

Fuel Cells and Hydrogen

Joint Undertaking

Final Annual Accounts

Financial year 2011

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

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

Brussels, 15 June 2012



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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
JTI	Joint Technology Initiative
OJ	Official Journal
PA	Payment Appropriations
PMO	Paymasters Office
RG	Research Grouping
RTD	Research, Technological development and Demonstration

Introduction

Basis for preparation

The final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking 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 the 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 accounting principle.

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 first 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.

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>

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)".

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.

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

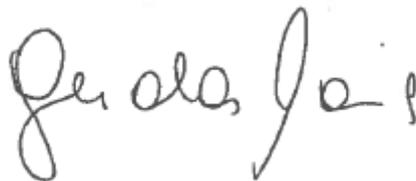
Certificate of the Accounting Officer

The final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the year 2011 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 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 'Gerda Rainer', is centered on the page.

Gerda Rainer

Accounting Officer

1. Financial Statements

1.1. Balance Sheet – Assets⁵

	Note	31.12.2011	31.12.2010
NON CURRENT ASSETS			
Intangible fixed assets	1	13,341.76	0.00
Tangible fixed assets	1	40,613.13	0.00
Long-term pre-financing	2	57,028,586.43	45,136,083.10
Long-term receivables		0.00	0.00
TOTAL NON CURRENT ASSETS		57,082,541.32	45,136,083.10
CURRENT ASSETS			
Short-term pre-financing	3	30,993,272.71	6,175,092.00
Short-term receivables			
Current receivables - contributions from members		0.00	195,081.00
Sundry receivables		12,885.00	5,229.54
Deferrals and accruals	4	173,809.44	14,763.41
Cash and cash equivalents	5	9,212,609.63	5,015,973.20
TOTAL CURRENT ASSETS		40,392,576.78	11,406,139.15
TOTAL		97,475,118.10	56,542,222.25

⁵ All Amounts in EUR

1.2. Balance Sheet - Liabilities⁶

	Note	31.12.2011	31.12.2010
CURRENT LIABILITIES			
Accounts payable			
Current payables	6	37,646.16	93,807.44
Accrued charges	7	597,656.79	697,316.54
Taxes, salaries and social security		0.00	1,263.00
Other accounts payable		0.00	814.10
Co-Financing to be paid to the Members	8	17,283,074.34	4,562,057.50
Contributions from Members to be validated	9	35,027,460.04	14,362,549.24
Contributions from Members to be received		0.00	195,081.00
TOTAL LIABILITIES		52,945,837.33	19,912,888.82
NET ASSETS			
Contributions from Members		136,154,024.52	62,551,346.54
EU Contributions	10	121,610,345.81	62,518,833.54
Industry Grouping Contributions	10	10,696,181.21	0.00
Research Grouping Contributions	10	3,847,497.50	32,513.00
Accumulated contribution from Members used previous years		-25,922,013.11	0.00
Contribution from Members used during the year	11	-65,702,730.64	-25,922,013.11
TOTAL NET ASSETS		44,529,280.77	36,629,333.43
TOTAL NET ASSETS + LIABILITIES		97,475,118.10	56,542,222.25

⁶ All Amounts in EUR

1.3. Economic Outturn Account

	Note	2011	2010
Recovery of expenses		0.00	0.00
Revenues from administrative operations		0.00	0.00
Other operating revenue		215.13	0.00
TOTAL OPERATING REVENUE		215.13	0.00
Administrative ⁷ expenses	12	-3,217,141.92	-2,929,722.87
Operational expenses	13	-62,746,511.45	-23,006,765.00
TOTAL OPERATING EXPENSES		-65,963,438.24	-25,936,487.87
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		-65,963,438.24	-25,936,487.87
Financial revenues	14	261,557.91	14,763.41
Financial expenses	15	-850.31	-288.65
SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES		260,707.60	14,474.76
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		-65,702,730.64	-25,922,013.11
Extraordinary gains (+)		0.00	0.00
Extraordinary losses (-)		0.00	0.00
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS		0.00	0.00
CONTRIBUTIONS USED DURING THE YEAR		-65,702,730.64	-25,922,013.11

Negative sign for expenses

⁷ 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)

Cash flows from ordinary activities	2011	2010
Surplus/deficit from ordinary activities	-65,702,730.64	-25,922,013.11
Operating activities		
<u>Adjustments</u> amounts in EUR		
<i>Amortisation (intangible fixed assets) +</i>	4,060.61	0.00
<i>Depreciation (tangible fixed assets) +</i>	12,589.09	0.00
<i>Increase/decrease in Provisions for risks and liabilities</i>	0.00	0.00
<i>Increase/decrease in Value reduction for doubtful debts</i>	0.00	0.00
<i>Increase/decrease in long term Pre-financing</i>	-11,892,503.33	-45,136,083.10
<i>Increase/decrease in Short term Pre-financing</i>	-24,818,180.71	-6,175,092.00
<i>Increase/decrease in Long term Receivables</i>	0.00	0.00
<i>Increase/decrease in Short term Receivables</i>	28,379.51	-215,073.95
<i>Increase/decrease in receivables related to consolidated EC entities</i>	0.00	0.00
<i>Increase/decrease in Other Long term liabilities</i>	0.00	0.00
<i>Increase/decrease in Accounts payable</i>	33,032,948.51	19,912,888.82
<i>Gains/losses on sale of Property, plant and equipment</i>	0.00	0.00
Net Cash-Flow from operating activities	-69,335,436.96	-57,535,373.34
Cash Flows from investing activities		
<i>Increase of tangible and intangible fixed assets -</i>	-70,604.59	0.00
<i>Proceeds from tangible and intangible fixed assets +</i>	0.00	0.00
Net cash flow from investing activities	-70,604.59	0.00
Cash flow from financing activities		
Contribution from Members	73,602,677.98	62,551,346.54
Cash flow from financing activities	69,406,041.55	62,551,346.54
Net cash flow from ordinary activities	4,196,636.43	5,015,973.20
Net increase/decrease in cash and cash equivalents	4,196,636.43	5,015,973.20
Cash and cash equivalents at the beginning of the period	5,015,973.20	0.00
Cash and cash equivalents at the end of the period	9,212,609.63	5,015,973.20

1.5. Statement of changes in net assets and liabilities 2011

all amounts in EUR	2011	2010
Balance on 1 January	36,629,333.43	0.00
Contributions from Members	73,602,677.98	62,551,346.54
Contributions from Members used during the year	65,702,730.64	25,922,013.11
Balance as of 31 December	44,529,280.77	36,629,333.43

2. Notes to 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.

The Governing Board of FCH JU has adopted the "methodology for assessing the in-kind contributions"⁸ on 10 February 2012.

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.

In my capacity as the appointed accounting officer of FCH JU I have validated the accounting system of FCH JU on 21 November 2011. I have identified some weaknesses and have made some observations and recommendations. I will follow up on this validation report in 2012 focussing on the follow up of the recommendations of the 2011 report and any other major changes to the system that may arise.

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

⁸ Council Regulation (EC) No 521/2008, Statutes of FCH JU, article 12

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. Voting rights

The Governing Board of the Fuel Cells and Hydrogen Joint Undertaking is composed of 12 representatives, each one with one voting right. Industry Grouping has got 6 seats and voting rights, Research Grouping one seat and voting right and the European Commission holds 5 seats and voting rights.

2.7. Related party disclosure

	Year 2011
Number of Authorising Officers at year end	1
Number of Authorising Officers by subdelegation at year end	2
Analysis by grade	
AD14	1
AD11	2

The Authorising Officer as well as the Authorising Officers by subdelegation are remunerated in accordance with the Staff Regulation of the European Communities.

2.8. 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 2 April 2012 for 1.00 EUR with the possibility of renewal for a period of 6 more months from Hyundai Motor Company Brussels Office; this lease contract is considered an operating lease.

2.9. Events subsequent to period end

Six cost statement have been validated between year-end and the cut-off date (8 June 2012 for the Final Annual Accounts 2011). As these validations concern the years 2010 and 2011 the in-kind contributions validated are included in the 2011 accounts.

No other material issues came to the attention of the accounting officer of FCH JU or were reported to her that would require separate disclosure under this section.

2.10. 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.

2.11. Commitments for future funding at 31.12.2011

This is a voluntary disclosure that provides the reader with information on the total of commitments not yet consumed as well as details about the outstanding contract amount for the rent contract (avenue de la Toison d’Or 56-60, 1060 Bruxelles) that will be committed in future years:

Commitments for future funding	31.12.2011	31.12.2010
RAL - Commitments against appropriations not yet consumed	197,402,235.20	38,030,908.00
Legal Commitments (for which budget commitments have not yet been made)	0.00	0.00
Operating lease	1,855,688.00	1,985,883.00
Contractuel commitment (for which budget commitments have not yet been made)	0.00	0.00
Other (please specify)	0.00	0.00
TOTAL	199,257,923.20	40,016,791.00

2.12. Notes to the balance sheet

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

Items acquired whose purchase price is EUR 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 EUR 420 have been reflected in the accounts as running 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 %

Situation on 31.12.2011:

	Hardware	Furniture	Software	Equipment
Gross carrying amount on 1.01.2011	8,856.03	0.00	0.00	0.00
+ Additions	26,592.82	6,513.03	17,402.37	11,240.34
- Phased out (purchase price)	0.00	0.00	0.00	0.00
Gross carrying amount on 31.12.2011	35,448.85	6,513.03	17,402.37	11,240.34
Accumulated depreciation and impairment 1. January 2011	2,549.81	0.00	0.00	0.00
+ Depreciation, year of reporting	8,244.48	573.03	4,060.61	1,221.77
- Depr., Phased out items	0.00	0.00	0.00	0.00
+ Impairment, current year	0.00	0.00	0.00	0.00
- Impairment, Phased out items	0.00	0.00	0.00	0.00
Accumulated depreciation and impairment	10,794.29	573.03	4,060.61	1,221.77
Net carrying amount	24,654.56	5,940.00	13,341.76	10,018.57

All amounts in EUR

In January 2011 the formal transfer of assets from the European Commission to FCH JU took place. FCH JU has taken over all items (hardware, shown above in carrying amount on 1.01.2011) at purchasing price and also already accumulated depreciation.

Note 2: Long-term Pre-financing

All open pre-financing amounts on 31 December 2011 that will probably not 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 assessment for all pre-financings open on 31 December 2011.

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. By 31.12.2011 FCH JU held 25 letters of guarantee for a total amount of EUR 8,366,255.54. These guarantees will be returned to the respective Guarantor upon actual clearing of the pre-financing.

According to the accounting principle "accrual based accounting" it is estimated which part of the outstanding pre-financing has been used by the final beneficiary at 31 December 2011. This part is recognised as an expense and reduces the short-term pre-financing.

Note 4: Deferrals and accruals

Accrued income amounting to € 149,531.66 consists of bank interest to be received for the 4th quarter 2011 for the FCH bank account.

Invoices or payments received or executed in 2011 that relate to the year 2012 are recorded as deferred charges and amount to € 24,277.78.

Note 5: Cash and cash equivalents

At the end of the year 2011 FCH JU held one bank account with ING in Brussels. The balance on 31 December 2011 on this account was € 9,212,609.63.

Note 6: Current liabilities: Current payables

On 31.12.2011 FCH JU had registered invoices for EUR 37,646.16 to be paid to suppliers.

Note 7: Accrued charges

The accrued charges is the amount estimated by the authorising officer of the cost incurred for services and goods delivered in year 2011 but not yet invoiced or processed by the end of the year. The total amount is € 597,656.79 and can be grouped by the following main areas:

Accrued charges 2011	EUR
Evaluation platform	346,000.00
Communication expenses	97,625.75
Experts	28,446.61
IT expenditure	6,075.26
Rent and building related expenditure	0.00
Annual leave not taken	52,959.49
Other staff expenditure	22,189.90
Other	43,922.08
Total	597,219.09
Other passive accruals and deferrals	437.70
Total	597,656.79

Note 8: Co-Financing to be paid

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 2011

Note 9: Contributions from Members to be validated

On 31.12.2011 FCH JU had signed 70 grant agreements out of which 56 were running projects (9 projects only started in 2012 and 5 projects have ended before 31.12.2011). First cost statements were received, treated and 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 for the years 2010 and 2011.

Item	EUR
Industry in-kind contributions to running projects in 2011 (2010)	24,949,984.70
Research in-kind contributions to running projects in 2011 (2010)	10,077,475.34
Total	35,027,460.04

Note 10: 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 Industry and Research Grouping contribute in-kind through project participants.

Detail Contributions validated at 31.12.2011

Contribution received up to 31.12.2011	Commission		Industry Grouping		Research Grouping		Total	
	Cash	In kind	Cash	In kind	Cash	In kind	Cash	In kind ⁹
A. Running Costs	3,078,186.54	1,808,299.27	2,765,747.67	0.00	460,957.45	0.00	6,304,891.66	1,808,299.27
Previous years	2,004,297.54	0.00	0.00	0.00	32,513.00	0.00	2,036,810.54	0.00
Current year	1,073,889.00	1,808,299.27	2,765,747.67	0.00	428,444.45	0.00	4,268,081.12	1,808,299.27
B. Operational costs (R&D Projects)	99,425,040.00	17,298,820.00	0.00	7,930,433.54	0.00	3,386,540.05	99,425,040.00	28,615,793.59
Previous years	43,215,716.00	17,298,820.00	0.00	0.00	0.00	0.00	43,215,716.00	17,298,820.00
Current year	56,209,324.00	0.00	0.00	7,930,433.54	0.00	3,386,540.05	56,209,324.00	11,316,973.59
C. Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Previous years	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL A+B+C	102,503,226.54	19,107,119.27	2,765,747.67	7,930,433.54	460,957.45	3,386,540.05	105,729,931.66	30,424,092.86
Contribution in cash/kind in %	96.95%	62.80%	2.62%	26.07%	0.44%	11.13%	100.00%	100.00%
Total contribution in %	89.32%		7.86%		2.83%		100.00%	

Voting rights	41.67%	50.00%	8.33%	100.00%
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European Commission In-kind contribution:

At the date of autonomy FCH JU had taken over all running projects including the paid pre-financings (which constitute financial assets for FCH JU).

In 2011, after the transfer of the assets from EC to FCH JU the reported pre-autonomy running costs are included in the in-kind contributions from the EC.

In-kind contributions from other members for operational cost:

Year 2011	Accumulated in-kind contributions At 1/01/2011 (A)	Received in-kind contributions (B)	Validated in-kind contributions (C)	Adjustments (D)	Total (A)+(B)+(C)+(D)
Industry Grouping	7,788,970.00	17,161,014.70	7,930,433.54	0.00	32,880,418.24
Research Grouping	4,773,986.00	5,303,489.34	3,386,540.05	0.00	13,464,015.39
Total	12,562,956.00	22,464,504.04	11,316,973.59	0.00	46,344,433.63

⁹ By the cut-off date for the Final accounts 2011 the Executive Director has also validated Other in-kind contributions from the JRC of an amount of EUR 34,547.22 which are not included in the accounts according to Council Regulation (EC) No 521/2008 Article 5.4.

In column (D) Adjustments only adjustments to validated in-kind contributions will be recorded. These adjustments will mainly relate to ex-post audits or clerical mistakes. The first ex-post audits have been launched in 2011. Final results together with the Executive Director's decision on adjustments will only be available later in 2012 and will therefore be included in the 2012 accounts.

Note 11: Contributions from Members used during the year

The contributions from Members used during the year equal the economic outturn account of the year 2011.

2.13. Notes to the economic outturn account

Note 12: Administrative expenses

Staff expenses	2,170,552.78
Salaries & entitlements	2,076,229.26
Training costs	3,986.99
Missions	90,336.53
Other administrative expenses	1,046,589.14
Rent and related cost	283,181.38
Evaluation platform (consol. entities)	206,520.10
IT costs	44,167.04
Experts	313,038.69
Communication	82,668.37
Other external service providers	91,052.15
Depreciation	16,649.70
Other expenses	9,311.71
Total administrative expenses	3,217,141.92

Note 13: Operational expenses

These expenses comprise all project-related expenses that were performed in 2011 (estimated project progress).

Item	EUR
Operational expenses validated (cost claims)	17,602,631.40
Operational expenses estimate	45,023,142.05
Operational expenses procurement	120,888.00
Adjustment operational expenses from in-kind contributions (EC transfer)	-150.00
Total	62,746,511.45

Note 14: Financial revenues

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

Note 15: Financial expenses

Financial expenses are the bank charges for 2011 and exchange rate differences.

3. Report on the implementation of the budget

3.1. Budget outturn account

	2011	2010
Revenue		
European Union Contribution ¹⁰	57,283,213.00	45,220,013.54
Industry Group Contribution	2,570,666.67	195,081.00
Research Group Contribution	428,444.45	32,513.00
Total revenue (1)	60,282,324.12	45,447,607.54
Expenditure		
Personnel expenses - Budget Title I Payments	2,172,771.18	145,455.56
Administrative expenses - Budget Title II Payments	1,283,742.67	187,287.68
Operational expenses - Budget Title III Payments	53,263,202.22	39,894,106.60
Total expenditure (2)	56,719,716.07	40,226,849.84
Budget surplus (3)=(1)-(2)	3,562,608.05	5,220,757.70
Payment appropriations carried forward (RAL) (4)	716,171.02	806,205.19
Payment appropriations carried over (C4 to C5) (4)	302,658.64	0.00
Cancellation of unused appropriations from previous year (5)	378,392.10	136,406.70
Positive balance from year N-1	4,550,959.21	0.00
Total Budget outturn (6) =(3)-(4)+(5)	7,473,129.70	4,550,959.21

¹⁰ The European Union contribution includes the transfer of open C8 funds of EUR 170,634.35 in year 2010

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:

		2011	2010
Economic result (- for loss)	-	65,702,730.64	25,922,013.11
Adjustment for accrual items (items not in the budgetary result but included in the economic result)			
<i>Adjustment for accrual Cut-off (reversal 31.12 N-1)</i>	-	25,503,674.78	0.00
<i>Adjustments for Accrual Cut-off (cut-off 31.12.N)</i>	+	68,627,126.14	25,503,674.78
<i>Unpaid invoices at year end but booked in charges (class 6)</i>	+	37,646.16	95,070.44
<i>Depreciation of intangible and tangible fixed assets</i>	+	16,649.70	0.00
<i>Deferrals</i>	-	24,277.78	0.00
<i>In-kind contributions</i>	+	13,125,272.86	0.00
<i>Pre-financing given in previous year and cleared in the year</i>	+	1,967,014.79	0.00
<i>Other receivables (not cashed assigned revenue)</i>	+	12,240.00	0.00
<i>Payments made from carry-over of payment appropriations</i>	-	427,813.09	0.00
<i>Other – (operating revenue)</i>	-	215.13	+5,000.00
<i>Other active accruals</i>	-	252.45	0.00
<i>Bank interest</i>	-	261,557.91	14,762.82
<i>Bank charges</i>	-	34.83	0.59
<i>Exchange rate differences</i>	+	815.48	288.06
Adjustments for budgetary items (items included in the budgetary result but not in the economic result)			
<i>Asset acquisitions</i>	-	70,604.59	0.00
<i>New pre-financing paid in the year and remaining open</i>	-	48,515,320.00	39,894,106.60
<i>Budgetary recovery orders issued on balance sheet accounts (not 7 or 6 accounts)</i>	+	60,282,324.12	45,447,607.54
<i>Payment appropriations carried over to 2012</i>	-	716,171.02	806,205.19
<i>Cancellation of unused carried over payment appropriations from previous year</i>	+	378,392.10	136,406.70
<i>Adjustment for carry-over from the previous year of appropriations available at 31.12. arising from assigned revenue</i>	-	302,658.64	0.00
<i>Budgetary result year n-1</i>	+	4,550,959.21	0.00
<i>Total</i>	+	7,473,129.70	4,550,959.21
Budgetary result (+ for surplus)	+	7,473,129.70	4,550,959.21
Delta not explained		0.00	0.00

3.3. Budget execution 2011

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	1,432,000.00	1,418,163.64	99.03 %	1,418,163.64	99.03 %	13,836.36	0.00
A-1101	Family Allowances	183,500.00	181,000.00	98.64 %	171,723.74	93.58 %	2,500.00	9,276.26
A-1102	Expatriation and foreign residence allowance	184,000.00	184,000.00	100.00 %	156,584.30	85.10 %	0.00	27,415.70
	Sum:	1,799,500.00	1,783,163.64	99.09 %	1,746,471.68	97.05 %	16,336.36	36,691.96

A-1110	Contract Agents	127,520.00	127,520.00	100.00 %	103,322.71	81.02 %	0.00	24,197.29
A-1111	Costs linked to Temporary Staff (Intérimaires)	12,900.00	12,900.00	100.00 %	10,808.01	83.78 %	0.00	2,091.99
	Sum:	140,420.00	140,420.00	100.00 %	114,130.72	81.28 %	0.00	26,289.28

A-1130	Insurance against sickness	49,000.00	49,000.00	100.00 %	48,234.95	98.44 %	0.00	765.05
A-1131	Insurance against accidents and occupational disease	10,500.00	10,500.00	100.00 %	10,063.95	95.85 %	0.00	436.05
A-1132	Unemployment insurance for temporary staff	19,500.00	18,971.94	97.29 %	18,971.94	97.29 %	528.06	0.00
	Sum:	79,000.00	78,471.94	99.33 %	77,270.84	97.81 %	528.06	1,201.10

A-1141	Annual travel costs from the place of employment t	32,600.00	32,165.00	98.67 %	32,066.66	98.36 %	435.00	98.34
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	Sum:	32,600.00	32,165.00	98.67 %	32,066.66	98.36 %	435.00	98.34
A-1177	Other services rendered	39,480.00	17,000.00	43.06 %	12,277.62	31.10 %	22,480.00	4,722.38
	Sum:	39,480.00	17,000.00	43.06 %	12,277.62	31.10 %	22,480.00	4,722.38
A-1200	Sundry engagement expenditure	21,000.00	21,000.00	100.00 %	4,919.53	23.43 %	0.00	16,080.47
A-1201	Installation resettlement and daily subsistence al	80,000.00	70,000.00	87.50 %	57,490.49	71.86 %	10,000.00	12,509.51
	Sum:	101,000.00	91,000.00	90.10 %	62,410.02	61.79 %	10,000.00	28,589.98
A-1300	Mission expenses duty travel expenses and other an	100,000.00	100,000.00	100.00 %	93,765.72	93.77 %	0.00	6,234.28
	Sum:	100,000.00	100,000.00	100.00 %	93,765.72	93.77 %	0.00	6,234.28
A-1430	Medical service	15,000.00	3,000.00	20.00 %	2,289.60	15.26 %	12,000.00	710.40
A-1431	Mobility costs and other social expenses for staff	23,000.00	3,800.00	16.52 %	3,328.49	14.47 %	19,200.00	471.51
	Sum:	38,000.00	6,800.00	17.89 %	5,618.09	14.78 %	31,200.00	1,181.91
A-1440	Training	40,000.00	22,215.53	55.54 %	11,635.53	29.09 %	17,784.47	10,580.00
	Sum:	40,000.00	22,215.53	55.54 %	11,635.53	29.09 %	17,784.47	10,580.00
A-1700	Entertainment and representation expenses	20,000.00	7,000.00	35.00 %	6,436.72	32.18 %	13,000.00	563.28
	Sum:	20,000.00	7,000.00	35.00 %	6,436.72	32.18 %	13,000.00	563.28
A-2000	Rentals	302,200.00	299,478.89	99.10 %	299,478.89	99.10 %	2,721.11	0.00

	Sum:	302,200.00	299,478.89	99.10 %	299,478.89	99.10 %	2,721.11	0.00
A-2010	Insurance	3,000.00	2,200.00	73.33 %	2,001.65	66.72 %	800.00	198.35
	Sum:	3,000.00	2,200.00	73.33 %	2,001.65	66.72 %	800.00	198.35
A-2020	Water gas electricity and heating	33,000.00	33,000.00	100.00 %	26,107.17	79.11 %	0.00	6,892.83
	Sum:	33,000.00	33,000.00	100.00 %	26,107.17	79.11 %	0.00	6,892.83
A-2030	Cleaning and maintenance	30,000.00	30,000.00	100.00 %	30,000.00	100.00 %	0.00	0.00
	Sum:	30,000.00	30,000.00	100.00 %	30,000.00	100.00 %	0.00	0.00
A-2040	Fitting-out of premises	70,000.00	70,000.00	100.00 %	47,972.57	68.53 %	0.00	22,027.43
	Sum:	70,000.00	70,000.00	100.00 %	47,972.57	68.53 %	0.00	22,027.43
A-2050	Security and surveillance	15,000.00	15,000.00	100.00 %	819.70	5.46 %	0.00	14,180.30
	Sum:	15,000.00	15,000.00	100.00 %	819.70	5.46 %	0.00	14,180.30
A-2101	Data-processing equipment	30,000.00	27,500.00	91.67 %	18,967.45	63.22 %	2,500.00	8,532.55
A-2102	Software development and purchase	28,500.00	26,035.19	91.35 %	26,035.19	91.35 %	2,464.81	0.00
A-2103	Other expenses	43,000.00	41,590.59	96.72 %	40,005.50	93.04 %	1,409.41	1,585.09
	Sum:	101,500.00	95,125.78	93.72 %	85,008.14	83.75 %	6,374.22	10,117.64
A-2200	Purchase	20,000.00	12,151.77	60.76 %	410.00	2.05 %	7,848.23	11,741.77
A-2202	Maintenance utilisation and repairs	2,000.00					2,000.00	

	Sum:	22,000.00	12,151.77	55.24 %	410.00	1.86 %	9,848.23	11,741.77
A-2300	Stationery and office supplies	22,000.00	7,500.00	34.09 %	2,135.21	9.71 %	14,500.00	5,364.79
	Sum:	22,000.00	7,500.00	34.09 %	2,135.21	9.71 %	14,500.00	5,364.79
A-2320	Bank charges	500.00					500.00	
	Sum:	500.00					500.00	
A-2330	Legal expenses	10,000.00					10,000.00	
	Sum:	10,000.00					10,000.00	
A-2351	Petty expenses	2,000.00					2,000.00	
A-2352	Moving of services	15,000.00					15,000.00	
	Sum:	17,000.00					17,000.00	
A-2360	Library stocks purchase of books	10,000.00	5,224.89	52.25 %	5,224.89	52.25 %	4,775.11	0.00
	Sum:	10,000.00	5,224.89	52.25 %	5,224.89	52.25 %	4,775.11	0.00
A-2370	Translation interpretation	8,500.00	7,466.86	87.85 %	7,466.86	87.85 %	1,033.14	0.00
	Sum:	8,500.00	7,466.86	87.85 %	7,466.86	87.85 %	1,033.14	0.00
A-2400	Correspondence postage and telecommunications	28,300.00	19,200.00	67.84 %	8,545.74	30.20 %	9,100.00	10,654.26
	Sum:	28,300.00	19,200.00	67.84 %	8,545.74	30.20 %	9,100.00	10,654.26
A-2500	Meetings in general	40,000.00	33,500.00	83.75 %	16,079.29	40.20 %	6,500.00	17,420.71
	Sum:	40,000.00	33,500.00	83.75 %	16,079.29	40.20 %	6,500.00	17,420.71

A-2600	Communication costs	227,200.00	180,156.17	79.29 %	86,631.87	38.13 %	47,043.83	93,524.30
A-2601	External audit	96,800.00	77,820.00	80.39 %			18,980.00	77,820.00
	Sum:	324,000.00	257,976.17	79.62 %	86,631.87	26.74 %	66,023.83	171,344.30

A-2700	Studies	5,000.00					5,000.00	
	Sum:	5,000.00					5,000.00	

A-2800	Expert contracts and meetings	295,000.00	295,000.00	100.00 %	248,735.18	84.32 %	0.00	46,264.82
A-2801	Evaluation platform	346,000.00	346,000.00	100.00 %			0.00	346,000.00
	Sum:	641,000.00	641,000.00	100.00 %	248,735.18	38.80 %	0.00	392,264.82

B3-000	Implementing the research agenda of FCH JU	113,145,257.00	113,145,257.00	100.00 %	49,941,593.22	44.14 %	0.00	63,203,663.78
	Sum:	113,145,257.00	113,145,257.00	100.00 %	49,941,593.22	44.14 %	0.00	63,203,663.78

	Sum:	117,218,257.00	116,952,317.47	Sum:	52,970,293.98	Sum:	265,939.53	63,982,023.49
			Average:	99.77 %	Average:	45.19 %		

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	0.00			3,321,609.00	0.00 %	0.00	-3,321,609.00
	Sum:	0.00			3,321,609.00	0.00 %	0.00	-3,321,609.00

	Sum:	0.00		Sum:	3,321,609.00	Sum:	0.00	-3,321,609.00
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		Average:		Average:	0.00 %		
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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-1300	Mission expenses duty travel expenses and other an	814.10					814.10	
	Sum:	814.10					814.10	

A-2800	Expert contracts and meetings	5,733.34					5,733.34	
	Sum:	5,733.34					5,733.34	

B3-000	Implementing the research agenda of FCH JU	296,111.20			0.00	0.00 %	296,111.20	0.00
	Sum:	296,111.20			0.00	0.00 %	296,111.20	0.00

	Sum:	302,658.64		Sum:	0.00	Sum:	302,658.64	0.00
			Average:		Average:	0.00 %		

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-1177	Other services rendered	12,518.57	1,054.42	8.42 %	1,054.42	8.42 %	11,464.15	0.00
	Sum:	12,518.57	1,054.42	8.42 %	1,054.42	8.42 %	11,464.15	0.00

A-1200	Sundry engagement expenditure	2,237.57	0.00	0.00 %			2,237.57	0.00
	Sum:	2,237.57	0.00	0.00 %			2,237.57	0.00

A-1300	Mission expenses duty travel expenses and other an	11,085.43	3,441.64	31.05 %	3,441.64	31.05 %	7,643.79	0.00
	Sum:	11,085.43	3,441.64	31.05 %	3,441.64	31.05 %	7,643.79	0.00

A-1430	Medical service	13,094.00	783.10	5.98 %	783.10	5.98 %	12,310.90	0.00
	Sum:	13,094.00	783.10	5.98 %	783.10	5.98 %	12,310.90	0.00

A-1440	Training	17,206.18	4,266.05	24.79 %	4,266.05	24.79 %	12,940.13	0.00
	Sum:	17,206.18	4,266.05	24.79 %	4,266.05	24.79 %	12,940.13	0.00

A-1700	Entertainment and representation expenses	2,265.32	1,142.37	50.43 %	1,142.37	50.43 %	1,122.95	0.00
	Sum:	2,265.32	1,142.37	50.43 %	1,142.37	50.43 %	1,122.95	0.00

A-2000	Rentals	55,766.52	44,581.47	79.94 %	44,581.47	79.94 %	11,185.05	0.00
A-2002	Contributions	9,000.00	1,828.04	20.31 %	1,828.04	20.31 %	7,171.96	0.00
	Sum:	64,766.52	46,409.51	71.66 %	46,409.51	71.66 %	18,357.01	0.00

A-2101	Data-processing equipment	55,000.00	54,933.18	99.88 %	54,933.18	99.88 %	66.82	0.00
A-2102	Software development and purchase	50,000.00	21,466.00	42.93 %	21,466.00	42.93 %	28,534.00	0.00
	Sum:	105,000.00	76,399.18	72.76 %	76,399.18	72.76 %	28,600.82	0.00

A-2200	Purchase	50,000.00	48,132.35	96.26 %	48,132.35	96.26 %	1,867.65	0.00
	Sum:	50,000.00	48,132.35	96.26 %	48,132.35	96.26 %	1,867.65	0.00
A-2300	Stationery and office supplies	5,000.00	997.40	19.95 %	997.40	19.95 %	4,002.60	0.00
	Sum:	5,000.00	997.40	19.95 %	997.40	19.95 %	4,002.60	0.00
A-2320	Bank charges	500.00	0.00	0.00 %			500.00	0.00
	Sum:	500.00	0.00	0.00 %			500.00	0.00
A-2330	Legal expenses	2,078.50	0.00	0.00 %			2,078.50	0.00
	Sum:	2,078.50	0.00	0.00 %			2,078.50	0.00
A-2350	Sundry Insurances	200.00	0.00	0.00 %			200.00	0.00
A-2352	Moving of services	3,200.00	2,720.00	85.00 %	2,720.00	85.00 %	480.00	0.00
	Sum:	3,400.00	2,720.00	80.00 %	2,720.00	80.00 %	680.00	0.00
A-2400	Correspondence postage and telecommunications	19,036.76	17,447.31	91.65 %	17,447.31	91.65 %	1,589.45	0.00
	Sum:	19,036.76	17,447.31	91.65 %	17,447.31	91.65 %	1,589.45	0.00
A-2500	Meetings in general	24,749.32	1,985.08	8.02 %	1,985.08	8.02 %	22,764.24	0.00
	Sum:	24,749.32	1,985.08	8.02 %	1,985.08	8.02 %	22,764.24	0.00
A-2600	Communication costs	148,302.02	41,619.72	28.06 %	41,619.72	28.06 %	106,682.30	0.00
	Sum:	148,302.02	41,619.72	28.06 %	41,619.72	28.06 %	106,682.30	0.00

A-2800	Expert contracts and meetings	185,000.00	181,414.96	98.06 %	181,414.96	98.06 %	3,585.04	0.00
A-2801	Evaluation platform	139,965.00	0.00	0.00 %			139,965.00	0.00
	Sum:	324,965.00	181,414.96	55.83 %	181,414.96	55.83 %	143,550.04	0.00

B3-000	Implementing the research agenda of FCH JU	137,247,603.40	136,804,009.40	99.68 %			443,594.00	136,804,009.40
	Sum:	137,247,603.40	136,804,009.40	99.68 %			443,594.00	136,804,009.40

	Sum:	138,053,808.59	137,231,822.49	Sum:	427,813.09	Sum:	821,986.10	136,804,009.40
			Average:	99.40 %	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-1131	Insurance against accidents and occupational disease	265.87	0.00	0.00 %			265.87	0.00
A-1132	Unemployment insurance for temporary staff	121.26	0.00	0.00 %			121.26	0.00
	Sum:	387.13	0.00	0.00 %			387.13	0.00

	Sum:	387.13	0.00	Sum:		Sum:	387.13	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.

2011 was the first 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

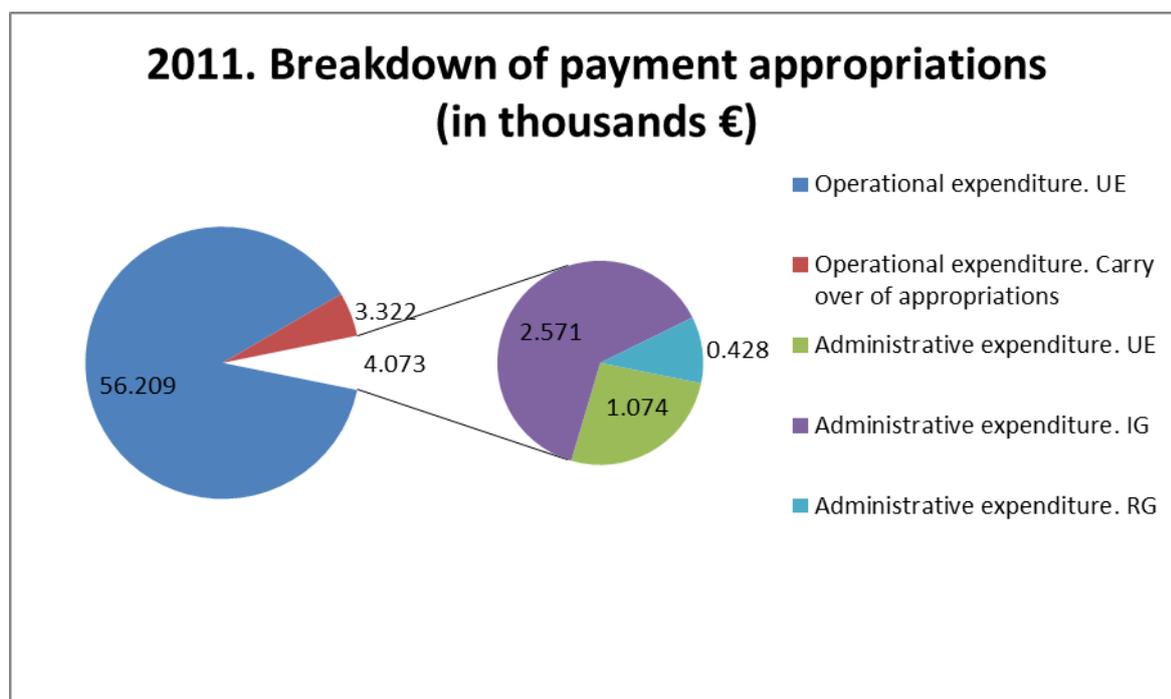
TITLE 3 Operational expenses

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

4.1.2. Budget Revenue

The funding of the FCH JU budget 2011 was as follows (in €):

Heading	CA	PA
Union contribution ¹¹ for operational expenditure	113,145,257	56,209,324
Union Contribution ¹² for administrative expenditure	1,073,889	1,073,889
Industry Grouping	2,570,667	2,570,667
Research Grouping	428,444	428,444
Other revenues	pm	pm
Carry-over of appropriations		3,321,609
TOTAL	117,218,257	63,603,933



Note: The share of IG/RG contribution for 2011 year includes their contribution for 2010 that had been advanced by the European Commission.

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.

¹¹ Includes EFTA contribution

¹² As footnote 9

4.1.3. Budget amendments and transfers

During the financial year 2011 the FCH JU carried out two budget amendments as follows:

Amounts in €	Initial	Amendment n° 1	Amendment n° 2	Final budget
Payment Appropriations	56,305,383	- 96,059	+ 3,321,609	59,530,933

Budget amendment n°1 was adopted by the GB on 10 March 2011 and consisted in the decrease in payment appropriations for operational expenditure by 96,059 € as a result of cuts decided by the Budgetary Authority (EP & Council) to adopt the budget of the Union on 15.12.2010.

Budget amendment n° 2 was adopted by the GB at its meeting of 22 November 2011 and consisted in the reactivation of 3,321,609 € of unused payment appropriations for operations from 2010.

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 16 June, 11 July and 18 October 2011 three 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

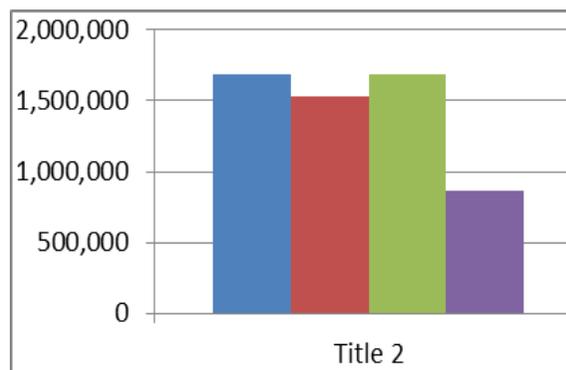
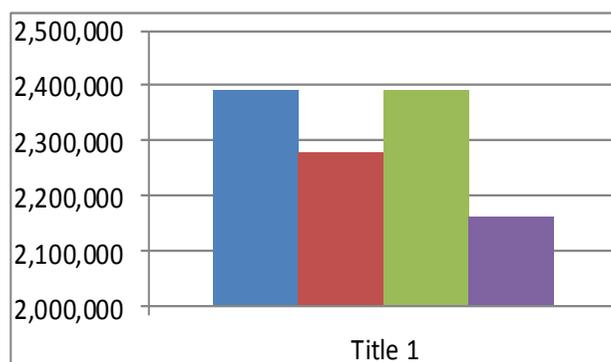
Budget execution at year end reached 99.8 % in terms of commitment appropriations and 87.9% in terms of payment execution.

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

2011- C1

Amounts in €	Commitment Appropriations	Committed	% committed	Payment Appropriations	Paid	% paid	Carry over to 2012 (automatic C8)	To be cancelled/ reactivated
Title 1	2,390,000.00	2,278,235.00	95.3%	2,390,000.00	2,162,083.60	90.5%	53,963.82	173,952.58
Title 2	1,683,000.00	1,528,825.00	90.8%	1,683,000.00	866,617.16	51.5%	662,207.20	154,175.64
<i>Subtotal</i>	<i>4,073,000.00</i>	<i>3,807,060.00</i>	<i>93.5%</i>	<i>4,073,000.00</i>	<i>3,028,700.76</i>	<i>74.4%</i>	<i>716,171.02</i>	<i>328,128.22</i>
Title 3	113,145,257.00	113,145,257.00	100.0%	56,209,324.00	49,941,593.22	88.8%	0.00	6,267,730.78
Total	117,218,257.00	116,952,317.47	99.8%	60,282,324.00	52,970,293.98	87.9%	716,171.02	6,595,859.00

NOTE: Percentage of payment execution for Title 3 is calculated on the basis of the amount of payment appropriations instead of commitment appropriations because of differentiated appropriations





Carry-over to budget year 2012

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

These carry-overs amount to 716,171.02 € and mainly relate to the evaluation platform and eFP7 services (346,000 €) for which a Service Level Agreement is under discussion with the EC as well as ex-post audits of beneficiaries, communication costs and payment of experts.

- Unused payment appropriations from operations 2011 (6,267,730.78 €) stem from the lower amount paid under cost claims as well as lower pre-financing on call 2010 due to termination of negotiations of 2 projects. They will be reactivated in the FCH JU 2012 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 328,128.22 € are 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.

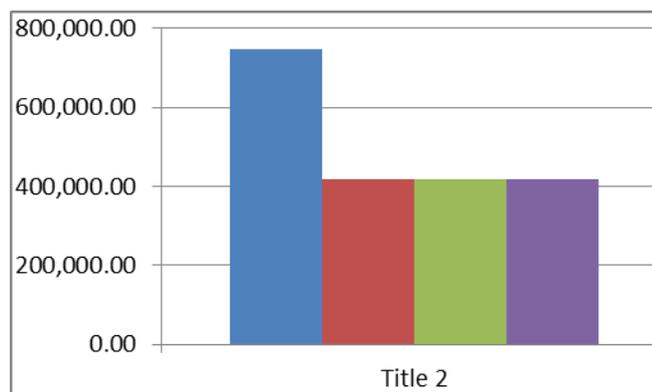
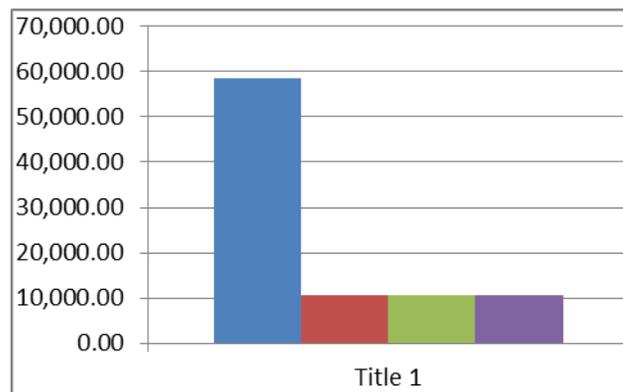
2011 – C 2

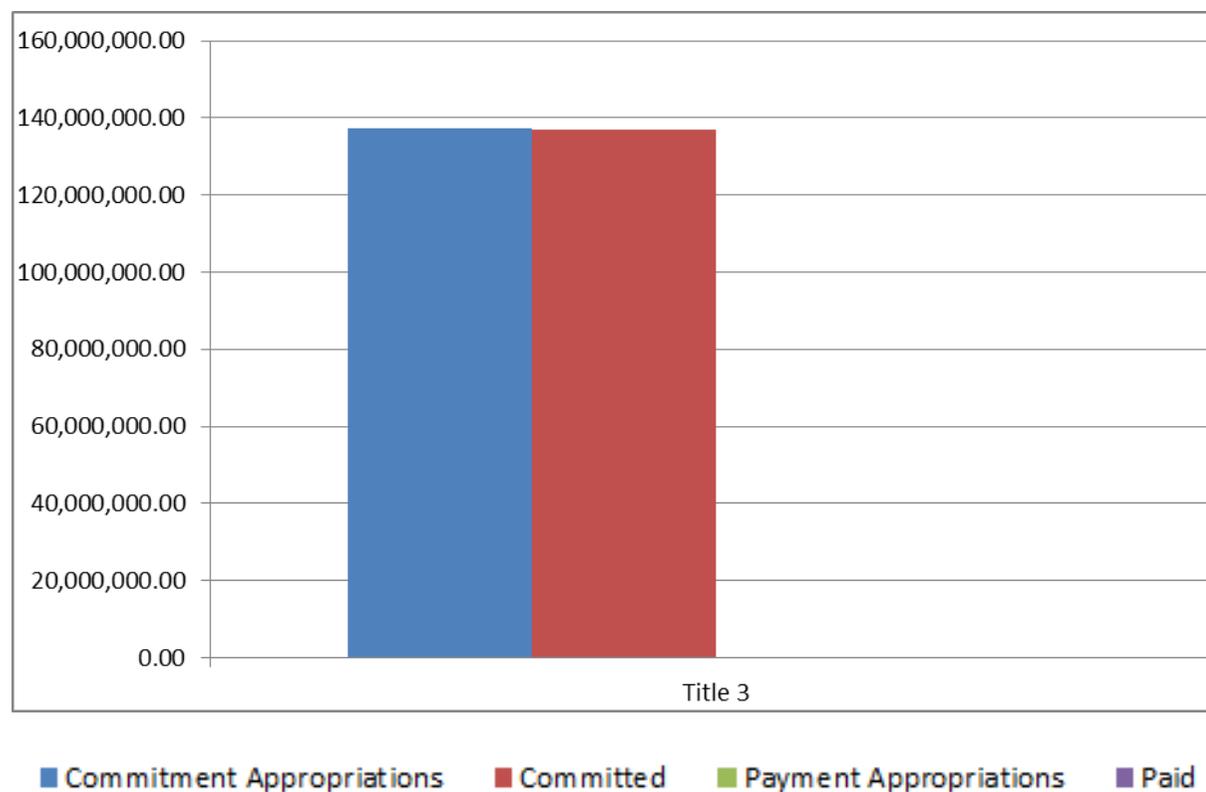
Amounts in €	Payment appropriations	Paid	% paid
Title 3	3,321,609	3,321,609	100.0%

The unused payment appropriations from operations 2010 were inscribed into 2011 budget by decision of the GB (budget amendment n°2) at its meeting of 22 November 2011 and were used for payments of call 2010.

2011 – C 8

Amounts in €	Appropriations	Committed	% committed	Payment Appropriations	Paid	% paid	To be cancelled /reactivated
Title 1	58,407.07	10,687.58	18.3%	10,687.58	10,687.58	18.3%	47,719.49
Title 2	747,798.12	417,125.51	55.8%	417,125.51	417,125.51	63.0%	330,672.61
Subtotal	806,205.19	427,813.09	53.1%	427,813.09	427,813.09	53.1%	378,392.10
Title 3	137,247,603.40	136,804,009.40	99.7%	0.00	0.00		443,594.00
Total	138,053,808.59	137,231,822.49	99.4%	427,813.09	427,813.09	53.1%	821,986.10





- A total amount of 427,813.09 € carried over from 2010 appropriations for administrative expenditure (title 1 & 2) were paid. The unused appropriations (378,392.10 € from titles 1 & 2) will be reactivated in the FCH JU 2012 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.
- The unused Commitment appropriations from operations relate to call 2009 (443,594 €) were reactivated in the FCH JU 2012 budget for operations

2011 – C 4

Amounts in €	Appropriations	Committed	%	Paid	%	Carry-over
Title 1	814.10	0	0	0	0	814.10
Title 2	5,733.34	0	0	0	0	5,733.34
Sub-total	6,547.44	0	0	0	0	6,547.44
Title 3	296,111.20	0	0	0	0	296,111.20
Total	302,658.64	0	0	0	0	302,658.64

The funds relate to recovery of amounts due by third parties. The main item is a recovery order on a project. These amounts are carried over to 2012 (C5) and will be used for the FCH JU activity.

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. There are no amounts due to be recovered as of 31.12.2011. Nor were there any waiver of recovery orders in 2011.

4.2. Financial Management

For the year 2011 main achievements include the following:

- The Finance & Administration unit verified commitments for administrative expenditure (titles 1 & 2) for an amount of 3,807,060 € and for operations for an amount of 87,604,032 € (including 26 projects call 2010 and 1 procurement study). Payment orders, issued by the Director were executed during the year for a total amount 56,719,716 € with the following breakdown:
 - Administrative expenditure: 3,456,514 €
 - Operational expenditure (pre-financings projects Call 2010): 47,755,812 €
 - Operational expenditure (pre-financings projects Call 2008/2009): 759,508 €
 - Operational expenditure (interim payments projects Call 2008/2009): 4,626,994 €
 - Operational expenditure (studies): 120,888 €
- The team also carried out the verification of missions for staff and of reimbursement claims for experts previously done by the Commission (PMO).
- The procurement activity included notably the following:
 - 2 negotiated procedures respectively for a study on the development of new energy and transport infrastructure and for the lease of a fuel cell car

- 2 open procedures jointly with other Joint Undertakings for ex-post audit services and for interim services
- In addition the FCH JU joined several inter-institutional procurement procedures launched by the EC in particular for training, insurance, credit cards, IT products and services.
- It also launched an open procurement procedure (on-going at year-end) for the commercialisation of fuel cells and hydrogen technologies and related services.
- The carrying out Financial Verifications checks for 126 beneficiaries in call 2010 projects and developing a monitoring system
- The development of procedures for analysis of periodic reports and validation of cost claims and carrying out the verifications of cost claims; the FP7 FORCE application (submission of cost claims by beneficiaries) became available for the FCH JU in November
- The setting-up of a tool for financial monitoring of projects
- The review of administrative processes and development/update of procedures
- The development of the ex-post audit process including the implementation of the Framework Contract with the external Audit Firms and the launch of the first ex-post audits of beneficiaries.

The accounting system was validated by the Accountant on 21.11.2011

The Inter-institutional discussions of the Budget 2012 were followed; in particular the impact of the budgetary cuts the FCH JU had to face during the preparation of the 2012 budget to be adopted by the GB. The EU budget was adopted by the EP on 1.12.2011. THE FCH JU Budget for 2012 was approved by the GB by written procedure on 22.12.2011