49,405.62) plus the in-kind contribution to be validated within liabilities (€512,683.87). A total additional expense of €562,089.49 has thus been recognised in the Provisional Accounts 2012 relating to the results of these ex-post audits.

On formal finalisation of these audits in 2013, and validation of further adjusted cost claims, the appropriate accounting treatment will be considered for the 2012 Final Accounts.

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 2011 to December 2012 which are currently under dispute between the European Commission and European Council, as it is deemed probable that the payment will be made during 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 31.12.2012

| Contribution received up to 31.12.2012 | Commission | | Industry Grouping | | Research Grouping | | Total ⁷ | |
|---|-----------------------|----------------------|---------------------|----------------------|-------------------|---------------------|-----------------------|----------------------|
| | Cash € | In kind € | Cash € | In kind € | Cash € | In kind € | Cash € | In kind € |
| A. Running Costs | 4,231,496.54 | 1,808,299.27 | 5,088,235.16 | - | 848,038.70 | - | 10,167,770.40 | 1,808,299.27 |
| Previous years | 3,078,186.54 | 1,808,299.27 | 2,765,747.67 | - | 460,957.45 | - | 6,304,891.66 | 1,808,299.27 |
| Current year | 1,153,310.00 | - | 2,322,487.49 | - | 387,081.25 | - | 3,862,878.74 | - |
| B. Operational costs(R&D Projects) | 151,886,936.00 | 17,298,820.00 | - | 21,296,443.77 | - | 9,230,706.23 | 151,886,936.00 | 47,825,970.00 |
| Previous years | 99,425,040.00 | 17,298,820.00 | - | 7,930,433.54 | - | 3,386,540.05 | 99,425,040.00 | 28,615,793.59 |
| Current year | 52,461,896.00 | - | - | 14,128,487.97 | - | 5,847,249.89 | 52,461,896.00 | 19,975,737.86 |
| Adjustments | - | - | - | (762,477.74) | - | (3,083.71) | - | (765,561.45) |
| TOTALA+B+C | 156,118,432.54 | 19,107,119.27 | 5,088,235.16 | 21,296,443.77 | 848,038.70 | 9,230,706.23 | 162,054,706.40 | 49,634,269.27 |
| Contribution in cash/kind in % | 96.34% | 38.50% | 3.14% | 42.91% | 0.52% | 18.60% | 100.00% | 100.00% |
| Total contribution in% | 82.78% | | 12.46% | | 4.76% | | 100.00% | |
| Voting rights | 41.67% | | 50.00% | | 8.33% | | 100.00% | |

⁷ By the cut-off date for the Provisional Accounts 2012 the Executive Director has also validated Other in-kind contributions from the JRC of an amount of €316,491.53, including contributions validated in 2012 in the amount of €281,944.31. 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 2012, the JU has reported negative net assets of €19,959,390.88. This is due to the estimates required to prepare the 2012 Provisional 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 Provisional Accounts 2012 preparation (see Section 2.2 – Accounting Policies).

As at the date of the Provisional Accounts 2012 preparation, a significant proportion of the expenditure recognised by the JU was based on pro-rated estimates and/or claims which had been received but not yet validated by the JU as at the Accounts preparation date.

The ‘in cash’ and ‘in-kind’ contributions for those cost claims 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. Following validation of cost claims by management in 2013, the in-kind contributions will be transferred to the Net Assets of the JU in the 2012 Final Accounts if before the cut-off date. Therefore, the current status of the Net Assets has to be considered as transitional.

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

| | Accumulated contributions at 31.12.2012 | Received in-kind contributions | Validated in-kind contributions | Adjustments | Total |
|-------------------|--|---------------------------------------|--|---------------------|-----------------------|
| 2012 | € | € | € | € | € |
| Industry Grouping | 32,880,418.24 | 35,133,115.95 | 14,128,487.97 | (762,477.74) | 81,379,544.41 |
| Research Grouping | 13,464,015.39 | 18,523,426.74 | 5,847,249.89 | (3,083.71) | 37,831,608.31 |
| Total | 46,344,433.63 | 53,656,542.68 | 19,975,737.86 | (765,561.45) | 119,211,152.73 |

Column “Adjustments” includes only adjustments to validated in-kind contributions. These include ex-post audit adjustments of €595,464.51 and other adjustments for €167,012.82. The first ex-post audits were launched in 2011. Final results for some audits, together with the Executive Director’s decision on adjustments, were available in 2012 and are therefore included in the 2012 accounts as adjustments. Further details of the ex-post audits are provided in notes 3, 11, and 13.

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 2012.

*2.14. Notes to the economic outturn account***Note 13: Other operating revenue**

| Item | 2012 € | 2011 € |
|---|---------------------|-------------------|
| Adjustments as a result of ex-post audits relating to claims previously validated | 789,063.90 | - |
| Negative claims received relating to claims previously validated | 287,057.33 | - |
| Other revenue | 11,866.51 | 215.13 |
| Total | 1,087,987.74 | 215.13 |

In 2012, the JU received the results of four ex-post audits showing a reduction in the expenditure on contributions originally validated by the JU in 2011. The JU was entitled to recover the cash contribution and reduce the in-kind contributions from members by the portion of the claims deemed to be ineligible (€193,599.39 JU in-cash, and €595,464.51 Industry in-kind). In all four cases the amounts in question were recovered. A number of other ex-post audits showing reduced expenditure were still to be finalised as at the date of preparation of the Provisional Accounts 2012; these are disclosed separately in Note 3 as contingent assets.

Furthermore, in 2012 the JU received and validated a number of negative claim adjustments from beneficiaries relating to claims where the original amount had been validated in 2011 (€116,960.80 JU in-cash, €167,012.82 industry in-kind, and €3,083.71 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 (i.e. 2011) have been presented as 'Other Revenue' in the 2012 Provisional 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.

Other Revenue includes liquidated damages and interest on late payment.

Financial revenue is disclosed in note 16 below.

Note 14: Administrative expenses

Administrative expenses incurred by the JU during 2012 can be grouped in terms of staff and other expenses and include the following:

| Item | 2012 € | 2011 € |
|--|---------------------|---------------------|
| Staff expenses | 2,273,329.43 | 2,170,552.78 |
| Salaries & entitlements | 2,169,662.99 | 2,076,229.26 |
| Missions | 84,251.84 | 90,336.53 |
| Training costs | 19,414.60 | 3,986.99 |
| Other administrative expenses | 1,635,000.39 | 1,046,589.14 |
| Experts | 364,307.15 | 313,038.69 |
| Rent and related cost | 307,284.66 | 283,181.38 |
| EC enties (evaluation platform and other services) | 287,476.11 | 206,520.10 |
| Other external service providers | 270,396.55 | 91,052.15 |
| Communication | 259,427.04 | 82,668.37 |
| IT costs | 90,544.95 | 44,167.04 |
| Other expenses | 33,913.21 | 9,311.71 |
| Depreciation and amortisation | 21,650.72 | 16,649.70 |
| Total | 3,908,329.82 | 3,217,141.92 |

Note 15: Operational expenses

Operational expenses comprise all expenses related to projects that were performed in 2012 (estimated project progress).

| Item | 2012 € | 2011 € |
|---|-----------------------|----------------------|
| Operational expenses validated (cost claims) | 38,636,888.30 | 17,602,631.40 |
| Operational expenses estimated based on received claims and pro-rated | 95,564,025.31 | 45,023,142.05 |
| Operational expenses - studies | 1,267,326.06 | 120,888.00 |
| Provision for irrecoverable pre-financing | 1,346,632.05 | - |
| Provisions for further claims | 562,089.49 | - |
| Adjustment | - | (150.00) |
| Total | 137,376,961.20 | 62,746,511.45 |

Note 16: Financial revenues

Financial revenues include interest received on late payments in the amount of €1,429.04 and interest received on the bank account of €172,502.36. 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

| Revenue | 2012 | 2011 |
|--|----------------------|----------------------|
| | € | € |
| European Union Contribution | 53,615,206.00 | 57,283,213.00 |
| Industry Group Contribution | 2,322,487.49 | 2,570,666.67 |
| Research Group Contribution | 387,081.25 | 428,444.45 |
| Other revenue | 2,001,585.52 | - |
| Total revenue (1) | 58,326,360.26 | 60,282,324.12 |
| Expenditure | | |
| Personnel expenses - Budget Title 1 - Payments | 2,245,065.69 | 2,172,771.18 |
| Administrative expenses - Budget Title II - Payments | 1,513,848.22 | 1,283,742.67 |
| Operational expenses - Budget Title III - Payments | 51,442,896.38 | 53,263,202.22 |
| Total expenditure (2) | 55,201,810.29 | 56,719,716.07 |
| Budget surplus (3)=(1)-(2) | 3,124,549.97 | 3,562,608.05 |
| Payment appropriations carried forward (RAL) (4) | 807,637.62 | 716,171.02 |
| Payment appropriations carried over (C4 to C5) (4) | 1,732,080.91 | 302,658.64 |
| Cancellation of unused appropriations from previous year (5) | 111,932.62 | 378,392.10 |
| Positive balance from year N-1 (5) | 7,473,129.70 | 4,550,959.21 |
| Total Budget outturn (6) =(3)-(4)+(5) | 8,169,893.76 | 7,473,129.70 |

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:

| | | 2012 € | 2011 € |
|--|-----|-------------------------|------------------------|
| Economic result (- for loss) | - | (140,023,622.80) | (65,702,730.64) |
| 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) | - | (68,627,126.14) | (25,503,674.78) |
| Adjustments for Accrual Cut-off (cut-off 31.12.N) | + | 165,338,608.27 | 68,627,126.14 |
| Unpaid invoices at year end but booked in charges (class 6) | + | 120,926.88 | 37,646.16 |
| Short-term provisions | + | 629,741.81 | - |
| Provision for irrecoverable pre-financing | + | 1,346,632.05 | - |
| Depreciation of intangible and tangible fixed assets | + | 21,650.72 | 16,649.70 |
| (Gains)/losses on disposal of Property, plant and equipment | -/+ | 587.21 | - |
| Deferrals from N-1 (excluding interest) | + | 24,277.78 | - |
| Deferrals N | - | (7,554.24) | (24,277.78) |
| In-kind contributions | + | 19,210,176.41 | 13,125,272.86 |
| Pre-financing given in previous year and cleared in the year | + | 12,025,925.81 | 1,967,014.79 |
| Other receivables from N-1 (not cashed assigned revenue) | + | 12,885.00 | 12,240.00 |
| Other receivables N (not cashed assigned revenue) | - | (76,687.91) | - |
| Payments made from carry-over of payment appropriations | - | (37,646.16) | (427,813.09) |
| Other – (operating revenue) | - | - | (215.13) |
| Other active accruals | - | - | (252.45) |
| Bank interest received in N not in Budget Outturn Account | - | (63,511.75) | - |
| Bank charges | - | - | (34.83) |
| Exchange rate differences (unrealised) | + | - | 815.48 |
| Recoveries in non-budget lines | - | (2,274.87) | - |
| Payments in non-budget lines | + | 8,573.99 | - |
| Adjustments for budgetary items (items included in the budgetary result but not in the economic result) | | | |
| Asset acquisitions | - | (46,517.57) | (70,604.59) |
| Assets additions included in accruals N | + | 4,955.87 | - |
| New pre-financing paid in the year and remaining open | - | (44,980,842.36) | (48,515,320.00) |
| Bank interest received in N for N-1 | + | 149,531.66 | (261,557.91) |
| Budgetary recovery orders issued on balance sheet accounts (not 7 or 6 accounts) - Contributions | + | 56,324,774.74 | 60,282,324.12 |
| Budgetary recovery orders issued on balance sheet accounts (not 7 or 6 accounts) - pre-financing cashed in the year | + | 1,702,450.00 | - |
| Budgetary recovery orders issued on balance sheet accounts (not 7 or 6 accounts) - remaining uncashed | + | 68,573.29 | - |
| Payment appropriations carried over to 2012 | - | (807,637.62) | (716,171.02) |
| Cancellation of unused carried over payment appropriations from previous year | + | 111,932.62 | 378,392.10 |
| Adjustment for carry-over from the previous year of appropriations available at 31.12. arising from assigned revenue | - | (1,732,080.91) | (302,658.64) |
| Budgetary result year N-1 | + | 7,473,129.70 | 4,550,959.21 |
| Total | + | 8,169,831.49 | 7,473,129.70 |
| Budgetary result (+ for surplus) | + | 8,169,893.76 | 7,473,129.70 |
| Delta not explained | | 62.28 | - |

3.3. Budget execution 2012

Fund Source : C1

| B.L. | Official Budget Item Desc (Fr) | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) | Balance Commitment (1-2) | Balance Payment (2-3) |
|--------|---|---------------------|---------------------|-------------------|---------------------|----------------|--------------------------|-----------------------|
| A-1100 | Basic salaries | 1,529,174.56 | 1,486,668.77 | 97.22 % | 1,486,668.77 | 97.22 % | 42,505.79 | 0.00 |
| A-1101 | Family Allowances | 207,000.00 | 204,504.14 | 98.79 % | 204,504.14 | 98.79 % | 2,495.86 | 0.00 |
| A-1102 | Expatriation and foreign residence allowance | 170,609.78 | 170,529.66 | 99.95 % | 170,529.66 | 99.95 % | 80.12 | 0.00 |
| | Sum: | 1,906,784.34 | 1,861,702.57 | 97.64 % | 1,861,702.57 | 97.64 % | 45,081.77 | 0.00 |
| A-1110 | Contract Agents | 112,000.00 | 109,088.76 | 97.40 % | 109,088.76 | 97.40 % | 2,911.24 | 0.00 |
| A-1111 | Non statutory staff and trainees | 66,519.04 | 66,519.04 | 100.00 % | 32,968.70 | 49.56 % | 0.00 | 33,550.34 |
| | Sum: | 178,519.04 | 175,607.80 | 98.37 % | 142,057.46 | 79.58 % | 2,911.24 | 33,550.34 |
| A-1130 | Insurance against sickness | 53,000.00 | 50,714.92 | 95.69 % | 50,714.92 | 95.69 % | 2,285.08 | 0.00 |
| A-1131 | Insurance against accidents and occupational disease | 11,500.00 | 7,513.59 | 65.34 % | 7,513.59 | 65.34 % | 3,986.41 | 0.00 |
| A-1132 | Unemployment insurance for temporary staff | 21,000.00 | 20,018.84 | 95.33 % | 20,018.84 | 95.33 % | 981.16 | 0.00 |
| | Sum: | 85,500.00 | 78,247.35 | 91.52 % | 78,247.35 | 91.52 % | 7,252.65 | 0.00 |
| A-1140 | Birth and death allowance | 396.62 | 198.31 | 50.00 % | 198.31 | 50.00 % | 198.31 | 0.00 |
| A-1141 | Annual travel costs from the place of employment | 41,500.00 | 29,820.74 | 71.86 % | 29,820.74 | 71.86 % | 11,679.26 | 0.00 |
| | Sum: | 41,896.62 | 30,019.05 | 71.65 % | 30,019.05 | 71.65 % | 11,877.57 | 0.00 |
| A-1177 | Other services rendered | 25,000.00 | 14,131.80 | 56.53 % | 13,641.80 | 54.57 % | 10,868.20 | 490.00 |
| | Sum: | 25,000.00 | 14,131.80 | 56.53 % | 13,641.80 | 54.57 % | 10,868.20 | 490.00 |
| A-1200 | Sundry engagement expenditure | 5,000.00 | 4,473.61 | 89.47 % | 4,473.61 | 89.47 % | 526.39 | 0.00 |
| A-1201 | Installation resettlement and daily subsistence allowance | 10,000.00 | 6,613.96 | 66.14 % | | | 3,386.04 | 6,613.96 |
| | Sum: | 15,000.00 | 11,087.57 | 73.92 % | 4,473.61 | 29.82 % | 3,912.43 | 6,613.96 |
| A-1300 | Mission expenses duty travel expenses and other | 140,000.00 | 84,501.00 | 60.36 % | 83,201.00 | 59.43 % | 55,499.00 | 1,300.00 |
| | Sum: | 140,000.00 | 84,501.00 | 60.36 % | 83,201.00 | 59.43 % | 55,499.00 | 1,300.00 |
| A-1430 | Medical service | 8,000.00 | 3,986.50 | 49.83 % | 1,164.30 | 14.55 % | 4,013.50 | 2,822.20 |
| A-1431 | Mobility costs and other social expenses for staff | 4,300.00 | 4,300.00 | 100.00 % | 3,978.69 | 92.53 % | 0.00 | 321.31 |
| | Sum: | 12,300.00 | 8,286.50 | 67.37 % | 5,142.99 | 41.81 % | 4,013.50 | 3,143.51 |

| | | | | | | | | |
|--------|---|-------------------|-------------------|-----------------|-------------------|----------------|------------------|------------------|
| A-1440 | Training | 30,000.00 | 11,615.10 | 38.72 % | 5,721.60 | 19.07 % | 18,384.90 | 5,893.50 |
| | Sum: | 30,000.00 | 11,615.10 | 38.72 % | 5,721.60 | 19.07 % | 18,384.90 | 5,893.50 |
| A-1700 | Entertainment and representation expenses | 15,000.00 | 2,347.61 | 15.65 % | 2,347.61 | 15.65 % | 12,652.39 | 0.00 |
| | Sum: | 15,000.00 | 2,347.61 | 15.65 % | 2,347.61 | 15.65 % | 12,652.39 | 0.00 |
| A-2000 | Rentals | 195,000.00 | 193,963.11 | 99.47 % | 193,963.11 | 99.47 % | 1,036.89 | 0.00 |
| | Sum: | 195,000.00 | 193,963.11 | 99.47 % | 193,963.11 | 99.47 % | 1,036.89 | 0.00 |
| A-2010 | Insurance | 0.00 | 0.00 | 0.00 % | | | 0.00 | 0.00 |
| | Sum: | 0.00 | 0.00 | 0.00 % | | | 0.00 | 0.00 |
| A-2020 | Water gas electricity and heating | 35,200.00 | 35,200.00 | 100.00 % | 35,166.45 | 99.90 % | 0.00 | 33.55 |
| | Sum: | 35,200.00 | 35,200.00 | 100.00 % | 35,166.45 | 99.90 % | 0.00 | 33.55 |
| A-2030 | Cleaning and maintenance | 23,800.00 | 23,800.00 | 100.00 % | 20,576.19 | 86.45 % | 0.00 | 3,223.81 |
| | Sum: | 23,800.00 | 23,800.00 | 100.00 % | 20,576.19 | 86.45 % | 0.00 | 3,223.81 |
| A-2040 | Fitting-out of premises | 50,500.00 | 50,321.55 | 99.65 % | 50,321.55 | 99.65 % | 178.45 | 0.00 |
| | Sum: | 50,500.00 | 50,321.55 | 99.65 % | 50,321.55 | 99.65 % | 178.45 | 0.00 |
| A-2050 | Security and surveillance | 4,000.00 | 4,000.00 | 100.00 % | | | 0.00 | 4,000.00 |
| | Sum: | 4,000.00 | 4,000.00 | 100.00 % | | | 0.00 | 4,000.00 |
| A-2101 | Data-processing equipment | 28,000.00 | 25,687.91 | 91.74 % | 24,912.04 | 88.97 % | 2,312.09 | 775.87 |
| A-2102 | Software development and purchase | 50,000.00 | 48,496.62 | 96.99 % | 26,909.53 | 53.82 % | 1,503.38 | 21,587.09 |
| A-2103 | Other expenses | 87,000.00 | 58,739.91 | 67.52 % | 49,431.18 | 56.82 % | 28,260.09 | 9,308.73 |
| | Sum: | 165,000.00 | 132,924.44 | 80.56 % | 101,252.75 | 61.37 % | 32,075.56 | 31,671.69 |
| A-2200 | Purchase | 15,000.00 | 4,585.56 | 30.57 % | 510.00 | 3.40 % | 10,414.44 | 4,075.56 |
| A-2202 | Maintenance utilisation and repairs | 2,000.00 | | | | | 2,000.00 | |
| | Sum: | 17,000.00 | 4,585.56 | 26.97 % | 510.00 | 3.00 % | 12,414.44 | 4,075.56 |
| A-2300 | Stationery and office supplies | 15,000.00 | 14,764.79 | 98.43 % | 8,836.20 | 58.91 % | 235.21 | 5,928.59 |
| | Sum: | 15,000.00 | 14,764.79 | 98.43 % | 8,836.20 | 58.91 % | 235.21 | 5,928.59 |

| | | | | | | | | |
|--------|---|---------------|---------------|----------|---------------|---------|------------|---------------|
| A-2320 | Bank charges | 500.00 | | | | | 500.00 | |
| | Sum: | 500.00 | | | | | 500.00 | |
| A-2330 | Legal expenses | 5,000.00 | | | | | 5,000.00 | |
| | Sum: | 5,000.00 | | | | | 5,000.00 | |
| A-2351 | Petty expenses | 2,000.00 | | | | | 2,000.00 | |
| | Sum: | 2,000.00 | | | | | 2,000.00 | |
| A-2360 | Library stocks purchase of books | 10,000.00 | 8,076.74 | 80.77 % | 8,076.74 | 80.77 % | 1,923.26 | 0.00 |
| | Sum: | 10,000.00 | 8,076.74 | 80.77 % | 8,076.74 | 80.77 % | 1,923.26 | 0.00 |
| A-2370 | Translation interpretation | 13,290.00 | 13,290.00 | 100.00 % | 641.33 | 4.83 % | 0.00 | 12,648.67 |
| | Sum: | 13,290.00 | 13,290.00 | 100.00 % | 641.33 | 4.83 % | 0.00 | 12,648.67 |
| A-2400 | Correspondence postage and telecommunications | 15,612.00 | 15,035.72 | 96.31 % | 10,712.46 | 68.62 % | 576.28 | 4,323.26 |
| | Sum: | 15,612.00 | 15,035.72 | 96.31 % | 10,712.46 | 68.62 % | 576.28 | 4,323.26 |
| A-2500 | Meetings in general | 44,500.00 | 34,729.74 | 78.04 % | 33,086.12 | 74.35 % | 9,770.26 | 1,643.62 |
| | Sum: | 44,500.00 | 34,729.74 | 78.04 % | 33,086.12 | 74.35 % | 9,770.26 | 1,643.62 |
| A-2600 | Communication costs | 395,210.00 | 343,373.95 | 86.88 % | 196,978.17 | 49.84 % | 51,836.05 | 146,395.78 |
| A-2601 | External audit | 306,560.00 | 208,665.56 | 68.07 % | | | 97,894.44 | 208,665.56 |
| | Sum: | 701,770.00 | 552,039.51 | 78.66 % | 196,978.17 | 28.07 % | 149,730.49 | 355,061.34 |
| A-2700 | Studies | 48,440.00 | 48,440.00 | 100.00 % | | | 0.00 | 48,440.00 |
| | Sum: | 48,440.00 | 48,440.00 | 100.00 % | | | 0.00 | 48,440.00 |
| A-2800 | Expert contracts and meetings | 361,000.00 | 281,048.18 | 77.85 % | 261,451.96 | 72.42 % | 79,951.82 | 19,596.22 |
| A-2801 | Evaluation platform and eFP7 services | 266,000.00 | 266,000.00 | 100.00 % | | | 0.00 | 266,000.00 |
| | Sum: | 627,000.00 | 547,048.18 | 87.25 % | 261,451.96 | 41.70 % | 79,951.82 | 285,596.22 |
| B3-000 | Implementing the research agenda of FCH JU | 78,888,028.00 | 78,888,028.00 | 100.00 % | 44,129,279.18 | 55.94 % | 0.00 | 34,758,748.82 |
| | Sum: | 78,888,028.00 | 78,888,028.00 | 100.00 % | 44,129,279.18 | 55.94 % | 0.00 | 34,758,748.82 |
| | Sum: | 83,311,640.00 | 82,843,793.69 | Sum: | 47,277,407.25 | Sum: | 467,846.31 | 35,566,386.44 |
| | | | Average: | 99.44 % | Average: | 56.75 % | | |

Fund Source : C2

| B.L. | Official Budget Item Desc (Fr) | Appropriation (1) | Committed (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 | 11,673,918.00 | 9,982,468.00 | 85.51 % | 7,017,506.00 | 60.11 % | 1,691,450.00 | 2,964,962.00 |
| | Sum: | 11,673,918.00 | 9,982,468.00 | 85.51 % | 7,017,506.00 | 60.11 % | 1,691,450.00 | 2,964,962.00 |

| | | | | | | | | |
|--|------|---------------|--------------|---------|--------------|---------|--------------|--------------|
| | Sum: | 11,673,918.00 | 9,982,468.00 | Sum: | 7,017,506.00 | Sum: | 1,691,450.00 | 2,964,962.00 |
| | | | Average: | 85.51 % | Average: | 60.11 % | | |

Fund Source : C4

| B.L. | Official Budget Item Desc (Fr) | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) | Balance Commitment (1-2) | Balance Payment (2-3) |
|--------|--------------------------------|-------------------|---------------|-------------------|----------|--------------|--------------------------|-----------------------|
| A-1440 | Training | 645.00 | | | | | 645.00 | |
| | Sum: | 645.00 | | | | | 645.00 | |

| | | | | | | | | |
|--------|---------------------------|--------|--|--|--|--|--------|--|
| A-2101 | Data-processing equipment | 722.68 | | | | | 722.68 | |
| | Sum: | 722.68 | | | | | 722.68 | |

| | | | | | | | | |
|--------|---|--------|--|--|--|--|--------|--|
| A-2400 | Correspondence postage and telecommunications | 169.33 | | | | | 169.33 | |
| | Sum: | 169.33 | | | | | 169.33 | |

| | | | | | | | | |
|--------|---------------------|--------|--|--|--|--|--------|--|
| A-2500 | Meetings in general | 243.60 | | | | | 243.60 | |
| | Sum: | 243.60 | | | | | 243.60 | |

| | | | | | | | | |
|--------|--|--------------|------------|---------|--|--|--------------|------------|
| B3-000 | Implementing the research agenda of FCH JU | 1,730,300.30 | 428,289.96 | 24.75 % | | | 1,302,010.34 | 428,289.96 |
| | Sum: | 1,730,300.30 | 428,289.96 | 24.75 % | | | 1,302,010.34 | 428,289.96 |

| | | | | | | | | |
|--|------|--------------|------------|---------|----------|------|--------------|------------|
| | Sum: | 1,732,080.91 | 428,289.96 | Sum: | | Sum: | 1,303,790.95 | 428,289.96 |
| | | | Average: | 24.73 % | Average: | | | |

Fund Source : C5

| B.L. | Official Budget Item Desc (Fr) | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) | Balance Commitment (1-2) | Balance Payment (2-3) |
|--------|---|-------------------|---------------|-------------------|------------|--------------|--------------------------|-----------------------|
| A-1300 | Mission expenses duty travel expenses and other | 814.10 | 814.10 | 100.00 % | 814.10 | 100.00 % | 0.00 | 0.00 |
| | Sum: | 814.10 | 814.10 | 100.00 % | 814.10 | 100.00 % | 0.00 | 0.00 |
| A-2800 | Expert contracts and meetings | 5,733.34 | 5,733.34 | 100.00 % | 5,733.34 | 100.00 % | 0.00 | 0.00 |
| | Sum: | 5,733.34 | 5,733.34 | 100.00 % | 5,733.34 | 100.00 % | 0.00 | 0.00 |
| B3-000 | Implementing the research agenda of FCH JU | 296,111.20 | 296,111.20 | 100.00 % | 296,111.20 | 100.00 % | 0.00 | 0.00 |
| | Sum: | 296,111.20 | 296,111.20 | 100.00 % | 296,111.20 | 100.00 % | 0.00 | 0.00 |
| | Sum: | 302,658.64 | 302,658.64 | Sum: | 302,658.64 | Sum: | 0.00 | 0.00 |
| | | | Average: | 100.00 % | Average: | 100.00 % | | |

Fund Source : C8

| B.L. | Official Budget Item Desc (Fr) | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) | Balance Commitment (1-2) | Balance Payment (2-3) |
|--------|--|-------------------|---------------|-------------------|----------|--------------|--------------------------|-----------------------|
| A-1111 | Non statutory staff and trainees | 2,091.99 | 0.00 | 0.00 % | | | 2,091.99 | 0.00 |
| | Sum: | 2,091.99 | 0.00 | 0.00 % | | | 2,091.99 | 0.00 |
| A-1177 | Other services rendered | 4,722.38 | 4,418.61 | 93.57 % | 4,418.61 | 93.57 % | 303.77 | 0.00 |
| | Sum: | 4,722.38 | 4,418.61 | 93.57 % | 4,418.61 | 93.57 % | 303.77 | 0.00 |
| A-1200 | Sundry engagement expenditure | 16,080.47 | 0.00 | 0.00 % | | | 16,080.47 | 0.00 |
| A-1201 | Installation resettlement and daily subsistence al | 12,509.51 | 0.00 | 0.00 % | | | 12,509.51 | 0.00 |
| | Sum: | 28,589.98 | 0.00 | 0.00 % | | | 28,589.98 | 0.00 |
| A-1300 | Mission expenses duty travel expenses and other | 6,234.28 | 2,412.22 | 38.69 % | 2,412.22 | 38.69 % | 3,822.06 | 0.00 |
| | Sum: | 6,234.28 | 2,412.22 | 38.69 % | 2,412.22 | 38.69 % | 3,822.06 | 0.00 |
| A-1430 | Medical service | 710.40 | 485.10 | 68.29 % | 485.10 | 68.29 % | 225.30 | 0.00 |
| A-1431 | Mobility costs and other social expenses for staff | 471.51 | 237.16 | 50.30 % | 237.16 | 50.30 % | 234.35 | 0.00 |
| | Sum: | 1,181.91 | 722.26 | 61.11 % | 722.26 | 61.11 % | 459.65 | 0.00 |

| | | | | | | | | |
|--------|---|------------------|------------------|-----------------|------------------|-----------------|------------------|-------------|
| A-1440 | Training | 10,580.00 | 9,726.00 | 91.93 % | 9,726.00 | 91.93 % | 854.00 | 0.00 |
| | Sum: | 10,580.00 | 9,726.00 | 91.93 % | 9,726.00 | 91.93 % | 854.00 | 0.00 |
| A-1700 | Entertainment and representation expenses | 563.28 | 417.46 | 74.11 % | 417.46 | 74.11 % | 145.82 | 0.00 |
| | Sum: | 563.28 | 417.46 | 74.11 % | 417.46 | 74.11 % | 145.82 | 0.00 |
| A-2010 | Insurance | 198.35 | 0.00 | 0.00 % | | | 198.35 | 0.00 |
| | Sum: | 198.35 | 0.00 | 0.00 % | | | 198.35 | 0.00 |
| A-2020 | Water gas electricity and heating | 6,892.83 | 0.00 | 0.00 % | | | 6,892.83 | 0.00 |
| | Sum: | 6,892.83 | 0.00 | 0.00 % | | | 6,892.83 | 0.00 |
| A-2040 | Fitting-out of premises | 22,027.43 | 9,502.96 | 43.14 % | 9,502.96 | 43.14 % | 12,524.47 | 0.00 |
| | Sum: | 22,027.43 | 9,502.96 | 43.14 % | 9,502.96 | 43.14 % | 12,524.47 | 0.00 |
| A-2050 | Security and surveillance | 14,180.30 | 0.00 | 0.00 % | | | 14,180.30 | 0.00 |
| | Sum: | 14,180.30 | 0.00 | 0.00 % | | | 14,180.30 | 0.00 |
| A-2101 | Data-processing equipment | 8,532.55 | 8,532.55 | 100.00 % | 8,532.55 | 100.00 % | 0.00 | 0.00 |
| A-2103 | Other expenses | 1,585.09 | 1,585.09 | 100.00 % | 1,585.09 | 100.00 % | 0.00 | 0.00 |
| | Sum: | 10,117.64 | 10,117.64 | 100.00 % | 10,117.64 | 100.00 % | 0.00 | 0.00 |
| A-2200 | Purchase | 11,741.77 | 11,231.57 | 95.65 % | 11,231.57 | 95.65 % | 510.20 | 0.00 |
| | Sum: | 11,741.77 | 11,231.57 | 95.65 % | 11,231.57 | 95.65 % | 510.20 | 0.00 |
| A-2300 | Stationery and office supplies | 5,364.79 | 5,364.79 | 100.00 % | 5,364.79 | 100.00 % | 0.00 | 0.00 |
| | Sum: | 5,364.79 | 5,364.79 | 100.00 % | 5,364.79 | 100.00 % | 0.00 | 0.00 |
| A-2400 | Correspondence postage and telecommunications | 10,654.26 | 7,130.01 | 66.92 % | 7,130.01 | 66.92 % | 3,524.25 | 0.00 |
| | Sum: | 10,654.26 | 7,130.01 | 66.92 % | 7,130.01 | 66.92 % | 3,524.25 | 0.00 |

| | | | | | | | | |
|--------|--|-----------------------|-----------------------|----------------|-------------------|----------------|----------------------|-----------------------|
| A-2500 | Meetings in general | 17,420.71 | 1,792.41 | 10.29 % | 1,792.41 | 10.29 % | 15,628.30 | 0.00 |
| | Sum: | 17,420.71 | 1,792.41 | 10.29 % | 1,792.41 | 10.29 % | 15,628.30 | 0.00 |
| A-2600 | Communication costs | 93,524.30 | 89,808.86 | 96.03 % | 89,808.86 | 96.03 % | 3,715.44 | 0.00 |
| A-2601 | External audit | 77,820.00 | 77,820.00 | 100.00 % | 77,820.00 | 100.00 % | 0.00 | 0.00 |
| | Sum: | 171,344.30 | 167,628.86 | 97.83 % | 167,628.86 | 97.83 % | 3,715.44 | 0.00 |
| A-2800 | Expert contracts and meetings | 46,264.82 | 28,446.61 | 61.49 % | 28,446.61 | 61.49 % | 17,818.21 | 0.00 |
| A-2801 | Evaluation platform and eFP7 services | 346,000.00 | 345,327.00 | 99.81 % | 345,327.00 | 99.81 % | 673.00 | 0.00 |
| | Sum: | 392,264.82 | 373,773.61 | 95.29 % | 373,773.61 | 95.29 % | 18,491.21 | 0.00 |
| B3-000 | Implementing the research agenda of FCH JU | 196,686,064.18 | 180,040,994.54 | 91.54 % | | | 16,645,069.64 | 180,040,994.54 |
| | Sum: | 196,686,064.18 | 180,040,994.54 | 91.54 % | | | 16,645,069.64 | 180,040,994.54 |
| | Sum: | 197,402,235.20 | 180,645,232.94 | Sum: | 604,238.40 | Sum: | 16,757,002.26 | 180,040,994.54 |
| | | | Average: | 91.51 % | Average: | 0.31 % | | |

| |
|-------------------------|
| Fund Source : C9 |
|-------------------------|

| B.L. | Official Budget Item Desc (Fr) | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) | Balance Commitment (1-2) | Balance Payment (2-3) |
|--------|--|-------------------|-----------------|-------------------|-----------------|--------------|--------------------------|-----------------------|
| A-1101 | Family Allowances | 9,276.26 | 0.00 | 0.00 % | | | 9,276.26 | 0.00 |
| A-1102 | Expatriation and foreign residence allowance | 27,415.70 | 0.00 | 0.00 % | | | 27,415.70 | 0.00 |
| | Sum: | 36,691.96 | 0.00 | 0.00 % | | | 36,691.96 | 0.00 |
| A-1110 | Contract Agents | 24,197.29 | 0.00 | 0.00 % | | | 24,197.29 | 0.00 |
| | Sum: | 24,197.29 | 0.00 | 0.00 % | | | 24,197.29 | 0.00 |
| A-1130 | Insurance against sickness | 765.05 | 0.00 | 0.00 % | | | 765.05 | 0.00 |
| A-1131 | Insurance against accidents and occupational disease | 436.05 | 0.00 | 0.00 % | | | 436.05 | 0.00 |
| | Sum: | 1,201.10 | 0.00 | 0.00 % | | | 1,201.10 | 0.00 |
| A-1141 | Annual travel costs from the place of employment | 98.34 | 0.00 | 0.00 % | | | 98.34 | 0.00 |
| | Sum: | 98.34 | 0.00 | 0.00 % | | | 98.34 | 0.00 |
| | Sum: | 62,188.69 | 0.00 | Sum: | | Sum: | 62,188.69 | 0.00 |
| | | | Average: | 0.00 % | Average: | | | |

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.

2012 was the second full-year that the FCH JU has implemented its budget for the entire year as an autonomous EU body (the FCH JU became autonomous on 15.11.2010)

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 2011 (C5).

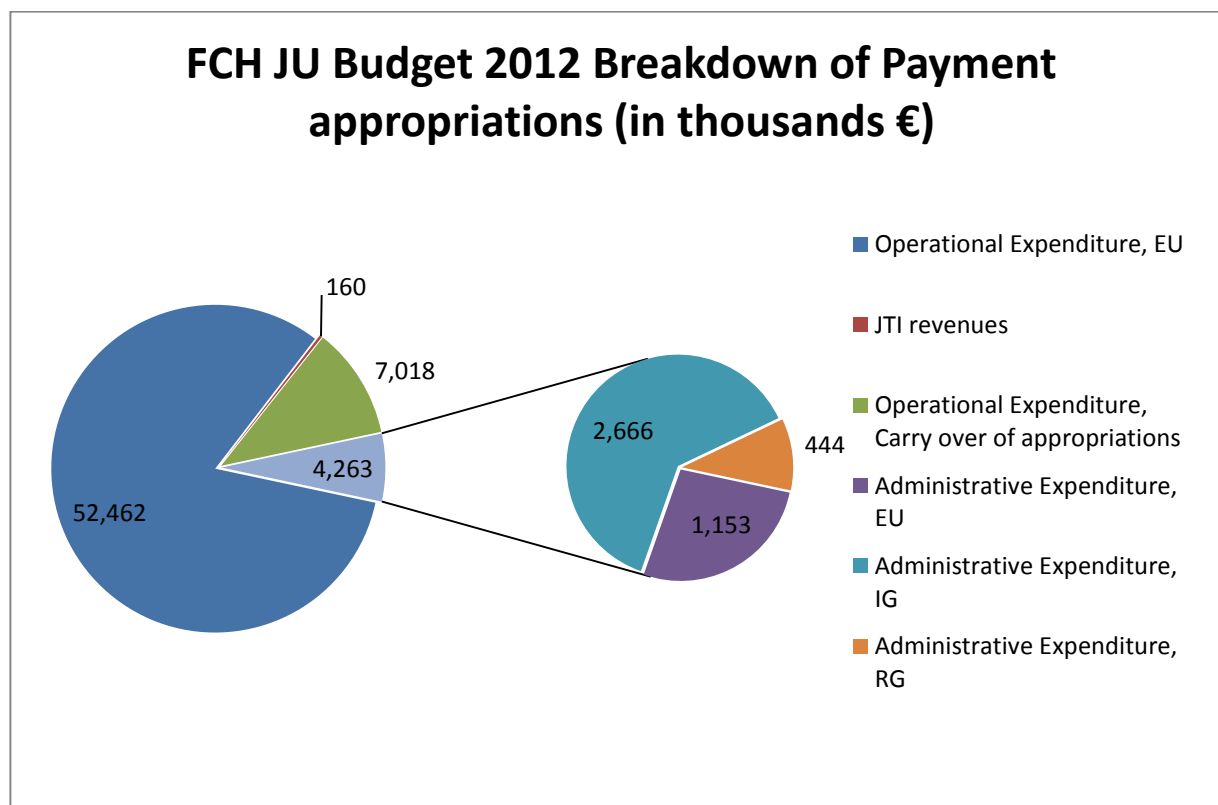
4.1.2. Budget Revenue

The funding of the FCH JU budget 2012 was as follows (in €):

| Heading | CA | PA | Cashed in 2012 |
|--|-------------------|-------------------|----------------------|
| Union contribution* for operational expenditure | 78,888,028 | 52,461,896 | 52,461,896 |
| Union Contribution* for administrative expenditure | 1,153,310 | 1,153,310 | 1,153,310 |
| Industry Grouping | 2,665,973 | 2,665,973 | 2,322,487.49 |
| Research Grouping | 444,329 | 444,329 | 387,081.25 |
| Other revenues | 160,000 | 160,000 | 2,001,585.52** |
| Re-activation of appropriations | 11,673,918 | 7,017,506 | |
| TOTAL | 94,985,558 | 63,903,014 | 58,326,360.26 |

• Includes EFTA contribution

** Includes 1,732,080.91 € assigned revenues (see C4 under section 1.4)



(Note: The share of IG/RG contribution for 2013 includes their contribution for 2010 that had been advanced by the European Commission and was adjusted to take into account the lower budget execution. 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 2012 the FCH JU carried out two budget amendments as follows:

| | Initial | Amendment n° 1 | Amendment n° 2 | Final budget |
|----|------------|----------------|----------------|--------------|
| CA | 94,748,778 | + 236,780 | - | 94,985,558 |
| PA | 67,427,338 | + 207,946 | - 3,732,270 | 63,903,014 |

(amounts in €)

CA=Commitment Appropriations

PA= Payment Appropriations

Budget amendment n°1 was adopted by the GB on 29 June 2012 and consisted in reactivations as presented in the following table (amounts in €):

| Heading | CA | PA |
|--|---------|---------|
| C2 reactivation of appropriations (2009) | 28,834 | |
| C2 reactivation of appropriations (2010) | 71,226 | 71,226 |
| C2 reactivation of appropriations (2011) | 136,720 | 136,720 |
| <i>Total</i> | 236,780 | 207,946 |

Budget amendment n° 2 was adopted by the GB at its meeting of 11 October 2012 and consisted in the reactivations as presented in the following table (amounts in €):

| Heading | CA | PA |
|---|----|-------------|
| European Commission subsidy for operational expenditure | | -10,000,000 |
| C2 reactivation of payment appropriations (2011) | | 6,267,730 |
| <i>Total</i> | | -3,732,270 |

- *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 24 August and 27 November 2012 two budget transfers between expenditure lines within title 1 and title 2 in order to adjust expenditure to the needs of the FCH JU.

4.1.4. Budget expenditure

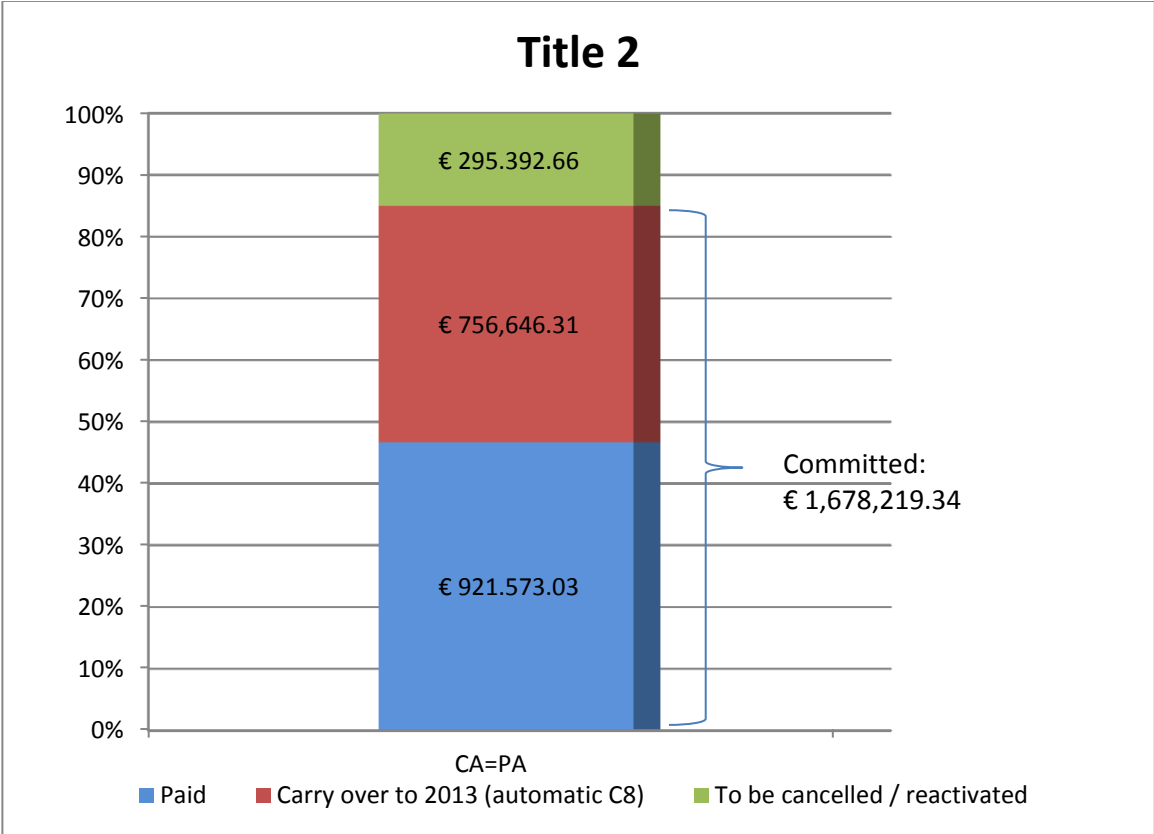
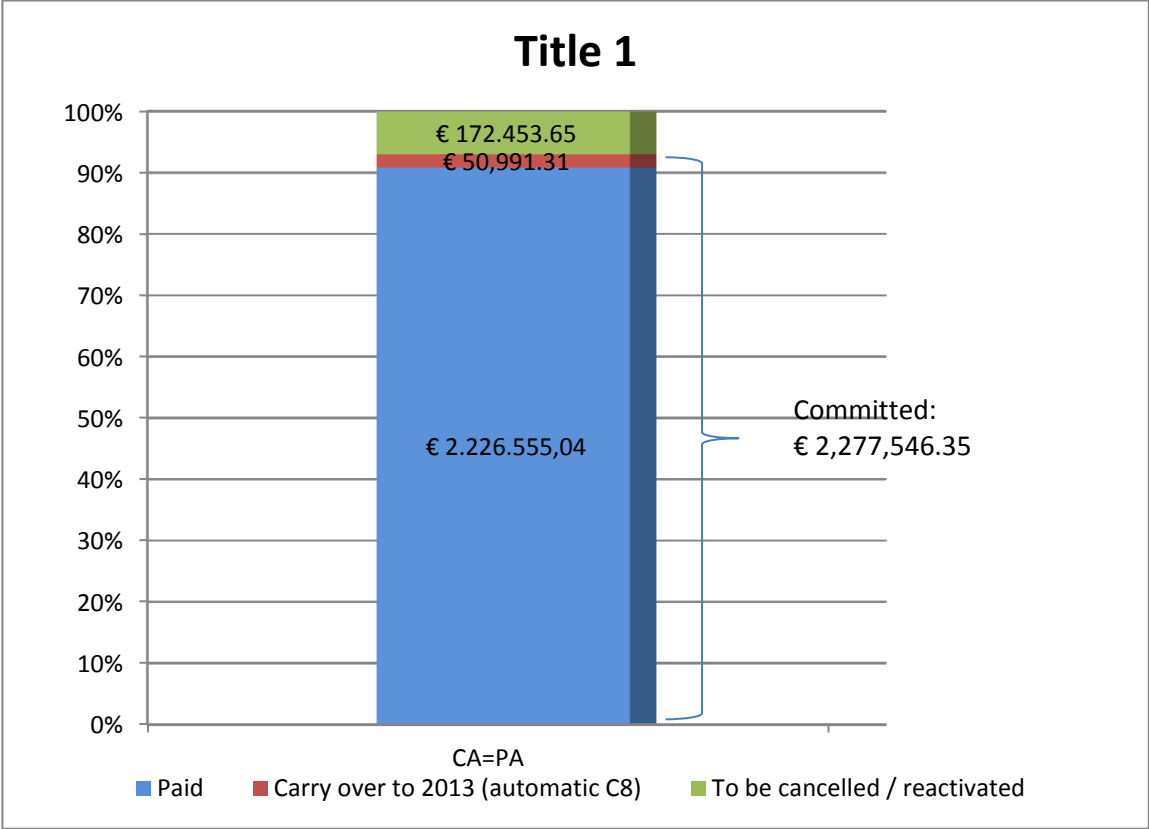
Budget execution at year end reached 99.4 % in terms of commitment appropriations and 83.1% in terms of payment execution.

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

2012- C1

| | Commitment Appropriations | Committed | % committed | Payment Appropriations | Paid | % paid | Carry over to 2013 (automatic C8) | To be cancelled/ reactivated |
|-----------------|---------------------------|---------------------|--------------|------------------------|---------------------|--------------|-----------------------------------|------------------------------|
| Title 1 | 2,450,000.00 | 2,277,546.35 | 93.0% | 2,450,000.00 | 2,226,555.04 | 90.9% | 50,991.31 | 172,453.65 |
| Title 2 | 1,973,612.00 | 1,678,219.34 | 85.0% | 1,973,612.00 | 921,573.03 | 46.7% | 756,646.31 | 295,392.66 |
| <i>Subtotal</i> | <i>4,423,612.00</i> | <i>3,955,765.69</i> | <i>89.4%</i> | <i>4,423,612.00</i> | <i>3 148,128.07</i> | <i>71.2%</i> | <i>807,637.62</i> | <i>467,846.31</i> |
| Title 3 | 78,888,028.00 | 78,888,028.00 | 100.0% | 52,461,896.00 | 44,129,279.18 | 84.1% | 0.00 | 8,332,616.82 |
| Total | 83,311,640.00 | 82,843,793.69 | 99.4% | 56,885,508.00 | 47,277,407.25 | 83.1% | 807,637.62 | 8,800,463.13 |

(amounts in €)



Automatic carry-overs and reactivations to budget year 2013

- 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 807,637.62 € and mainly relate to the evaluation platform and eFP7 services (266,000 €) for which a Service Level Agreement was signed with DG RTD on 14.12.2012 as well as ex-post audits of beneficiaries (208,665.56 €), and communication costs (146,395.78 €).

- Reactivations

- Unused payment appropriations from operations 2012 (8,332,616.82 €) stem from the lower amount paid under cost claims due notably to clarification reports in the frame of ex-ante controls still pending, as well as lower pre-financing on call 2011 due to the outcome of negotiations and guarantees for prefinancing not received. They will be reactivated (carried over) in the FCH JU 2013 budget through a budget amendment for adoption by the Governing Board and used for payment of operations (title 3).
- Uncommitted and decommitted appropriations from administrative expenditure (titles 1 and 2) which amount to 467,846.31 € will be reactivated in accordance with the FCH JU Financial Rules (articles 10 & 11) and its statutes (article 12) for the share of the Union (5/12). The reactivated amount will be used for operations.

2012 – C 2

| | Commitment appropriations | Committed | % committed | Balance commitment | Payment appropriations | Paid | % paid |
|---------|---------------------------|-----------|-------------|--------------------|------------------------|-----------|--------|
| Title 3 | 11,673,918 | 9,982,468 | 85.51 % | 1,691,450 | 7,017,506 | 7,017,506 | 100 % |

(amounts in €)

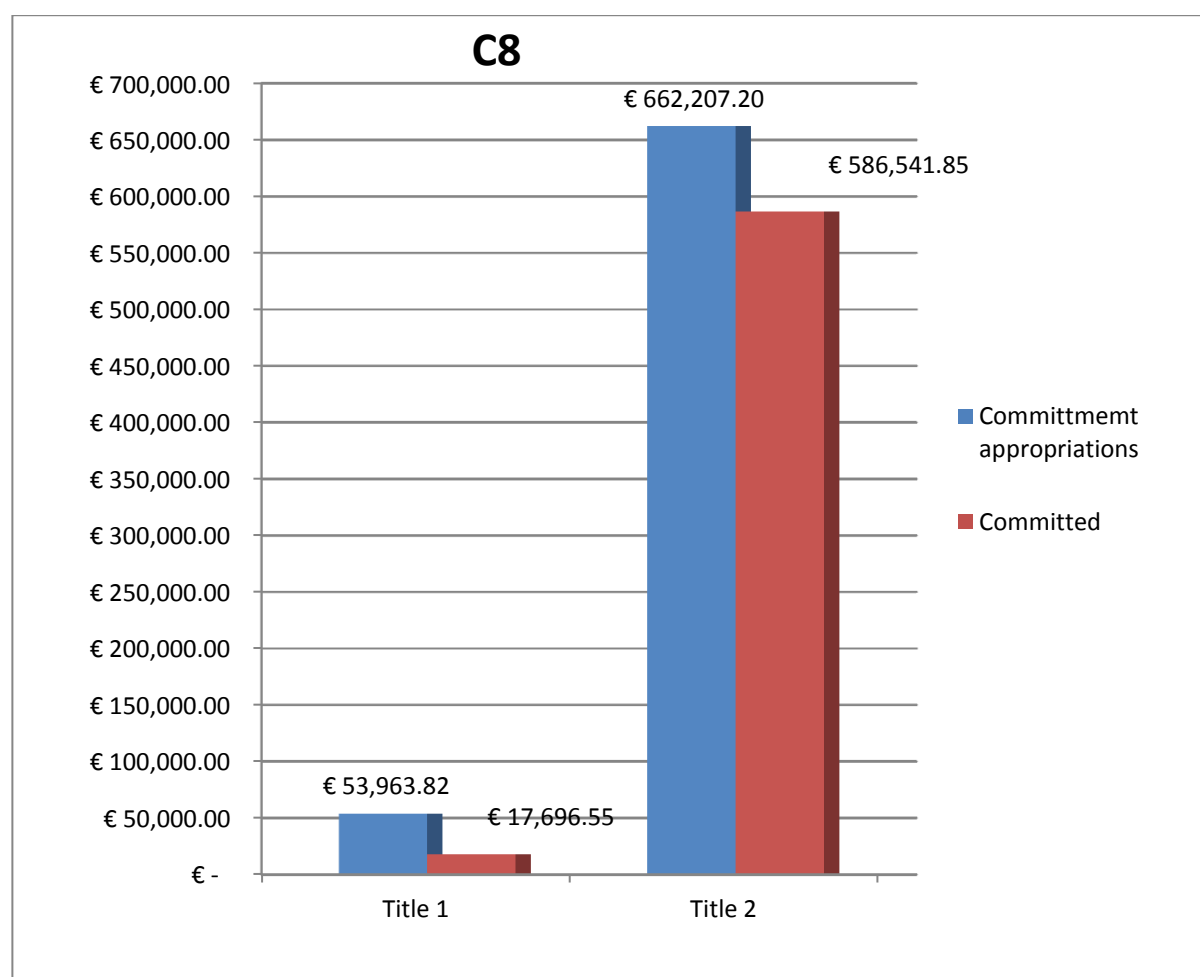
These amounts correspond to reactivation of unused appropriations cancelled in 2011 and entered in 2012 budget initially or by amendment.

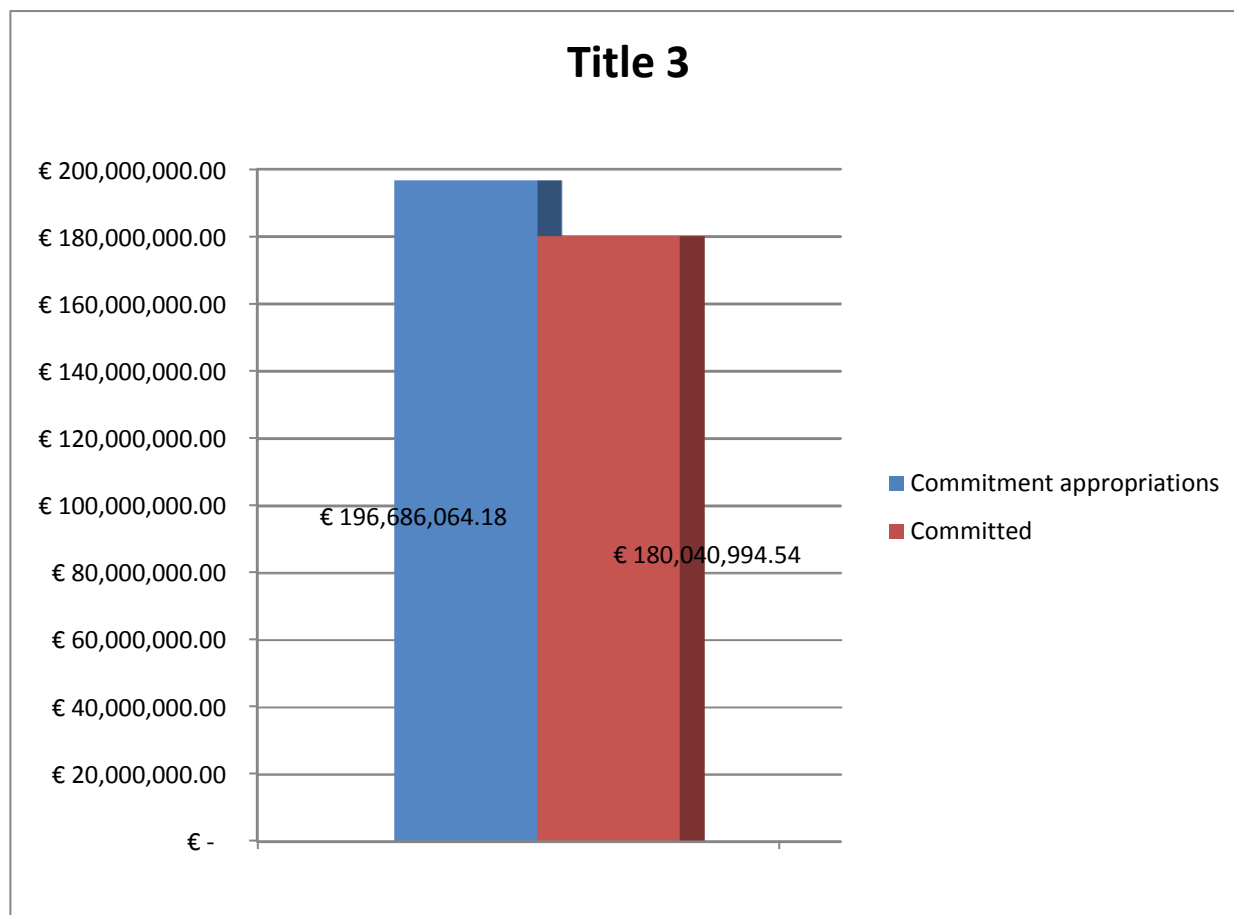
Balance commitments are reactivated in 2013 budget.

2012 – C 8

| | Commitment Appropriations | Committed | % committed | Payment Appropriations | Paid | % paid | To be cancelled /reactivated |
|-----------------|---------------------------|-----------------------|--------------|------------------------|-------------------|--------------|------------------------------|
| Title 1 | 53,963.82 | 17,696.55 | 32.8% | 17,696.55 | 17,696.55 | 32.8% | 36,267.27 |
| Title 2 | 662,207.20 | 586,541.85 | 88.6% | 586,541.85 | 586,541.85 | 88.6% | 75,665.35 |
| <i>Subtotal</i> | 716,171.02 | 604,238.40 | 84.4% | 604,238.40 | 604,238.40 | 84.4% | 111,932.62 |
| Title 3 | 196,686,064.18 | 180,040,994.54 | 91.5% | 0.00 | 0.00 | | 16,645,069.64 |
| Total | 197,402,235.20 | 180,645,232.94 | 91.5% | 604,238.40 | 604,238.40 | 84.4% | 16,757,002.26 |

(amounts in €)





- A total amount of 604,238.40 € carried over from 2011 appropriations for administrative expenditure (title 1 & 2) were paid. These payments consisted mainly of recruitment related expenditures (4,418.21 €) and training (9,726 €) for Title 1 and in communication costs (89,808.86 €), expenditures related to external audit (77,820 €), expert contracts and meetings (28,446.21 €) and expenditures related to evaluation platform and eFP7 services (345,327 €). The unused appropriations (111,932.62 € from titles 1 & 2) will be reactivated in the FCH JU 2013 budget in accordance with the FCH JU Financial Rules (articles 10 & 11) and its statutes (article 12) for the share of the Union (5/12) and used for operations.
- For the unused commitment appropriations from operations (16,645,069.64 €), an amount of 10,480,548 € related to call 2010 (mainly 2 projects for which the negotiation failed amounting to 7,772,602 €), call 2009 (28,834 €) and studies 2010 (2,679,112 €) was reactivated in the FCH JU 2012 budget for operations.
An amount of 6,123,301 € consisting of uncommitted studies of 2011 (1,500,000 €), de-commitments from call 2011 (1,896,097 €) and the anticipated termination of a project (2,727,204 €) are reactivated in budget 2013.

The remaining amount of 41,220.64 € is to be cancelled due to application of 3-year rule (de-commitments coming from call 2008 and 2009).

2012 – C 4

| | Appropriations | Committed | % | Paid | % |
|------------------|----------------|-----------|---|------|---|
| Title 1 | 645.00 | 0 | 0 | 0 | 0 |
| Title 2 | 1,135.61 | 0 | 0 | 0 | 0 |
| <i>Sub-total</i> | 1,780.61 | 0 | 0 | 0 | 0 |
| Title 3 | 1,730,300.30 | 0 | 0 | 0 | 0 |
| Total | 1,732,080.91 | 0 | 0 | 0 | 0 |

(amounts in €)

The funds relate to recovery of amounts due by third parties. The main item is a recovery order on a project which was terminated at the request of the consortium. These amounts are carried over automatically to 2013 (C5) and will be used for the FCH JU activity.

2012 – C 5

| | Appropriations | Committed | % committed | Paid | % paid |
|------------------|----------------|------------|-------------|------------|--------|
| Title 1 | 814.10 | 814.10 | 100 % | 814.10 | 100 % |
| Title 2 | 5,733.34 | 5,733.34 | 100 % | 5,733.34 | 100 % |
| <i>Sub-total</i> | 6,547.44 | 6,547.44 | 100 % | 6,547.44 | 100 % |
| Title 3 | 296,111.20 | 296,111.20 | 100 % | 296,111.20 | 100 % |
| Total | 302,658.64 | 302,658.64 | 100 % | 302,658.64 | 100 % |

(amounts in €)

The funds correspond to assigned revenues of 2011 carried over in 2012.

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 31.12.2012 there were three recovery orders issued in December 2012 corresponding to an audit adjustment and related liquidated damages for a total amount of 1,608.5 € and to finalization of a project for a total amount of 68,573.29 € due by 4 February 2013.

Furthermore, an amount of 344.77 € corresponding to VAT was to be received.

There was no waiver of recovery orders in 2012.

4.2. Financial Management

For the year 2012 main achievements include the following:

- The Finance & Administration unit verified commitments for administrative expenditure (titles 1 & 2) for an amount of 3,955,766 € and for operations for an amount of 88,856,496 € (including mainly 33 projects call 2011 and 2 procurement studies). Payment orders, issued by the Director were executed during the year for a total amount 55,201,810 € with the following breakdown:

| Type | Amount |
|---|---------------------|
| Operational expenditure (pre-financings projects Call 2010) | 44,782,934 € |
| Operational expenditure (pre-financings projects Call 2008/2009/2010) | 197,908 € |
| Operational expenditure (interim payments projects Call 2008/2009/2010) | 4,947,863 € |
| Operational expenditure (final payments projects Call 2008/2009) | 299,041 € |
| Operational expenditure (studies) | 1,215,150 € |
| Sub-total operational | 51,442,896 € |
| Administrative expenditure | 3,758,914 € |
| TOTAL | 55,201,810 € |

- The team also carried out the verification and payment of missions for staff (about 100) and of reimbursement claims for experts and candidates (171).
- The development and implementation of a tool for monitoring purchase orders and consumption of commitments.
- The procurement activity included notably the following:
 - Finalisation of an open procurement procedure (launched in 2011) for studies on the commercialisation of fuel cells and hydrogen technologies and related services which resulted in the signature of 3 framework contracts (with re-opening 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 Financial Verifications checks for about 150 beneficiaries in call 2011 projects and for 38 beneficiaries (out of 122 requiring assessment) in call 2012 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 (process still on-going) and checklists revised with the aim of reducing the errors in cost claims.
- The further development and enhancement of a tool for financial monitoring of projects.

- The further development of the ex-post audit process with the implementation of results of the first ex-post audits launched in 2011 and finalized in 2012 and the further implementation of the ex-post audit strategy with the launch of 2 other batches involving the 3 external audit firms with which the JU has a framework contract.
- The organisation of 3 sessions of a communication campaign for beneficiaries and CFS auditors covering 55 projects (54 % of the on-going projects) emphasising and giving advice on avoiding the most common errors in cost claims.
- The drafting of the Guide to financial issues for beneficiaries of the FCH JU programme published in July 2012