



Annual accounts of the Fuel  
Cells and Hydrogen  
Joint Undertaking

Financial year 2016

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## **CERTIFICATION OF THE ACCOUNTS**

The final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the year 2016 have been prepared in accordance with the Financial Rules 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 Rules 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.

*[signed]*

Rosa ALDEA BUSQUETS

**Accounting Officer**

*14 June 2017*

## **BACKGROUND INFORMATION ON THE FCH JU**

The Fuel Cells and Hydrogen Joint Undertaking (FCH JU) is a public-private partnership supporting research, technological development and demonstration (RTD) activities in fuel cell and hydrogen energy technologies in Europe. FCH JU is based in Brussels. The members of the Joint Undertaking are as follows: (1) the European Union (EU) represented by the Commission, (2) the Industry Grouping represented by the Hydrogen Europe and (3) the Research Grouping represented by the New European Research Grouping on Fuel Cells and Hydrogen. FCH JU is funded by the members contributing either in cash or in-kind to the administrative and operational costs of the JU. The objective of FCH JU is to combine resources from the public and private sectors to strengthen research activities with a view to increasing the overall efficiency of European research efforts and accelerating the development and deployment of fuel cell and hydrogen technologies.

FCH JU was established by the Council Regulation (EC) No 521/2008<sup>1</sup> for a period up to 31 December 2017. The interim evaluation of FCH JU confirmed a need for such a partnership and recommended an increase of the activities of FCH JU. As a result a new Joint Undertaking named Fuel Cells and Hydrogen 2 Joint Undertaking was established by Council Regulation (EU) No 559/2014<sup>2</sup>. The new Joint Undertaking should replace and succeed the Fuel Cells and Hydrogen Joint Undertaking under the EU Horizon 2020 Framework and it is established until 31 December 2024 (with an interim evaluation by 30 June 2017).

Following Article 22 of the FCH JU Financial Rules<sup>3</sup>, the Governing Board of FCH JU appoints the Accounting Officer who is, among others, responsible for preparation of the annual accounts of the joint undertaking. Following Article 40 of the FCH JU Financial Rules the annual accounts shall be prepared in accordance with the accounting rules adopted by the Commission's Accounting Officer (EU Accounting Rules, EAR) that are based on the International Public Sector Accounting Standards (IPSAS). Following the decision of the FCH JU's Governing Board of 30 March 2014, the Accounting Officer of the Commission acts as of 15 July 2014 as the Accounting Officer of FCH JU.

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<sup>1</sup> Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking.

<sup>2</sup> Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking.

<sup>3</sup> Adopted by the decision of the FCH JU Governing Board.

# **FINANCIAL STATEMENTS AND EXPLANATORY NOTES**

*It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.*

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**BALANCE SHEET**

		EUR '000	
	Note	31.12.2016	31.12.2015
<b>NON-CURRENT ASSETS</b>			
<i>Intangible assets</i>		2	0
<i>Property, plant and equipment</i>	2.1	52	44
<i>Pre-financing</i>	2.2	60 017	64 790
		<b>60 071</b>	<b>64 834</b>
<b>CURRENT ASSETS</b>			
<i>Pre-financing</i>	2.2	41 975	55 011
<i>Exchange receivables and non-exchange recoverables</i>	2.3	20 921	19 225
		<b>62 896</b>	<b>74 236</b>
<b>TOTAL ASSETS</b>		<b>122 967</b>	<b>139 071</b>
<b>CURRENT LIABILITIES</b>			
<i>Payables and other liabilities</i>	2.4	(170 205)	(190 667)
<i>Accrued charges and deferred income</i>	2.5	(59 634)	(82 131)
		<b>(229 840)</b>	<b>(272 799)</b>
<b>TOTAL LIABILITIES</b>		<b>(229 840)</b>	<b>(272 799)</b>
<b>NET ASSETS</b>			
<i>Contributions from Members</i>	2.6	763 386	567 213
<i>Accumulated deficit</i>		(700 941)	(535 600)
<i>Economic result of the year</i>		(169 317)	(165 341)
<b>NET ASSETS</b>		<b>(106 873)</b>	<b>(133 728)</b>

**STATEMENT OF FINANCIAL PERFORMANCE**

		EUR '000	
	Note	2016	2015
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>			
<i>Recovery of expenses</i>	3.1	2 808	3 107
<i>Other</i>		37	41
<b>Total</b>		<b>2 846</b>	<b>3 148</b>
<b>Revenue from exchange transactions</b>			
<i>Financial income</i>		2	2
<i>Other exchange revenue</i>		17	0
<b>Total</b>		<b>19</b>	<b>2</b>
		<b>2 864</b>	<b>3 150</b>
<b>EXPENSES</b>			
<i>Operating costs</i>	3.2	(167 743)	(164 168)
<i>Staff costs</i>	3.3	(2 552)	(2 485)
<i>Finance costs</i>		(103)	(0)
<i>Other expenses</i>	3.4	(1 783)	(1 837)
		<b>(172 182)</b>	<b>(168 491)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(169 317)</b>	<b>(165 341)</b>



**CASHFLOW STATEMENT<sup>4</sup>**

	EUR '000	
	2016	2015
<i>Economic result of the year</i>	(169 317)	(165 341)
<b>Operating activities</b>		
<i>Amortisation and depreciation</i>	25	20
<i>Non-cash expenses in-kind</i>	97 833	72 297
<i>Cash contribution from the Members</i>	98 339	69 897
<i>(Increase)/decrease in pre-financing</i>	17 809	(78 151)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(1 696)	8 135
<i>Increase/(decrease) in accounts payable and other liabilities</i>	(20 462)	28 193
<i>Increase/(decrease) in accrued charges and deferred income</i>	(22 497)	64 965
<i>Other non-cash movements</i>	(13)	-
<b>Investing activities</b>		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(21)	(15)
<b>NET CASHFLOW</b>	-	-
<i>Net increase/(decrease) in cash and cash equivalents</i>	-	-
<i>Cash and cash equivalents at the beginning of the year</i>	-	-
<i>Cash and cash equivalents at year-end</i>	-	-

<sup>4</sup> Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of FCH, the treasury of FCH was integrated into the Commission's treasury system. Because of this, FCH does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading exchange receivables.

**STATEMENT OF CHANGES IN NET ASSETS**

	<i>EUR '000</i>			
	Contribution from Members	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
<b>BALANCE AS AT 31.12.2014</b>	<b>425 019</b>	<b>(369 729)</b>	<b>(165 871)</b>	<b>(110 581)</b>
<i>Allocation 2014 economic result</i>	-	(165 871)	165 871	-
<i>Cash contribution</i>	69 897	-	-	69 897
<i>Contribution in-kind</i>	72 297	-	-	72 297
<i>Economic result of the year</i>	-	-	(165 341)	(165 341)
<b>BALANCE AS AT 31.12.2015</b>	<b>567 213</b>	<b>(535 600)</b>	<b>(165 341)</b>	<b>(133 728)</b>
<i>Allocation 2015 economic result</i>	-	(165 341)	165 341	-
<i>Cash contribution</i>	98 339	-	-	98 339
<i>Contribution in-kind</i>	97 833	-	-	97 833
<i>Economic result of the year</i>	-	-	(169 317)	(169 317)
<b>BALANCE AS AT 31.12.2016</b>	<b>763 386</b>	<b>(700 941)</b>	<b>(169 317)</b>	<b>(106 873)</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

# 1. SIGNIFICANT ACCOUNTING POLICIES

## 1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about financial position, performance and cashflows of an entity that is useful to a wide range of users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, reliability, understandability and comparability.

## 1.2. BASIS OF PREPARATION

### 1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

### 1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional and reporting currency. Foreign currency transactions are translated 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 re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

#### Euro exchange rates

Currency	31.12.2016	31.12.2015	Currency	31.12.2016	31.12.2015
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.4103</b>	4.2639
<b>CZK</b>	<b>27.0210</b>	27.0230	<b>RON</b>	<b>4.5390</b>	4.5240
<b>DKK</b>	<b>7.4344</b>	7.4626	<b>SEK</b>	<b>9.5525</b>	9.1895
<b>GBP</b>	<b>0.8562</b>	0.7340	<b>CHF</b>	<b>1.0739</b>	1.0835
<b>HRK</b>	<b>7.5597</b>	7.6380	<b>JPY</b>	<b>123.4000</b>	131.0700
<b>HUF</b>	<b>309.8300</b>	315.9800	<b>USD</b>	<b>1.0541</b>	1.0887

### 1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to; accrued and deferred income and charges, provisions, financial risk on accounts receivables, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

## 1.3. BALANCE SHEET

### 1.3.1. Intangible assets

Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met. The costs capitalisable include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

### 1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land and works of art are not depreciated as they are deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

### Leases

Leases of tangible assets, where the entity has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The interest element of the finance lease payment is charged to statement of financial performance over the period of the lease at a constant periodic rate in relation to the balance outstanding. The rental obligations, net of finance charges, are included in financial liabilities (non-current and current). The interest element of the finance cost is charged to the statement of financial performance over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The assets held under finance leases are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

### 1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

#### 1.3.4. Financial assets

The financial assets are classified in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available for sale financial assets. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

##### *(1) Financial assets at fair value through profit or loss*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also categorised in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

##### *(2) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

##### *(3) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.

##### *(4) Available for sale financial assets*

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date.

#### **Initial recognition and measurement**

Purchases and sales of financial assets at fair value through profit and loss, held-to-maturity and available for sale are recognised on trade date - the date on which the entity commits to purchase or sell the asset. Cash equivalents, loans and term deposits are recognised at settlement date. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through profit and loss transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

#### **Subsequent measurement**

Financial assets at fair value through profit and loss are subsequently carried at fair value with gains and losses arising changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value being recognised in the fair value reserve. Interest on available for sale

financial assets calculated using the effective interest method is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

#### 1.3.5. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. The amount of the pre-financing may be reduced (wholly or partially) by the acceptance of eligible costs (which are recognised as expenses).

Pre-financing is, on subsequent balance sheet dates, measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

#### 1.3.6. Receivables and recoverables

As the EU accounting rules require a separate presentation of exchange and non-exchange transactions, for the purpose of drawing up the accounts, receivables are defined as stemming from non-exchange transactions and recoverables are defined as stemming from exchange transactions (when the entity receives value from another entity without directly giving approximately equal value in exchange).

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly (see 1.3.4 above).

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

#### 1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial instruments and classified and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

#### 1.3.8. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

#### 1.3.9. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services and non-exchange transactions related e.g. to cost claims from beneficiaries, grants or other EU funding.

Where grants or other funding is provided to the beneficiaries, the cost claims are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

#### 1.3.10. Accrued and deferred income and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued income will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

## 1.4. STATEMENT OF FINANCIAL PERFORMANCE

### 1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance it is distinguished between:

#### *(i) Revenue from non-exchange transactions*

Revenue from non-exchange transactions are taxes and transfers because the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability (pre-financing received).

#### *(ii) Revenue from exchange transactions*

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.



### 1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions account for the majority of the entity's operating expenses. They relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

## 1.5. CONTINGENT ASSETS AND LIABILITIES

### 1.5.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

### 1.5.2. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability.

## 1.6. CONTRIBUTIONS FROM MEMBERS

The contributions from the Members of the joint undertakings (JU) form the funding of the JU and are treated as contributions from owners. An owner in this context does not mean an owner in the sense of owning shares (no shares are issued) of the JU but rather in the sense of political interest and governance of the JU by exercising the voting rights linked to these contributions

### 1.6.1. Financial contributions

Financial contributions are contributions of Members made in cash in order to provide funding of the operational or administrative needs of the JU. The financial contributions are recognised in the net assets in the period in which the right to receive the payment was established.

### 1.6.2. In-kind contributions

Members other than the EU (i.e. 'Private Members') can also contribute resources other than cash, e.g. laboratory equipment, specialised staff, etc. These in-kind contributions consist of the costs incurred by Private Members in implementing indirect actions.

The Regulation distinguishes between two types of in-kind contributions: (1) In-kind contributions to operational activities (IKOP) and (2) in-kind contributions to additional activities (IKAA).

The IKOP represents in-kind contributions made to the JU linked to its work plan and co-financed by the EU. The IKOP are recognised in the net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation were met.

The expenses related to the IKOP incurred in the financial year are recognised in the statement of financial performance. At year-end, incurred IKOP not yet reported are estimated and recorded as other liabilities ('Contributions of Members to be validated').

The IKAA relate to contributions linked to implementing additional activities outside the work plan of the JU that contribute to the objectives of the JU. Because the outflow of resources related to those activities is outside of control of the JU, the contributions are not recognised in the financial statements of the JU.

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. PROPERTY, PLANT AND EQUIPMENT

	EUR '000			
	Plant and equipment	Furniture and vehicles	Computer hardware	Total
<i>Gross carrying amount at 31.12.2015</i>	38	23	74	135
<i>Additions</i>	2	4	15	21
<i>Disposals</i>	(1)	-	(2)	(3)
<i>Other changes</i>	-	2	27	29
<b>Gross carrying amount at 31.12.2016</b>	<b>39</b>	<b>29</b>	<b>114</b>	<b>181</b>
<i>Accumulated depreciation at 31.12.2015</i>	(27)	(7)	(57)	(91)
<i>Depreciation charge for the year</i>	(4)	(3)	(17)	(23)
<i>Disposals</i>	-	-	2	2
<i>Other changes</i>	-	(1)	(17)	(17)
<b>Accumulated depreciation at 31.12.2016</b>	<b>(31)</b>	<b>(10)</b>	<b>(88)</b>	<b>(129)</b>
<b>NET CARRYING AMOUNT at 31.12.2016</b>	<b>8</b>	<b>19</b>	<b>26</b>	<b>52</b>
<i>NET CARRYING AMOUNT at 31.12.2015</i>	11	16	17	44

#### 2.2. PRE-FINANCING

	EUR '000	
	31.12.2016	31.12.2015
<i>Non-current pre-financing</i>	60 017	64 790
<i>Current pre-financing</i>	41 975	55 011
<b>Total</b>	<b>101 992</b>	<b>119 801</b>

For all pre-financing amounts open at 31.12.2016 a case-by-case assessment has been performed and all the pre-financing that was considered unlikely to be cleared in the course of 2017 was classified as non-current pre-financing.

The estimation of the clearing of pre-financing (related to the estimated operating expenses for on-going or ended projects) is aligned to the way in which pre-financing is actually cleared for expenses incurred during the year. The clearing of pre-financing with cut off expenses amounted to kEUR 67 712. The remaining portion of cut off expenses is recorded in accrued charges (see note 2.5).

Guarantees received covering pre-financing amounted to kEUR 14 720 at year-end.

## 2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31.12.2016 FCH JU did not have any balances related to non-exchange recoverables. The amounts included under this heading are fully composed of receivables from exchange transactions.

	<i>EUR '000</i>	
	31.12.2016	31.12.2015
<i>Customers</i>	1 455	1 149
<i>Impairment on receivables from customers</i>	(1 024)	(463)
<i>Deferred charges relating to exchange transactions</i>	7	3
<i>Central treasury liaison accounts</i>	20 483	18 537
<i>Others</i>	-	(1)
<b>Total</b>	<b>20 921</b>	<b>19 225</b>

## LIABILITIES

### 2.4. PAYABLES AND OTHER LIABILITIES

	<i>EUR '000</i>	
	31.12.2016	31.12.2015
<i>Contribution in kind to be validated</i>	136 342	160 558
<i>Current payables</i>	33 864	30 109
<b>Total</b>	<b>170 205</b>	<b>190 667</b>

Included under the sub-heading 'contribution in-kind to be validated' are the in-kind contributions from Members relating to on-going or ended projects without a validated cost statement at 31.12.2016. The amount of in-kind contribution was estimated on a case-by-case basis using the best available information on the projects at 31.12.2016: the in-kind contributions estimated based on cost claims received but not validated amounted to kEUR 76 932; the in-kind contributions estimated based on the pro-rata method amounted to kEUR 59 409. The estimated EU contribution related to those projects is included under accrued charges (see note 2.5).

The sub-heading current payables is composed of liabilities to suppliers (kEUR 19 172) and to public bodies (kEUR 14 691).

### 2.5. ACCRUED CHARGES AND DEFERRED INCOME

	<i>EUR '000</i>	
	31.12.2016	31.12.2015
<i>Accrued charges</i>	59 634	82 131

Accrued charges are the amounts estimated by the Authorising Officer of costs incurred for services and goods delivered in year 2016 but not yet invoiced or processed by the end of the year. They are mainly composed of estimated operating expenses of kEUR 59 234 for on-going or ended projects without a validated cost statement where the 2016 expense was estimated on a case-by-case basis using the best available information about the projects at 31.12.2016: the accrued charges estimated based on cost claims received but not validated amounted to kEUR 13 696; the accrued charges estimated based on the pro-rata method amounted to kEUR 45 539. The portion of the estimated accrued charges which relates to pre-financing paid has been recorded as a reduction of the pre-financing amounts (see note 2.2).

Included under this heading are also accrued administrative expenses of kEUR 356 relating mainly to other services provided by 3rd parties (kEUR 211) and communication and publication expenses (kEUR 60).

## NET ASSETS

### 2.6. CONTRIBUTIONS FROM MEMBERS

The total contribution from Members at 31.12.2016 was kEUR 763 386 (2015: kEUR 567 213). The split of their annual in-kind and cash contributions is shown below:

#### 2.6.1. Research and Innovation funding programme for 2007-2013 (FP7)

Unlike for Horizon 2020 (see below 2.6.2), under FP7 all services in-kind (except those provided by JRC – see note 4.3.2) validated by the Executive Director of FCH JU are considered as an In-kind contribution.

	Commission		Industry Grouping		Research Grouping		Total	
	Cash	In kind	Cash	In kind	Cash	In kind	Cash	In kind
<b>A. Running costs</b>	<b>7 509</b>	<b>1 808</b>	<b>13 319</b>	–	<b>2 220</b>	–	<b>23 048</b>	<b>1 808</b>
Previous years	7 236	1 808	11 119	–	1 853	–	20 208	1 808
Current year	273	–	2 200	–	367	–	2 840	–
<b>B. Operational costs (R&amp;D Projects)</b>	<b>357 045</b>	<b>17 299</b>	–	<b>183 584</b>	–	<b>99 831</b>	<b>357 045</b>	<b>300 715</b>
Previous years	310 839	17 299	–	118 470	–	67 112	310 839	202 881
Current year	46 206	–	–	67 205	–	33 005	46 206	100 210
Adjustments	–	–	–	(2 091)	–	(286)	–	(2 377)
<b>BALANCE AS AT 31.12.2016</b>	<b>364 554</b>	<b>19 107</b>	<b>13 319</b>	<b>183 584</b>	<b>2 220</b>	<b>99 831</b>	<b>380 093</b>	<b>302 523</b>
BALANCE AS AT 31.12.2015	318 075	19 107	11 119	118 470	1 853	67 112	331 047	204 690
% of total contributions (by type)	95.91%	6.32%	3.50%	60.68%	0.58%	33.00%	100%	100%
Total contribution in %	56.20%		28.85%		14.95%		100%	
Voting rights %	41.67%		50.00%		8.33%		100%	

2.6.2. Research and Innovation funding programme for 2014-2020 (Horizon 2020)

With regard to Horizon 2020, Council Regulation (EC) No 559/2014 distinguishes between Members (European Commission, Industry Grouping and Research Grouping) and non-members of the JU. In addition, only certified in-kind contributions from the Members validated by the Executive Director of FCH JU are considered an in-kind contribution.

	Commission		Industry Grouping		Research Grouping		Total	
	Cash	In kind	Cash	In kind	Cash	In kind	Cash	In kind
<b>A. Running costs</b>	<b>1 248</b>	-	<b>1 073</b>	-	<b>175</b>	-	<b>2 496</b>	-
Previous years	781	-	672	-	109	-	1 562	-
Current year	467	-	402	-	65	-	935	-
<b>B. Operational costs (R&amp;D Projects)</b>	<b>78 274</b>	-	-	-	-	-	<b>78 274</b>	-
Previous years	29 915	-	-	-	-	-	29 915	-
Current year	48 358	-	-	-	-	-	48 358	-
<b>BALANCE AS AT 31.12.2016</b>	<b>79 522</b>	-	<b>1 073</b>	-	<b>175</b>	-	<b>80 770</b>	-
BALANCE AS AT 31.12.2015	30 696	-	672	-	109	-	31 477	-
% of total contributions (by type)	98.45%	-	1.33%	-	0.22%	-	100%	-
Total contribution in %	98.45%		1.33%		0.22%		100%	
Voting rights %	50.00%		43.00%		7.00%		100%	

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### NON-EXCHANGE REVENUE

##### 3.1. RECOVERY OF EXPENSES

	<i>EUR '000</i>	
	2016	2015
<i>Recovery of expenses</i>	2 808	3 107

This heading is composed of the operating expenses recovered from beneficiaries during the year and adjustments coming from audits that will be collected in 2017.

#### EXPENSES

##### 3.2. OPERATING COSTS

Included under this heading are operating expenses related to projects that were carried out in 2016. A part of the operating costs related to on-going or ended projects without any validated cost claims (or equivalent) available at 31 December, was estimated using the best information available at the time of the preparation of the annual accounts. The estimation is based on the case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operating costs of the year. Depending on the availability of information at the time of the preparation of the annual accounts, the estimates are based on reports of services or work performed (e.g. Report of the member of the Joint Undertaking other than the EU on the in-kind contributions in the meaning of Article 4(3) and 4(4) of Regulation (EU) No 559/2014) or costs incurred to date as a proportion of the estimated total costs of the projects ('pro-rata temporis').

The break-down of the operating costs between operating costs incurred on the basis of validated cost claims (or equivalent) and estimated operating costs is given in the table below. It should be noted that in line with the accounting rules (see note 1.2.3) the portion of the estimated cost also includes a revision of accounting estimates made in the previous periods.

		<i>EUR '000</i>	
	Note	2016	2015
<i>Operating costs incurred (validated cost claims)</i>		191 788	143 030
<i>Operating costs estimated</i>	2.4, 2.5	(24 045)	21 138
<b>Total</b>		<b>167 743</b>	<b>164 168</b>

The reason for the negative amount of the operating costs estimated in 2016 relates to the fact that the reversals of the 2015 accruals for FP7 projects were higher than the 2016 accruals for H2020 projects. This is because during 2016 many FP7 projects were closed while the H2020 projects are at an earlier stage.

##### 3.3. STAFF COSTS

Included under this heading are expenses related to the salaries and other staff member employment-related allowances.

### 3.4. OTHER EXPENSES

	EUR '000	
	2016	2015
<i>Property, plant and equipment related expenses</i>	309	288
<i>External non IT services</i>	518	505
<i>Communications &amp; publications</i>	211	366
<i>Experts expenses</i>	447	340
<i>External IT services</i>	112	154
<i>Other</i>	184	185
<b>Total</b>	<b>1 783</b>	<b>1 837</b>

Operating lease expenses related to the FCH JU building 'White Atrium' of kEUR 294 are included under the sub-heading 'property, plant and equipment related expenses'. Amounts committed to be paid during the remaining term of this lease contract include rent and related charges and are as follows:

	EUR '000			
	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	330	1 750	750	2 830

## 4. CONTINGENT ASSETS, LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

### 4.1. CONTINGENT ASSETS

	EUR '000	
	31.12.2016	31.12.2015
<i>Other</i>	162	-

### 4.2. CONTINGENT LIABILITIES

	EUR '000	
	31.12.2016	31.12.2015
<i>Legal cases</i>	(235)	(235)
<i>Other</i>	(385)	-
<b>Total</b>	<b>(620)</b>	<b>(235)</b>

### 4.3. OTHER SIGNIFICANT DISCLOSURES

#### 4.3.1. Outstanding commitments not yet expensed

At 31.12.2016 the outstanding commitments not yet expensed amounted to kEUR 205 191 (kEUR 190 703 at 31.12.2015). The amount comprises the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2016 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.



#### 4.3.2. Services in-kind

At 31.12.2016 the Executive Director of FCH JU validated services in-kind provided by the Joint Research Centre (JRC) for a total value of kEUR 2 947 (kEUR 2 130 at 31.12.2015). According to Council Regulation (EC) No 521/2008 Article 5(4) services in kind provided by JRC are not to be considered as a contribution in kind.

With regard to the Horizon 2020, Council Regulation (EC) No 559/2014 distinguishes between members (European Commission, Industry Grouping and Research Grouping) and non-members of the JU and only contributions of Members are to be considered in-kind contributions. No cost claims have been validated up to 31.12.2016 from the non-members. However, the estimated services in-kind from non-members amounted to kEUR 7 614 at 31.12.2016 (kEUR 1 205 at 31.12.2015).

#### 4.3.3. In-Kind in Additional Activities (IKAA)

Besides in-kind contributions in projects (IKOP) –see notes **1.6.2** and **2.6.2**, in accordance with Council Regulation (EU) 559/2014 of 6 May 2014 establishing the FCH 2 JU, members other than the Union shall provide under H2020 programme, in-kind contributions of at least kEUR 285 000 over the period 2014-2024 consisting of the costs incurred by them in implementing additional activities outside the work plan of the FCH 2 Joint Undertaking contributing to the objectives of the FCH Joint Technology Initiative.

The first reporting exercise for IKAA took place in 2016 with certified IKAA for 2014-2015 amounting to kEUR 186 420. The updated 2016 additional activities plan adopted by the FCH 2 JU GB amounted to kEUR 207 200, resulting in cumulative IKAA for 2014-2016 of kEUR 393 620, well above the minimum kEUR 285 000 set in the FCH 2 JU founding regulation for the entire duration of H2020.

At the moment of preparation of final accounts, the annual IKAA certification for 2016 was in progress. Based on the previous year experience, the expectations are that from kEUR 207 200 reported in the IKAA Plan, up to kEUR 150 000 will be certified.

The additional activities consist of investments in the following main fields:

- Transportation (FC cars, FC buses, FC range extenders, material handling vehicles, Auxiliary Power Units for aviation and trucks)
- Transport Infrastructure (hydrogen refuelling infrastructure, including on-site green H2 production)
- Hydrogen production (large scale green hydrogen production via electrolysis, hydrogen purification, power-to-hydrogen and storage of renewables)
- Heat and power equipment (distributed power generation FC applications, self-sufficient household systems, back-up systems, manufacturing facilities)
- Regulations, standards and education (energy storage roadmaps, including dissemination activities and awareness, commercialisation strategies, patents)

Further information is available in the 2014-2016 reports on IKAA that will be published on FCH 2 JU website by 1 July 2017.

#### 4.3.4. Related parties

The related parties of the FCH JU are the venturers and key management personnel of these entities. Transactions between these entities take place as part of the normal operations of FCH JU and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

#### 4.3.5. Key management entitlements

The highest ranked civil servant of FCH JU is the Executive Director, who executes the role of the Authorising Officer.

	31.12.2016	31.12.2015
<i>Executive Director</i>	<i>AD 14</i>	<i>AD 14</i>

The Executive Director is remunerated in accordance with the Staff Regulations of the European Union that is published on the Europa website which is the official document describing the rights and the obligation of all officials of the EU. The Executive Director has not received any preferential loans from FCH JU.

#### 4.3.6. Events after reporting date

The in-kind contributions validated between 31.12.2016 and 17.05.2017 amounted to kEUR 33 384. Out of this amount, kEUR 25 174 relates to the in-kind contributions of the Industry Grouping and kEUR 8 210 to the in-kind contributions of the Research Grouping. The validated contributions are recorded as additions to net assets in 2017.

## **5. FINANCIAL INSTRUMENTS DISCLOSURES**

### **5.1. CURRENCY RISKS**

#### **Exposure of the FCH JU to currency risk at year end**

At 31.12.2016 the ending balances of financial assets and financial liabilities did not include any material amounts quoted in different currencies than euro.

### **5.2. CREDIT RISK**

#### **Financial assets**

The financial assets entirely compose of receivables and recoverables and amounted to kEUR 21 809 at 31.12.2016. Included in this amount are the financial assets impaired of kEUR 1 024 and relate to irrecoverable receivables from customers that will be waived in 2017. The impaired financial assets do not have any remaining net carrying value at 31.12.2016.

#### **Financial assets by risk category**

At 31.12.2016 the financial assets are entirely composed of receivables and recoverables against entities without external credit rating. The entire amount of kEUR 21 809 relates to entities who never defaulted in the past.

### **5.3. LIQUIDITY RISK**

#### **Maturity analysis of financial liabilities by remaining contractual maturity**

The financial liabilities compose of current payables and financial liabilities relating to in-kind contributions to be validated. All the financial liabilities have a remaining contractual maturity of less than 1 year.

## **REPORTS ON THE IMPLEMENTATION OF THE BUDGET**

*It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.*

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# 1. BUDGETARY PRINCIPLES, STRUCTURE AND IMPLEMENTATION

## 1.1. Budgetary principles

The establishment and implementation of the budget of FCH JU is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of FCH 2 JU:

### Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of FCH JU. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

### Principle of annuality

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December.

### Principle of equilibrium

Revenue and payment appropriations shall be in balance.

### Principle of unit of account

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

### Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

### Principle of specification

Appropriations shall be earmarked for specific purposes at least by title and chapter.

### Principle of sound financial management

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

### Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published on the internet site of the FCH JU within four weeks of their adoption and shall be transmitted to the Commission and the Court of Auditors.

## 1.2. Structure and presentation of the budget

Since 01/01/2015, no distinction between non-dissociated and dissociated appropriations is made. All appropriations follow the dissociated logic.

Following the provisions of the Financial rules of FCH 2 JU, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed by the following titles:

**Title 1 budget lines** relate to staff expenditure such as salaries and allowances for personnel working with FCH JU. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

**Title 2 budget lines** relate to all infrastructure, equipment and miscellaneous administrative expenditure.

**Title 3 budget lines** provide for the implementation of the activities and tasks assigned to FCH JU in accordance with its establishing Council Regulation (EC) No 559/2014.

### **1.3. Highlights of the budgetary implementation**

Overall in 2016, budget execution of commitment and payment appropriations reached 78 % and 84 % respectively. The lower commitment execution rate was due to the outcome of the evaluations for call for proposals of 2016. Regarding payments, this represents the best execution rate of payments for the FCH JU so far.

#### **Administrative expenditure**

FCH 2 JU's administrative costs recorded a higher rate of use (87 %) compared to 2015 (84 %) and comparable to 2014 (88 %). Unused appropriations came mainly from staff costs and communication budget lines. Savings were also made in costs for experts.

The majority of these unused appropriations come from H2020 budget and will be reactivated in 2017 and 2018 in accordance with FCH 2 JU financial rules.

The payment execution rate of 74 % was slightly lower than in 2015 (75 %).

The execution of commitment appropriations is higher than the execution rate of payment appropriations due to the facts that payments for certain services contracted in 2016 will only be due in 2017.

#### **Operational expenditure**

Regarding **H2020 operational costs** (call, studies, JRC), the commitment execution rate reached 79 %. The total unused appropriations amounted to kEUR 25 861 and are mainly due to the outcome of evaluations for call for proposals of 2016 and are already re-entered in the initial 2017 budget.

The payment appropriations were mainly used to pay the pre-financing for the 15 projects of call for proposals of 2015. The execution rate of payments is similar to the 2015 level (98 %). The unused payment appropriations (kEUR 980) will be re-entered in the 2017 budget through amendment.

Regarding **FP7 operational costs**, the execution rate on the payment appropriations reached 74 %. The unused commitment (kEUR 2 109) and payment appropriations (kEUR 16 071) will be also re-entered in the 2017 budget through amendment.

Detailed information regarding the budget implementation is provided in the 'Report on the budgetary and financial management' of the year.

## 2. BUDGET RESULT

		<i>EUR '000</i>	
	Title	2016	2015
<b>Revenue</b>		<b>98 863</b>	<b>70 955</b>
<i>of which:</i>			
Subsidies and revenues	A-2	98 863	70 955
C2 reactivation of appropriations	A-3	-	-
<b>Expenditure</b>		<b>(96 922)</b>	<b>(78 922)</b>
<i>of which:</i>			
Staff expenditure	A-1	(2 829)	(2 767)
Admin expenditure	A-2	(1 525)	(1 874)
Operational expenditure	B-3	(92 568)	(74 280)
<b>Evolution of assigned revenue</b>		<b>523</b>	<b>(586)</b>
<b>Budget result</b>		<b>2 465</b>	<b>(8 552)</b>



### 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	2016	2015
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(169 317)</b>	<b>(165 341)</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>		
<i>In-kind contributions validated in the year</i>	97 833	72 297
<i>Adjustments for accrual cut-off (net)</i>	(23 453)	20 497
<i>Unpaid invoices at year end but booked in expenses</i>	100	-
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	12	20
<i>Recovery orders issued in the year and not yet cashed</i>	(2)	(182)
<i>Correction of recovery orders issued last year</i>	10	-
<i>Pre-financing given in previous year and cleared in the year</i>	46 632	26 977
<i>Other</i>	0	0
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>		
<i>Members' cash contributions collected in the year</i>	98 339	69 897
<i>Asset acquisitions (less unpaid amounts)</i>	(23)	(6)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(48 225)	(32 190)
<i>Entitlements established in previous year and cashed in the year</i>	36	64
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>	523	(586)
<b>BUDGET RESULT OF THE YEAR</b>	<b>2 465</b>	<b>(8 552)</b>

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1. Titles A-2

EUR '000

	Income appropriations		Entitlements established			Revenue				Outstanding
	Initial budget	Final budget	Current year	Carried	Total	Current year	Carried	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10
A-2001 EC Subsidy for Operational Expenditure	55 456	46 206	46 206	-	46 206	46 206	-	46 206	100%	-
A-2002 EC Subsidy for Administrative Expenditure	740	740	740	-	740	740	-	740	100%	-
A-2003 IG Contribution for Administrative Expenditure	2 602	2 602	2 602	-	2 602	2 602	-	2 602	100%	-
A-2004 RG Contribution for Administrative Expenditure	432	432	432	-	432	432	-	432	100%	-
A-2005 European Commission Subsidy for Operational Expenditure (H2020)	48 638	48 358	48 358	-	48 358	48 358	-	48 358	100%	-
A-2006 JTI Revenues	1 492	1 492	1 072	645	1 718	24	500	524	35%	1 193
Total chapter A-20	109 359	99 830	99 411	645	100 056	98 363	500	98 863	99%	1 193
<b>Total Title A-2</b>	<b>109 359</b>	<b>99 830</b>	<b>99 411</b>	<b>645</b>	<b>100 056</b>	<b>98 363</b>	<b>500</b>	<b>98 863</b>	<b>99%</b>	<b>1 193</b>

Annual accounts of the Fuel Cells and Hydrogen Joint Undertaking 2016

4.2. Titles A-3

EUR '000

	Income appropriations		Entitlements established			Revenue			%	Outstanding
	Initial budget	Final budget	Current year	Carried	Total	Current year	Carried	Total		
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10
A-3008 C2 Reactivation of Appropriations for Administrative expenditure (2015)	-	594	-	-	-	-	-	-	-	-
A-3009 C2 Reactivation of Appropriations for Operational Expenditure (2015)	-	14 631	-	-	-	-	-	-	-	-
Total chapter A-30	-	15 226	-	-	-	-	-	-	0%	-
Total Title A-3	-	15 226	-	-	-	-	-	-	0%	-
<b>GRAND TOTAL</b>	<b>109 359</b>	<b>115 056</b>	<b>99 411</b>	<b>645</b>	<b>100 056</b>	<b>98 363</b>	<b>500</b>	<b>98 863</b>	<b>86%</b>	<b>1 193</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1. Breakdown & changes in commitment appropriations

#### 5.1.1. Title A-1

*EUR '000*

	Initial adopted budget 1	Budget appropriations of the year Amending budgets 2	Transfers 3	Final budget adopted 4= 1+2+3	Carryover 5	Additional appropriations Assigned revenue 6	Total 7= 5+6	Total approp. available 8=4+7
A-1100 Staff costs	2 271	-	(22)	2 249	612	-	612	2 861
A-1111 Temporary staff	119	-	-	119	11	-	11	130
A-1177 Other services rendered	0	-	-	0	20	-	20	20
Total chapter A-11	2 390	-	(22)	2 368	642	-	642	3 011
A-1200 Sundry engagement expenses	3	-	5	8	2	-	2	10
A-1201 Installation, resettlement, and daily subsistence allowances and removal and travel expenses	2	-	17	19	13	-	13	32
Total chapter A-12	5	-	22	27	15	-	15	42
A-1300 Mission expenses, duty travel expenses and other ancillary expenditure	89	-	-	89	45	-	45	135
Total chapter A-13	99	-	-	89	45	-	45	135
A-1400 Medical services	1	-	-	1	4	-	4	5
A-1401 Mobility costs and other social expenses for the staff	1	-	-	1	9	-	9	10
A-1402 Training	10	-	-	10	26	-	26	36
Total chapter A-14	12	-	-	12	39	-	39	51
A-1700 Entertainment and representation expenses	0	-	-	0	3	-	3	3
Total chapter A-17	0	-	-	0	3	-	3	3
<b>Total title A-1</b>	<b>2 498</b>	<b>-</b>	<b>-</b>	<b>2 498</b>	<b>744</b>	<b>-</b>	<b>744</b>	<b>3 242</b>

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5.1.2. Title A-2

EUR '000

	Budget appropriations of the year		Final budget adopted 4=1+2+3	Carryover 5	Additional appropriations		Total 7=5+6	Total approp. available 8=4+7
	Initial adopted budget 1	Amending budgets 2			Transfers 3	Assigned revenue 6		
A-2000 Rentals	164	-	164	69	-	69	233	
A-2010 Charges	36	-	36	50	-	50	86	
Total chapter A-20	199	-	199	119	-	119	318	
A-2100 IT costs operational	128	-	128	132	55	187	316	
Total chapter A-21	128	-	128	132	55	187	316	
A-2200 Movable property and associated costs office equipment	0	-	0	4	-	4	4	
Total chapter A-22	0	-	0	4	-	4	4	
A-2300 Current administrative expenditure	0	-	0	12	-	12	12	
Total chapter A-23	0	-	0	12	-	12	12	
A-2400 Correspondence, postage and telecommunications	0	-	0	11	-	11	11	
Total chapter A-24	0	-	0	11	-	11	11	
A-2500 Meetings in general	23	-	23	45	-	45	69	
Total chapter A-25	23	-	23	45	-	45	69	
A-2600 Communication costs	206	-	206	180	-	180	385	
Total chapter A-26	206	-	206	180	-	180	385	
A-2700 Studies, consultancy and other services	11	-	80	91	-	93	184	
A-2701 Audit services	433	-	(222)	211	82	82	293	
Total chapter A-27	444	-	(142)	302	175	175	477	
A-2800 Expert contracts and meetings	275	-	142	417	70	1	489	
Total chapter A-28	275	-	142	417	70	1	489	
<b>Total title A-2</b>	<b>1 277</b>	<b>-</b>	<b>1 277</b>	<b>748</b>	<b>56</b>	<b>804</b>	<b>2 081</b>	

5.1.3. Title B-3

EUR '000

	Budget appropriations of the year		Final budget adopted 4=1+2+3	Carryover 5	Additional appropriations		Total 7=5+6	Total approp. available 8=4+7
	Initial adopted budget 1	Amending budgets 2			Transfers 3	Assigned revenue 6		
B3-001 Implementing the research agenda of FCH JU: FP7	-	-	-	1 743	423	2 166	2 166	
B3-002 Implementing the research agenda of FCH JU: H2020	104 955	-	104 955	15 319	-	15 319	120 274	
Total chapter B3-0	104 955	-	104 955	17 061	423	17 484	122 440	
<b>Total title B-3</b>	<b>104 955</b>	<b>-</b>	<b>104 955</b>	<b>17 061</b>	<b>423</b>	<b>17 484</b>	<b>122 440</b>	
<b>GRAND TOTAL</b>	<b>108 730</b>	<b>-</b>	<b>108 730</b>	<b>18 553</b>	<b>479</b>	<b>19 032</b>	<b>127 762</b>	

## 5.2. Breakdown & changes in payment appropriations

### 5.2.1. Title A-1

*EUR '000*

	Initial adopted budget 1	Budget appropriations of the year Amending budgets 2	Transfers 3	Final budget adopted 4=1+2+3	Carryover 5	Additional appropriations Assigned revenue 6	Total 7=5+6	Total approp. available 8=4+7
A-1100 <i>Staff costs</i>	2 271	-	(22)	2 249	615	-	615	2 864
A-1111 <i>Temporary staff</i>	119	-	-	119	67	-	67	186
A-1177 <i>Other services rendered</i>	0	-	-	0	22	-	22	22
Total chapter A-11	2 390	-	(22)	2 368	703	-	703	3 072
A-1200 <i>Sundry engagement expenses</i>	3	-	5	8	7	-	7	15
A-1201 <i>Installation, resettlement, and daily subsistence allowances and removal and travel expenses</i>	2	-	17	19	13	-	13	32
Total chapter A-12	5	-	22	27	20	-	20	47
A-1300 <i>Mission expenses, duty travel expenses and other ancillary expenditure</i>	89	-	-	89	65	-	65	155
Total chapter A-13	89	-	-	89	65	-	65	155
A-1400 <i>Medical services</i>	1	-	-	1	6	-	6	7
A-1401 <i>Mobility costs and other social expenses for the staff</i>	1	-	-	1	9	-	9	10
A-1402 <i>Training</i>	10	-	-	10	29	-	29	39
Total chapter A-14	12	-	-	12	43	-	43	56
A-1700 <i>Entertainment and representation expenses</i>	0	-	-	0	5	-	5	5
Total chapter A-17	0	-	-	0	5	-	5	5
<b>Total title A-1</b>	<b>2 498</b>	<b>-</b>	<b>-</b>	<b>2 498</b>	<b>837</b>	<b>-</b>	<b>837</b>	<b>3 335</b>

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5.2.2. Title A-2

		EUR '000								
		Initial adopted budget	Budget appropriations of the year		Final budget adopted	Carryover	Additional appropriations		Total	Total approp. available
		1	Amending budgets	Transfers	4=1+2+3	5	Assigned revenue	6	7=5+6	8=4+7
A-2000	Rentals	164	-	-	164	69	-	-	69	233
A-2010	Charges	36	-	-	36	65	-	-	65	101
Total chapter A-20		199	-	-	199	134	-	-	134	333
A-2100	IT costs operational	128	-	66	195	167	55	-	222	417
Total chapter A-21		128	-	66	195	167	55	-	222	417
A-2200	Movable property and associated costs office equipment	0	-	-	0	9	-	-	9	9
Total chapter A-22		0	-	-	0	9	-	-	9	9
A-2300	Current administrative expenditure	0	-	-	0	14	-	-	14	14
Total chapter A-23		0	-	-	0	14	-	-	14	14
A-2400	Correspondence, postage and telecommunications	0	-	-	0	18	-	-	18	18
Total chapter A-24		0	-	-	0	18	-	-	18	18
A-2500	Meetings in general	23	-	-	23	55	-	-	55	78
Total chapter A-25		23	-	-	23	55	-	-	55	78
A-2600	Communication costs	206	-	-	206	291	-	-	291	497
Total chapter A-26		206	-	-	206	291	-	-	291	497
A-2700	Studies, consultancy and other services	11	-	109	120	64	-	-	64	184
A-2701	Audit services	433	-	(222)	211	252	-	-	252	463
Total chapter A-27		444	-	(113)	331	315	-	-	315	646
A-2800	Expert contracts and meetings	275	-	46	321	247	1	-	249	570
Total chapter A-28		275	-	46	321	247	1	-	249	570
<b>Total title A-2</b>		<b>1 277</b>	<b>-</b>	<b>0</b>	<b>1 277</b>	<b>1 249</b>	<b>56</b>	<b>-</b>	<b>1 306</b>	<b>2 582</b>

5.2.3. Title B-3

		EUR '000								
		Initial adopted budget	Budget appropriations of the year		Final budget adopted	Carryover	Additional appropriations		Total	Total approp. available
		1	Amending budgets	Transfers	4=1+2+3	5	Assigned revenue	6	7=5+6	8=4+7
B3-001	Implementing the research agenda of FCH JU: FP7	55 456	(9 250)	-	46 206	14 352	423	-	14 775	60 981
B3-002	Implementing the research agenda of FCH JU: H2020	48 638	(279)	-	48 358	279	-	-	279	48 637
Total chapter B3-0		104 093	(9 529)	-	94 564	14 631	423	-	15 054	109 619
Total title B-3		104 093	(9 529)	-	94 564	14 631	423	-	15 054	109 619
<b>GRAND TOTAL</b>		<b>107 868</b>	<b>(9 529)</b>	<b>(0)</b>	<b>98 339</b>	<b>16 717</b>	<b>479</b>	<b>-</b>	<b>17 196</b>	<b>115 535</b>

## 5.4. Implementation of commitment appropriations

### 5.2.4. Title A-1

EUR '000

	Commitments made						Appropriations carried over to 2017			Appropriations lapsing			Total 13=10+11 -12
	Total approp. availab.	From final adopr. budget	From carry overs	From assigned revenue	Total	%	Assigned revenue	By decision	Total	From final adopted budget	From carry overs	From assigned revenue	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	
<b>A-1100 Staff costs</b>	<b>2 861</b>	<b>1 901</b>	<b>612</b>	<b>-</b>	<b>2 513</b>	<b>88%</b>	-	-	-	<b>348</b>	-	-	<b>348</b>
A-1111 Temporary staff	130	91	11	-	102	79%	-	-	-	28	-	-	28
A-1177 Other services rendered	20	0	20	-	20	100%	-	-	-	-	-	-	-
Total chapter A-11	3 011	1 993	642	-	2 635	88%	-	-	-	376	-	-	376
<b>A-1200 Sundry engagement expenses</b>	<b>10</b>	<b>5</b>	<b>2</b>	<b>-</b>	<b>7</b>	<b>65%</b>	-	-	-	<b>3</b>	-	-	<b>3</b>
A-1201 Installation, resettlement, and daily subsistence allowances and removal and travel expenses	32	13	13	-	26	82%	-	-	-	6	-	-	6
Total chapter A-12	42	18	15	-	33	78%	-	-	-	9	-	-	9
<b>A-1300 Mission expenses, duty travel expenses and other ancillary expenditure</b>	<b>135</b>	<b>70</b>	<b>45</b>	<b>-</b>	<b>115</b>	<b>85%</b>	-	-	-	<b>20</b>	-	-	<b>20</b>
Total chapter A-13	135	70	45	-	115	85%	-	-	-	20	-	-	20
A-1400 Medical services	5	-	4	-	4	83%	-	-	-	1	-	-	1
A-1401 Mobility costs and other social expenses for the staff	10	1	5	-	6	65%	-	-	-	-	4	-	4
A-1402 Training	36	1	26	-	26	73%	-	-	-	10	-	-	10
Total chapter A-14	51	2	35	-	37	72%	-	-	-	11	4	-	14
A-1700 Entertainment and representation expenses	3	-	3	-	3	87%	-	-	-	0	-	-	0
Total chapter A-17	3	-	3	-	3	87%	-	-	-	0	-	-	0
<b>Total title A-1</b>	<b>3 242</b>	<b>2 082</b>	<b>740</b>	<b>-</b>	<b>2 822</b>	<b>87%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>416</b>	<b>4</b>	<b>-</b>	<b>420</b>



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5.2.5. Title A-2

EUR '000

	Commitments made						Appropriations carried over to 2017			Appropriations lapsing			Total 13=10+11 -12
	Total approp. availab.	From final adopt. budget	From carry overs	From assigned revenue	Total	%	Assigned revenue	By decision	Total	From final adopted budget	From carry overs	From assigned revenue	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	
A-2000 Rentals	233	160	69	-	229	98%	-	-	-	4	-	-	4
A-2010 Charges	86	21	50	-	71	83%	-	-	-	15	-	-	15
Total chapter A-20	318	181	119	-	300	94%	-	-	-	18	-	-	18
A-2100 IT costs operational	316	128	132	20	281	89%	35	-	35	-	-	-	-
Total chapter A-21	316	128	132	20	281	89%	35	-	35	-	-	-	-
A-2200 Movable property and associated costs office equipment	4	-	4	-	4	94%	-	-	-	0	-	-	0
Total chapter A-22	4	-	4	-	4	94%	-	-	-	0	-	-	0
A-2300 Current administrative expenditure	12	-	12	-	12	98%	-	-	-	0	-	-	0
Total chapter A-23	12	-	12	-	12	98%	-	-	-	0	-	-	0
A-2400 Correspondence, postage and telecommunications	11	-	11	-	11	97%	-	-	-	0	-	-	0
Total chapter A-24	11	-	11	-	11	97%	-	-	-	0	-	-	0
A-2500 Meetings in general	69	-	45	-	45	66%	-	-	-	23	-	-	23
Total chapter A-25	69	-	45	-	45	66%	-	-	-	23	-	-	23
A-2600 Communication costs	385	117	180	-	297	77%	-	-	-	88	-	-	88
Total chapter A-26	385	117	180	-	297	77%	-	-	-	88	-	-	88
A-2700 Studies, consultancy and other services	184	81	93	-	174	95%	-	-	-	10	-	-	10
A-2701 Audit services	293	196	82	-	278	95%	-	-	-	15	-	-	15
Total chapter A-27	477	277	175	-	452	95%	-	-	-	25	-	-	25
A-2800 Expert contracts and meetings	489	353	70	-	424	87%	1	-	1	64	-	-	64
Total chapter A-28	489	353	70	-	424	87%	1	-	1	64	-	-	64
Total title A-2	2 081	1 057	748	20	1 825	88%	36	-	36	220	-	-	220

5.2.6. Title B-3

EUR '000

	Commitments made						Appropriations carried over to 2017			Appropriations lapsing			Total 13=10+11 +12
	Total approp. availab.	From final adopt. budget	From carry overs	From assigned revenue	Total	%	Assigned revenue	By decision	Total	From final adopted budget	From carry overs	From assigned revenue	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	
B3-001 Implementing the research agenda of FCH JU: FP7	2 166	-	6	51	57	3%	372	-	372	-	1 737	-	1 737
B3-002 Implementing the research agenda of FCH JU: H2020	120 274	79 273	15 319	-	94 592	79%	-	-	-	25 682	-	-	25 682
Total chapter B3-0	122 440	79 273	15 324	51	94 649	77%	372	-	372	25 682	1 737	-	27 419
Total title B-3	122 440	79 273	15 324	51	94 649	77%	372	-	372	25 682	1 737	-	27 419
GRAND TOTAL	127 762	82 412	16 812	72	99 296	78%	408	-	408	26 318	1 741	-	28 059

### 5.3. Implementation of payment appropriations

#### 5.3.1. Title A-1

EUR '000

	Payments made						Appropriations carried over to 2017				Appropriations lapsing			
	Total approp. availab.	From final adopted budget	From carry overs	From assigned revenue	Total	%	Automatic carry overs	By decision	Assigned revenue	Total	From final budget	From carry overs	From assigned revenue	Total
	1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
A-1100 <i>Staff costs</i>	2 864	1 893	615	-	2 508	88%	-	-	-	-	356	-	-	356
A-1111 <i>Temporary staff</i>	186	59	67	-	127	68%	-	-	-	-	59	-	-	59
A-1177 <i>Other services rendered</i>	22	-	19	-	19	89%	-	-	-	-	0	2	-	2
Total chapter A-11	3 072	1 953	701	-	2 654	86%	-	-	-	-	416	2	-	418
A-1200 <i>Sundry engagement expenses</i>	15	-	6	-	6	39%	-	-	-	-	8	1	-	9
A-1201 <i>Installation, resettlement, and daily subsistence allowances and removal and travel expenses</i>	32	13	13	-	26	82%	-	-	-	-	6	-	-	6
Total chapter A-12	47	13	19	-	32	68%	-	-	-	-	14	1	-	15
A-1300 <i>Mission expenses, duty travel expenses and other ancillary expenditure</i>	155	41	65	-	106	69%	-	-	-	-	48	-	-	48
Total chapter A-13	155	41	65	-	106	69%	-	-	-	-	48	-	-	48
A-1400 <i>Medical services</i>	7	-	3	-	3	38%	-	-	-	-	1	3	-	4
A-1401 <i>Mobility costs and other social expenses for the staff</i>	10	0	6	-	6	65%	-	-	-	-	1	3	-	4
A-1402 <i>Training</i>	39	-	24	-	24	62%	-	-	-	-	10	4	-	15
Total chapter A-14	56	0	33	-	33	60%	-	-	-	-	12	10	-	22
A-1700 <i>Entertainment and representation expenses</i>	5	-	3	-	3	55%	-	-	-	-	0	2	-	2
Total chapter A-17	5	-	3	-	3	55%	-	-	-	-	0	2	-	2
<b>Total title A-1</b>	<b>3 335</b>	<b>2 008</b>	<b>821</b>	<b>-</b>	<b>2 829</b>	<b>85%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>490</b>	<b>16</b>	<b>-</b>	<b>506</b>

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5.3.2. Title A-2

EUR '000

	Total approp. availab.	From final adopted budget	Payments made				%	Appropriations carried over to 2017				Appropriations lapsing		Total
			From carry overs	From assigned revenue	Total	5=2+3+4		6 = 5/1	Automatic carry overs	By decision	Assigned revenue	Total	10=7+8+9	
	1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
A-2000 Rentals	233	160	69	-	229	98%	-	-	-	-	4	-	-	4
A-2010 Charges	101	1	65	-	66	66%	-	-	-	-	35	-	-	35
Total chapter A-20	333	161	134	-	295	89%	-	-	-	-	38	-	-	38
A-2100 IT costs operational	417	64	167	-	231	55%	-	-	55	55	131	-	-	131
Total chapter A-21	417	64	167	-	231	55%	-	-	55	55	131	-	-	131
A-2200 Movable property and associated costs office equipment	9	-	6	-	6	67%	-	-	-	-	0	3	-	3
Total chapter A-22	9	-	6	-	6	67%	-	-	-	-	0	3	-	3
A-2300 Current administrative expenditure	14	-	7	-	7	51%	-	-	-	-	0	6	-	6
Total chapter A-23	14	-	7	-	7	51%	-	-	-	-	0	6	-	6
A-2400 Correspondence, postage and telecommunications	18	-	8	-	8	45%	-	-	-	-	0	10	-	10
Total chapter A-24	18	-	8	-	8	45%	-	-	-	-	0	10	-	10
A-2500 Meetings in general	78	1	31	-	32	41%	-	-	-	-	22	24	-	46
Total chapter A-25	78	1	31	-	32	41%	-	-	-	-	22	24	-	46
A-2600 Communication costs	497	20	218	-	239	48%	-	-	-	-	185	73	-	258
Total chapter A-26	497	20	218	-	239	48%	-	-	-	-	185	73	-	258
A-2700 Studies, consultancy and other services	184	2	55	-	58	31%	-	-	-	-	118	8	-	126
Total chapter A-27	184	2	55	-	58	31%	-	-	-	-	118	8	-	126
A-2701 Audit services	463	-	211	-	211	46%	-	-	-	-	211	41	-	252
Total chapter A-27	463	-	211	-	211	46%	-	-	-	-	211	41	-	252
A-2800 Expert contracts and meetings	646	2	266	-	268	42%	-	-	-	-	329	49	-	378
Total chapter A-28	646	2	266	-	268	42%	-	-	-	-	329	49	-	378
A-2800 Expert contracts and meetings	570	190	247	1	438	77%	-	-	0	0	132	-	-	132
Total chapter A-28	570	190	247	1	438	77%	-	-	0	0	132	-	-	132
Total title A-2	2 582	439	1 085	1	1 525	59%	-	-	56	56	838	164	-	1 002

5.3.3. Title B-3

EUR '000

	Total approp. availab.	From final adopted budget	Payments made				%	Appropriations carried over to 2017				Appropriations lapsing		Total
			From carry overs	From assigned revenue	Total	5=2+3+4		6 = 5/1	Automatic carry overs	By decision	Assigned revenue	Total	10=7+8+9	
	1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
B3-001 Implementing the research agenda of FCH JU: FP7	60 981	30 558	14 352	-	44 910	74%	-	-	423	423	15 648	-	-	15 648
B3-002 Implementing the research agenda of FCH JU: H2020	48 637	47 379	279	-	47 658	98%	-	-	-	-	980	-	-	980
Total chapter B3-0	109 619	77 937	14 631	-	92 568	84%	-	-	423	423	16 627	-	-	16 627
Total title B-3	109 619	77 937	14 631	-	92 568	84%	-	-	423	423	16 627	-	-	16 627
GRAND TOTAL	115 535	80 384	16 537	1	96 922	84%	-	-	478	478	17 955	180	-	18 135

## 6. COMMITMENTS OUTSTANDING

### 6.1. Title A-1

		Commitments outstanding at the end of prev. year				Commitments of the year				EUR '000
		Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. outstanding at year-end	Total commitments outstanding at year-end
		1	2	3	4= 1+2-3	5	6	7	8= 5-6-7	9=4+8
A-1100	Staff costs	3	(1)	2	-	2 513	2 505	-	7	7
A-1111	Temporary staff	56	(5)	51	-	102	76	-	27	27
A-1177	Other services rendered	2	(1)	1	-	20	19	-	1	1
Total chapter A-11		61	(7)	54	-	2 635	2 600	-	35	35
A-1200	Sundry engagement expenses	5	(5)	-	-	7	6	-	1	1
A-1201	Installation, resettlement, and daily subsistence allowances and removal and travel expenses	-	-	-	-	26	26	-	-	-
Total chapter A-12		5	(5)	-	-	33	32	-	1	1
A-1300	Mission expenses, duty travel expenses and other ancillary expenditure	20	(11)	9	-	115	98	-	17	17
Total chapter A-13		20	(11)	9	-	115	98	-	17	17
A-1400	Medical services	2	(0)	2	-	4	1	-	3	3
A-1401	Mobility costs and other social expenses for the staff	0	(0)	-	-	6	6	-	-	-
A-1402	Training	3	-	3	-	26	21	-	5	5
Total chapter A-14		5	(0)	4	-	37	29	-	8	8
A-1700	Entertainment and representation expenses	2	(1)	2	-	3	1	-	1	1
Total chapter A-17		2	(1)	2	-	3	1	-	1	1
<b>Total Title A-1</b>		<b>93</b>	<b>(24)</b>	<b>69</b>	<b>-</b>	<b>2 822</b>	<b>2 760</b>	<b>-</b>	<b>62</b>	<b>62</b>

## 6.2. Title A-2

	Commitments outstanding at the end of prev. year				Commitments of the year				EUR '000
	Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. outstanding at year-end	Total commitments outstanding at year-end
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
<b>A-2000</b> <i>Rentals</i>	-	-	-	-	229	229	-	-	-
<b>A-2010</b> <i>Charges</i>	15	(15)	0	-	71	66	-	5	5
Total chapter A-20	15	(15)	0	-	300	295	-	5	5
<b>A-2100</b> <i>IT costs operational</i>	101	(4)	95	3	281	136	-	145	148
Total chapter A-21	101	(4)	95	3	281	136	-	145	148
<b>A-2200</b> <i>Movable property and associated costs office equipment</i>	5	(0)	5	-	4	2	-	2	2
Total chapter A-22	5	(0)	5	-	4	2	-	2	2
<b>A-2300</b> <i>Current administrative expenditure</i>	2	(0)	1	-	12	6	-	6	6
Total chapter A-23	2	(0)	1	-	12	6	-	6	6
<b>A-2400</b> <i>Correspondence, postage and telecommunications</i>	7	(3)	5	-	11	3	-	7	7
Total chapter A-24	7	(3)	5	-	11	3	-	7	7
<b>A-2500</b> <i>Meetings in general</i>	9	(4)	5	-	45	27	-	18	18
Total chapter A-25	9	(4)	5	-	45	27	-	18	18
<b>A-2600</b> <i>Communication costs</i>	111	(6)	96	10	297	143	-	154	164
Total chapter A-26	111	(6)	96	10	297	143	-	154	164
<b>A-2700</b> <i>Studies, consultancy and other services</i>	-	-	-	-	174	58	-	116	116
<b>A-2701</b> <i>Audit services</i>	170	(1)	97	72	278	113	-	165	236
Total chapter A-27	170	(1)	97	72	452	171	-	281	353
<b>A-2800</b> <i>Expert contracts and meetings</i>	81	(27)	55	-	424	383	-	40	40
Total chapter A-28	81	(27)	55	-	424	383	-	40	40
<b>Total Title A-2</b>	<b>501</b>	<b>(59)</b>	<b>359</b>	<b>84</b>	<b>1 825</b>	<b>1 166</b>	-	<b>659</b>	<b>743</b>

## 6.3. Title B0-3

	Commitments outstanding at the end of prev. year				Commitments of the year				EUR '000
	Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. outstanding at year-end	Total commitments outstanding at year-end
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
<b>B3-001</b> <i>Implementing the research agenda of FCH JU: FP7</i>	138 679	(1 591)	44 856	92 233	57	55	-	2	92 235
<b>B3-002</b> <i>Implementing the research agenda of FCH JU: H2020</i>	163 890	(179)	47 351	116 359	94 592	306	-	94 285	210 645
Total chapter B3-0	302 569	(1 770)	92 207	208 592	94 649	361	-	94 288	302 880
Total Title B0-3	302 569	(1 770)	92 207	208 592	94 649	361	-	94 288	302 880
<b>GRAND TOTAL</b>	<b>303 164</b>	<b>(1 852)</b>	<b>92 635</b>	<b>208 676</b>	<b>99 296</b>	<b>4 287</b>	-	<b>95 009</b>	<b>303 685</b>

## 7. GLOSSARY

### ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

### Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

### Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

### Adjustment

Amending budget or transfer of funds from one budget item to another

### Adopted budget

Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority. Cf. Budget.

### Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

### Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

### Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

### Appropriations

Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.

### Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure. Main sources of external assigned revenue are financial contributions from third countries to programmes financed by the Union. Main sources of internal assigned revenue is revenue from third parties in respect of goods, services or work supplied at their request; (c) revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium. The complete list of items constituting assigned revenue is given in the Financial Regulation Art.21.2.

### Authorising Officer (AO)

The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

#### Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

#### Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for Agencies.

#### Budget implementation

Consumption of the budget through expenditure and revenue operations.

#### Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

#### Budgetary authority

Institutions with decisional powers on budgetary matters: the European Parliament and the Council of Ministers

#### Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

#### Cancellation of appropriations

Unused appropriations that may no longer be used.

#### Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

#### Commitment appropriations

Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Art. 7 FR: Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.

#### De-commitment

Cancellation of a reservation of appropriations

#### Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Art. 7 FR: Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.

#### Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)

#### Economic result

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

#### Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

#### Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.

#### Expenditure

Term used to describe spending the budget from all types of funds sources.

#### Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union. (OJ L 298, 26.10.2012)

#### Funds Source

Type of appropriations (e.g.: C1, C2, etc.)

#### Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.

#### Implementation

Cf. Budget implementation

#### Income

Cf. Revenue

#### Joint Undertakings (JUs)

A legal EU-body established under the TFEU. The term can be used to describe any collaborative structure proposed for the "efficient execution of Union research, technological development and demonstration programmes".

#### Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.

#### Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific Title and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

#### Legal commitment

A legal commitment establishes a legal obligation towards third parties.

#### Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Art. 9 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments

#### Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

#### Outstanding commitment



Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.

#### Outturn

Cf. Budget result

#### Payment

A payment is a cash disbursement to honour legal obligations.

#### Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Art. 7 FR).

#### RAL

Sum of outstanding commitments. Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They *stem directly* from the existence of multiannual programmes and the dissociation between commitment and payment appropriations. (Cf. Outstanding commitments)

#### Recovery

The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.

#### Result

Cf. Outturn

#### Revenue

Term used to describe income from all sources financing the budget.

#### Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

#### Surplus

Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

#### Transfer

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.