

ITER ORGANIZATION

Financial

Report

2013



china eu india japan korea russia usa

# 2013 Finance at a Glance

515

**Staff**

€1,314 Million

**Property, Plant & Equipment**

€8 Million

**Intangible Assets**

€159 Million

**Cash Contributions received for 2013**

€137 Million

**In-Kind Contributions**

€72 Million

**Employee Benefits**

€47 Million

**Operating Expenses**

€228 Million

**Total Commitments**

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The resources of the ITER Project come from the seven ITER Members. Year after year, as the ITER Members renew their confidence, they permit the ITER Project to move closer to its final goal – that of becoming a premiere international scientific facility for fusion research.

2013

**Mid-year, work is underway to position nearly 4,000 tons of steel rebar - in radial/circular patterns in some areas, linear in others.**



# Foreword by the Director-General

It is my honour as the Director-General of the ITER Organization to introduce the 2013 Financial Statements.

From the vantage point of my desk, I can see the evidence of one year of progress on the platform before me. During the reporting period, work started on the foundation slab of the Tokamak Complex, the basemat of the Assembly Building was finalized, a second large assembly facility (the Cryostat Workshop) was erected, and the installation of the deepest drainage networks was completed. Contractors were selected for nearly all of the building packages and the first consortiums have now started to move into their on-site offices – soon, 1,000 people will be participating in the construction of ITER.

Progress as least as remarkable has been achieved in factories located in China, the European Union, India, Japan, Korea, Russia and the United States. We are nearing the end of a five-year procurement program – the largest in the world – for the niobium-tin superconducting strand required by our toroidal field magnets; vacuum vessel manufacturing is underway; and successful mockups were manufactured for the ITER cryostat, vacuum vessel upper ports, thermal shielding and in-wall shielding.

Six years after its establishment, the ITER Organization is in the process of adapting its organizational structure to the needs of the large-scale construction and engineering project ahead. We are reinforcing resources in key areas such as design completion, design integration and strategic planning activities for assembly, installation and testing. The Unique ITER Team – formed to facilitate communication between the ITER Organization and the seven Domestic Agencies – now meets regularly as a forum for airing every difficulty ... resolving every problem. Together, its members are working to stem slippage against the schedule and to make sure that every opportunity for cost saving or cost optimization is taken advantage of.

Following a Management Assessment carried out in 2013 in accordance with the ITER Agreement, which stipulates that an independent review of management must be carried out every two years, recommendations were made for the improvement of project

performance. The ITER Organization is fully committed to implementing the Management Assessment recommendations in an efficient and time-bound manner; certain have already been set into place, others will be implemented throughout the course of the year.

The resources of the ITER Project come from the seven ITER Members. Year after year, as the ITER Members renew their confidence, they permit the ITER Project to move closer to its final goal – that of becoming a premiere international scientific facility for fusion research.

I invite you to discover the 2013 ITER Organization Financial Statements in the pages that follow. These accounts, which have been audited by the independent Financial Audit Board formed of representatives from every ITER Member, give a transparent account of the financial situation of the ITER Organization.



**Professor Osamu Motojima**  
Saint Paul-lez-Durance, June 2014

# Certificate & Statement from the Director-General

## Certificate

The Financial Statements of the ITER Organization have been prepared in accordance with the internal Project Resource Management Regulations (PRMR) and the International Public Sector Accounting Standards (IPSAS).

We hereby certify that, based on the information provided by the Authorizing Officer, we have reasonable assurance that these accounts present a true and fair view of the financial transactions in the year 2013 and of the financial position of the ITER Organization in all material aspects at the end of 2013.



26 February 2014

**Lionel Rigaux**

Accounting, Treasury and Systems Section Leader  
Accounting Officer



26 February 2014

**Aires Soares**

Head of the Finance and Budget Division

## Statement from the Director-General

I, the undersigned, Director-General of the ITER Organization, in my capacity as Authorizing Officer:

- Declare that the information contained in this report gives a true and fair view.
- State that I have reasonable assurance that the resources have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. This reasonable assurance is based on my own judgement and on the information at my disposal.
- Confirm that I am not aware of anything not reported here which could harm the interests of the ITER Organization.

26 February 2014

**Osamu Motojima**

Director-General  
Authorizing Officer

## Independent Auditors' Report

Reference: ICS/2014/OUT/0049 (P6FD4V)

### Subject: Independent Auditors' Report

Dear Chair of the ITER Council,

We have audited the accompanying financial statements of the ITER International Fusion Energy Organization (here-in-after IO), established under the Agreement on the Establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER Project (here-in-after ITER Agreement) as of and for the year ended 31 December 2013.

The IO's management is responsible for the preparation and fair presentation of these financial statements in accordance with the Project Resource Management Regulations (here-in-after PRMR), International Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

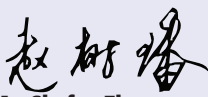
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Article 17 of the ITER Agreement, the External Financial Audit Procedures, the relevant articles of the PRMR, and the International Standards of Auditing (here-in-after ISA). These rules, regulations, and standards require that we comply with ethical requirements to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The financial statements of the IO as of and for the year ended 31 December 2013 have been examined in accordance with the aforementioned rules, regulations, procedures, and standards. We have obtained all the information and explanations that we required and we certify, as a result of our audit, that in our opinion the financial statements give a true and fair view of the state of affairs of the IO. We have provided a separate Management Letter dated 11 April 2014 which describes certain issues identified during our audit that warrant the attention of the IO's management.



**Mr. Preman Dinaraj**  
Chair of FAB  
Republic of India



**Ms. Shufan Zhao**  
People's Republic of China



**Mr. Ciaran Spillane**  
European Union



**Mr. Toshiyuki Kimura**  
Japan



**Mr. Yong-Eok Lee**  
Republic of Korea



**Mr. Sergei Iugai**  
Russian Federation



**Mr. Christopher Sizemore**  
United States of America

### St. Paul-Lez-Durance, France

CC: Director-General of ITER Organization,  
Chair of the ITER Council Management Advisory Committee (MAC)

11 April 2014

# Financial Statement Discussion and Analysis

**T**his section of the ITER Organization's (IO) annual financial report presents management's discussion and analysis of IO's Financial Statements for the year ended December 31, 2013 in accordance with the International Public Sector Accounting Standards (IPSAS) Recommended Practice Guideline 2 Financial Statement Discussion and Analysis, issued July 16, 2013.

This Financial Statement Discussion and Analysis is not part of the IO's Financial Statements; however it should be read together with the IO's Financial Statements on pages 11 to 56 of this report.

The 2012 Financial Statements of the IO were audited and thereafter approved by the ITER Council in June 2013.

## Overview

The Financial Statements have been drawn up in accordance with the IPSAS and the internal Project Resource Management Regulations (PRMR) of the IO. The Financial Statements are therefore in compliance with both regulations and standards.

Under Articles 7 and 9 of the ITER Agreement, the Director-General and the staff of the IO shall prepare and submit to the ITER Council the annual Financial Statements by the end of February of the year following the last day of the reporting period.

The functional currency used by the IO is the Euro.

The Financial Statements set out the basis of preparation of the information contained herein and include explanations on the differences between the IPSAS and PRMR schedules in accordance with the PRMR. The Financial Statements show in particular:

- the Statement of Financial Position which provides information about the:
  - assets of the Organization (cash; recoverables; prepayments; property, plant and equipment; intangible assets and other financial assets),
  - liabilities of the Organization (payables; employee benefits liabilities and deferred revenues)
- the Statement of Financial Performance presented on an accrual basis of accounting, recognizing revenue in the period it is earned and expenses when they occurred, regardless of when the associated cash is received or paid. In view of the specific nature of the organization, which has in essence only one objective, i.e. the operation of an experimental facility, all costs shall be considered to be incurred in order to construct and bring the asset to a condition enabling operations to

commence ('Net Costs of IO Activities Capitalized'). The capitalization of costs/values will cease once these assets are utilized in the Operation Phase.

The consequences of this capitalization criterion on the annual results of the IO are inter-related with the accounting policy choice concerning revenue from Members

- the Statement of Changes in Net Assets/Equity provided for the record (not impacted during the Construction Phase)
- the Cash Flow Statement which provides information about the IO's liquidity and solvency, including cash in and cash out
- the Budgetary Statements prepared on a modified cash basis as required by the PRMR
- the Notes to the Financial Statements aiming at helping the readers to better understand the Financial Statements and comparing them with Financial Statements of other similar entities.

These notes comprise a summary of significant accounting policies used:

- basis of preparation,
- specific accounting policies,
- disclosure of the information required by IPSAS that is not presented on the face of the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets/Equity, or Cash Flow Statement
- the reconciliation between the Cash Flow Statement and the Budget Outturn.

Revenue from Members constitutes Revenue from Non-Exchange Transactions for which the accounting treatment is defined in the IPSAS standard 23 'Revenue from non-exchange transactions (taxes and transfers)'. Contributions from Members which are used to acquire Property, Plant and Equipment and Intangible Assets are taken back to revenue over the period of the utilization of the related asset and are labelled 'write back' in the Financial Statements.

## About the IO

The purpose of the IO is to provide and promote cooperation on the ITER Project among the Members referred to in Article 4 (hereinafter the Members). This international project aims to demonstrate the scientific and technological feasibility of fusion energy for peaceful purposes, an essential feature of which would be achieving sustained fusion power generation.

The purpose, functions and other organizational aspects of the IO are set out in the 'Agreement on the



Establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER Project' (the ITER Agreement,

<http://www.iaea.org/Publications/Documents/Infcircs/2007/infcirc702.pdf>).

The ITER Agreement was signed by the Members of the ITER Project in Paris on 21 November 2006 and has an initial duration of 35 years.

The IO has an international legal personality including the capacity to conclude agreements with States and/or international organizations, and is governed by a Council composed from representatives of each of the Members. Each Member has appointed up to four representatives to the Council. The Council elects from among its Members a Chair and a Vice-Chair who shall each serve for a term of one year and who may be re-elected up to three times for a maximum period of four years.

The four phases of the ITER Project are construction, operation, exploitation and de-activation (decommissioning) of the ITER facilities in accordance with prescribed technical objectives and specifications and supplemental technical requirements that may be necessary. The decommissioning of the IO facility will be financed by the Members upon completion of the project and will be carried out by the Host State.

The Members are the European Union (represented by Euratom), the People's Republic of China, the Republic of India, Japan, the Republic of Korea, the Russian Federation and the United States of America.

The resources to carry out the construction of the project comprise contributions in kind and financial cash contributions from the Members, as per the following sharing: 45.46% for Euratom and 9.09% for the others.

The cost estimates for the construction and operation phases of the ITER Project have been quantified using the IUA unit of currency (IUA is the ITER Unit of Account and one IUA was equal to USD 1,000 in January 1989). The conversion rate from IUA to Euro is agreed yearly by the Management Advisory Committee of the IO in May.

Contributions from Members or their respective Domestic Agency (DA) are provided in cash and in kind. The Procurement Arrangements (PA) are Contributions/Arrangements, in kind, foreseen in the ITER Agreement and signed between the IO and each Member. They are called 'long-term in-kind contributions'. 'Short-term in-kind contributions' are related to Task Agreements (contracts between the IO and the Domestic Agencies/Members) and secondments of staff. Both of them are directly capitalized in the Statement of Financial Position, upon receipt of their delivered milestones or work performed ('Credit Request mechanism').

The measurement basis applied for cash transactions is at historical cost. PA credits and their counterpart in Property, Plant and Equipment are measured and accounted at our agreed values (as defined in the ITER Agreement). However, they do not reflect the actual

costs incurred by the Domestic Agencies in relation to their own procurements.

The 'Common Fund' is the initial 'Trust Fund' created by the International Atomic Energy Agency (IAEA) to launch the project in 2006. These advances of funds have been allocated to their respective Members as per the agreed sharing (total amount received between 2006 and 2008: EUR 3,830,595 split into EUR 1,741,644 for Euratom, and EUR 348,158 for each of the other Members).

The Financial Statements show tabulations in Euro, which could cause minor differences due to rounding.

The address of the IO Headquarters is Route de Vinon-sur-Verdon, CS 90 046, 13067 Saint Paul-lez-Durance Cedex, France. The land on which the ITER Project is being constructed has been provided free of charge by the French State through the 'Commissariat à l'Énergie Atomique' (CEA) for the duration of the ITER Project (initially foreseen to end in October 2042).

## Financial Statements Highlights

On the ITER site in 2013 the critical networks were finalized, pouring began for the Tokamak Complex basemat slab, and work began on the Cryostat Workshop and the IO Headquarters extension.

In parallel to steady construction progress, the first shipment of manufactured components reached the ITER site and an 800-ton convoy successfully tested the ITER Itinerary – both precursors of the important delivery activities that will start in 2014.

Approximately 88% of the project's in-kind value has now been committed through Procurement Arrangements.

Two Ministerial-level events took place in 2013: the inauguration of IO Headquarters in January and the Ministerial-level ITER Council meeting convened by European Commissioner Oettinger in September.

The IO also concluded its first licensing agreement against royalties in 2013 with a private company for a software application.



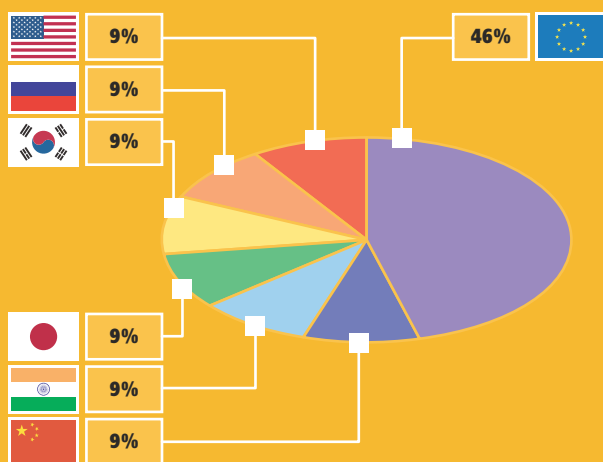
**At the inauguration of ITER Headquarters, H. Parant, the government representative in the Region; G. Fioraso, French Minister of Higher Education and Research; and G. Oettinger, EU Commissioner for Energy, join the ITER Director-General in unveiling the plaque.**

## Cumulative Position Statement by Member at 31 December 2013

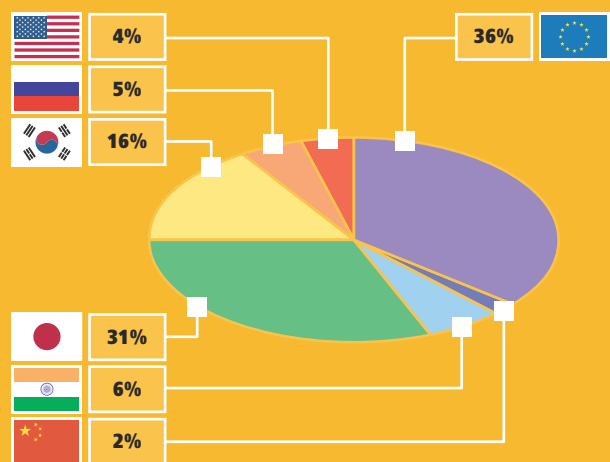
Amounts in Euros

	Agreed Sharing	Contributions "Cash" (Cash and Short-Term in-Kind)		Long-Term in-Kind credits (Procurement Arrangements)		Total Cash, Short-Term in-Kind and Long-Term in-Kind	
<b>Euratom *</b>	45.46%	440,558,899	45.72%	110,779,108	35.87%	551,338,007	43.33%
<b>People's Republic of China</b>	9.09%	87,421,169	9.07%	6,103,055	1.98%	93,524,225	7.35%
<b>Republic of India</b>	9.09%	86,442,150	8.97%	19,015,096	6.16%	105,457,246	8.29%
<b>Japan *</b>	9.09%	87,255,154	9.05%	93,750,048	30.36%	181,005,202	14.22%
<b>Republic of Korea</b>	9.09%	88,745,154	9.21%	49,583,316	16.06%	138,328,469	10.87%
<b>Russian Federation</b>	9.09%	86,562,660	8.98%	16,247,907	5.26%	102,810,568	8.08%
<b>United States of America</b>	9.09%	86,657,623	8.99%	13,355,553	4.32%	100,013,175	7.86%
<b>Total</b>		<b>963,642,810</b>		<b>308,834,083</b>		<b>1,272,476,893</b>	

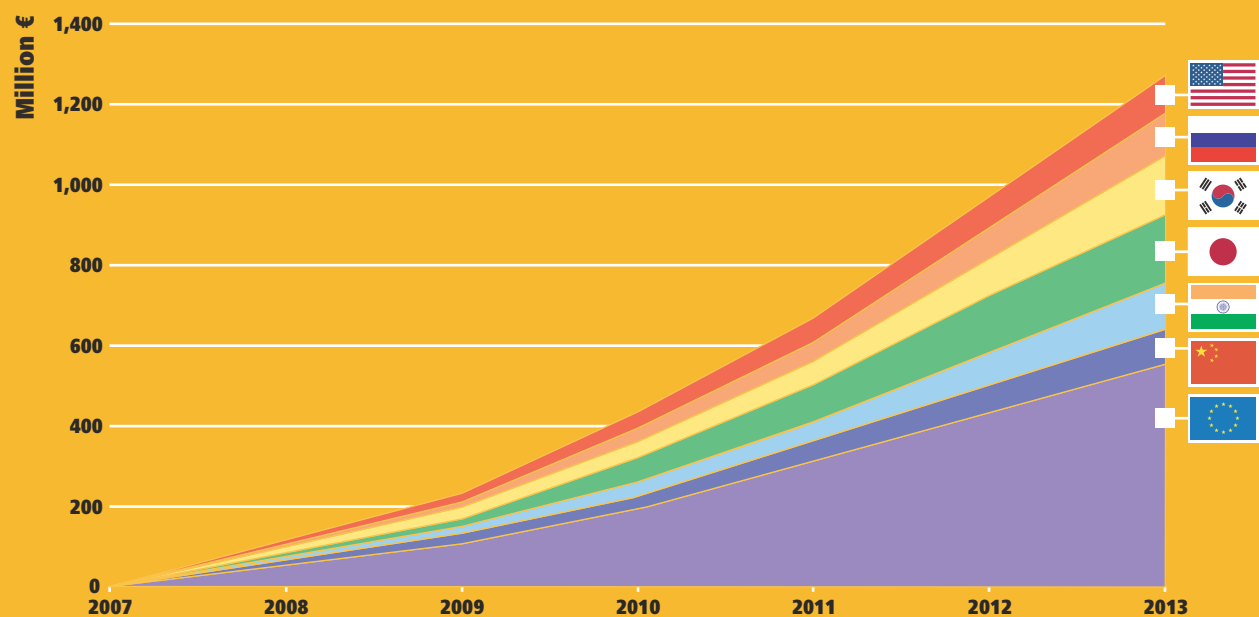
### Cash & Short-Term In-Kind



### Long-Term In-Kind



### Cumulative Position by Member



\* Cumulative credits granted to Japan include a contribution from the European Union corresponding to 22,250 IUA amounting to 35,751,237 EUR (including 8,441 IUA for deliverables achieved in 2013) for procurements for which the procurement responsibility has been transferred to Japan within the framework of the transferred procurement responsibilities from Euratom to Japan.

## Partnership and Agreements

Amounts in Euros

	2013	2012
<b>Monaco Partnership</b>		
Opening Balance	343,909	393,263
Contributions	350,000	350,000
Post-doctorate expenses	(402,769)	(398,504)
Conferences	(248,662)	(850)
<b>Deferred Amount on Monaco Partnership</b>	<b>42,478</b>	<b>343,909</b>
<b>US Domestic Agency – TCWS Agreements</b>		
Opening Balance	-	-
Debit Notes	21,794,000	-
<b>Deferred Amount on USDA (TCWS Agreements)</b>	<b>21,794,000</b>	-
Cash Received	(10,897,000)	-
<i>Net due Amount at 31 December</i>	<i>10,897,000</i>	-
<b>Other Agreements</b>		
Opening Balance	-	-
Debit Notes	165,514	-
Invoices	(92,400)	-
<b>Deferred Amount on Other Agreements</b>	<b>73,114</b>	-
<b>Total Deferred Amounts on Partnership &amp; Agreements</b>	<b>21,909,591</b>	<b>343,909</b>

The Partnership Arrangement with the Principality of Monaco concluded for ten years in 2008 included a contribution of EUR 5.5 million for post-doctorate

## Risks and Uncertainties

ITER Organization is now closing its seventh financial year and is still relatively a young organization coupled with an incredibly huge project to build.

During the last years several measures were taken to manage risks and keep them at an acceptable level.

The IO is confronted with the risk of direct or indirect loss arising from a wide variety of causes associated with its processes, personnel, technology and infrastructure (including site preparation and construction of the experimental asset), and from external factors such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

In 2011, the Internal Control Standards were adopted as a means of providing a framework of sufficient assurance on the proper execution of its activities.

Reinforced in 2012 and achieving a 82% rate of completion in 2013, they improve the organization's overall effectiveness and efficiency by providing timely evidence of changes that have occurred in the operation of internal control, thus helping to identify and correct control deficiencies before they materially affect the internal control system's ability to achieve the IO's objectives. The implementation focused mainly in the following areas:

- delegation of authority matching skills and experiences with project needs
- organizational development in the areas of segregation of duties and performance management
- control of Information System Governance
- financial accounting and budgetary reporting
- continuous improvements on process efficiency and effectiveness
- business continuity
- document management (including controls and procedures)
- communication through line management
- compliance with regulatory and other legal requirements
- internal audit reviews
- training and professional development

The IO created and maintains a risk register for mapping and recording risk events and their likelihood of occurrence and potential impact on the major processes in the various directorates.

fellowships and communication actions by IO. In December 2013, the second edition of the 'Monaco ITER International Fusion Energy Days' conference was organized in Monaco. The net cost of that conference was EUR 0.25 million. There are at the end of the year, five post-doctorate fellows coming from three different Members.

Revenue received from the Principality of Monaco and associated costs incurred by the IO are included in the Statement of Financial Performance in the year of receipt and expenditure. Any excess of revenue (unused portion of their contribution) over associated costs is shown as payable in Note A9.

In 2013 the IO signed two construction contracts/agreements with the USDA for the design and procurement of the Tokamak Cooling Water System ('TCWS'). The amount to be received on these agreements at the reporting date was EUR 10.90 million (the full value is recorded under the Note A9 in 'Partnership and Agreements').

'Other Agreements' shows the fees collected and paid in order to administer some small activities/procurements for other partners (mainly USDA and EUDA).

The costs incurred by the IO arising from Partnership and Agreements are therefore not considered part of the construction cost of the experimental equipment.





# Financial Statements 2013 of the **ITER ORGANIZATION**





# A. Financial Statements 2013

prepared on an Accrual Basis

13

2013

**Top left** Manufacturing of the ITER vacuum vessel sectors is underway in Korea, which is responsible for procuring two sectors out of nine. *Photo: Hyundai Heavy Industries*

**Bottom left** The team at the Indian Domestic Agency.

**Top** A test of the ITER Itinerary successfully concludes on 20 September, when the 800-ton trailer and mock load reaches the ITER site.

## Statement of Financial Position at 31 December 2013

Amounts in Euros

	Notes	31.12.2013	31.12.2012
<b>Assets</b>			
<b>Current Assets</b>			
		<b>192,853,362</b>	<b>138,852,550</b>
• Cash and Cash Equivalents	A3	129,339,136	85,034,130
• Recoverables from Non-exchange Transactions	A4	32,533,575	32,640,833
• Receivables from Exchange Transactions	A5	29,945,944	20,107,854
• Prepayments	A6	1,034,706	1,069,733
<b>Non-current Assets</b>			
		<b>1,308,953,308</b>	<b>976,227,129</b>
• Property, Plant and Equipment	A7	1,304,659,490	972,826,673
• Intangible Assets	A8	4,289,706	3,396,366
• Other Financial Assets		4,112	4,091
<b>Total Assets</b>		<b>1,501,806,670</b>	<b>1,115,079,679</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
		<b>142,942,749</b>	<b>66,620,877</b>
• Payables	A9	140,665,961	64,449,557
• Employee Benefits Liabilities	A10	2,276,787	2,171,321
<b>Non-current Liabilities</b>			
		<b>1,358,863,921</b>	<b>1,048,458,801</b>
• Deferred Revenue	A11	1,358,863,921	1,048,458,801
<b>Total Liabilities</b>		<b>1,501,806,670</b>	<b>1,115,079,679</b>
<b>Net Assets/Equity</b>			
• Brought Forward Surplus		-	-
• Statement of Financial Performance		-	-
<b>Total Net Assets/Equity</b>		-	-

## Statement of Financial Performance for the Year Ended 31 December 2013

Amounts in Euros

	Notes	2013	2012
<b>Revenue</b>			
Contributions from Members taken to revenue (write back)	A11	3,770,410	3,108,567
Other revenue	A12	659,446	408,293
<b>Total Revenue</b>		<b>4,429,856</b>	<b>3,516,860</b>
<b>Expenses</b>			
Operating Expenses	A13	47,273,276	61,098,846
Employee Benefits (excluding Seconded Staff costs capitalized)	A14	69,872,611	66,339,359
Depreciation of Property, Plant and Equipment	A7	3,036,385	2,317,046
Amortization of Intangible Assets	A8	734,025	791,521
<b>Total Expenses</b>		<b>120,916,297</b>	<b>130,546,772</b>
Net Costs of ITER Organization Activities Capitalized	A7	116,486,442	127,029,912
<b>Surplus/(deficit) for the period</b>		-	-



## Cash Flow Statement for the Year Ended 31 December 2013

Amounts in Euros

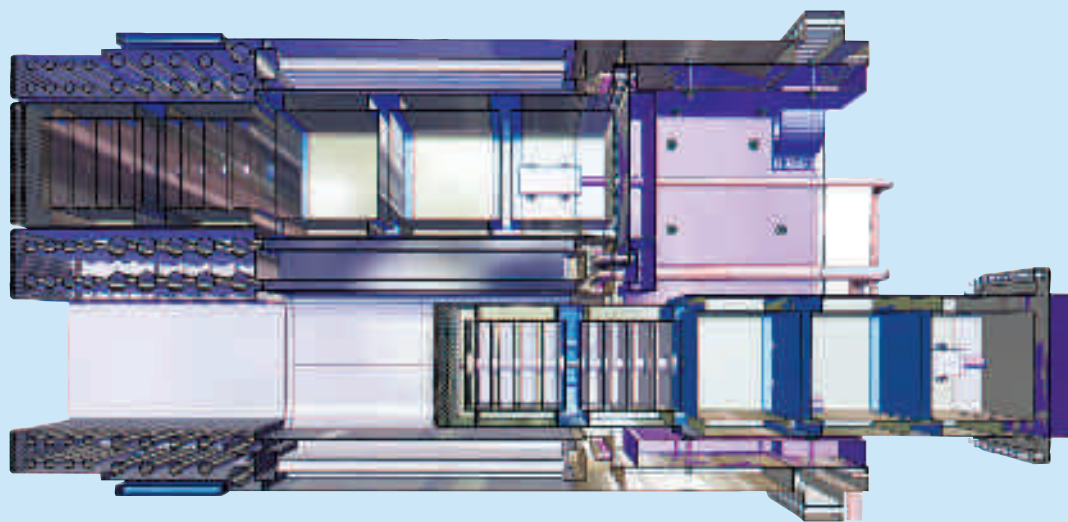
	Notes	2013	2012
<b>Cash flow from operating activities</b>			
Surplus/(deficit) for the period		-	-
Depreciation of Property, Plant and Equipment	A7	3,036,385	2,317,046
Amortization of intangible assets	A8	734,025	791,521
Disposals	A7	15,078	-
Changes in:			
• other financial assets		(21)	(2,641)
• recoverables from non-exchange transactions	A4	75,550	(6,788,664)
• receivables from exchange transactions	A5	(9,838,090)	(19,714,141)
• prepayments	A6	35,026	266,415
• payables	A9	76,192,600	(25,572,853)
• employee benefits liabilities	A10	105,467	261,299
• deferred revenue	A11	155,909,861	300,182,966
<b>Net cash flow from operating activities</b>		<b>226,265,882</b>	<b>251,740,949</b>
<b>Cash flow from investing activities</b>			
Acquisitions of Property, Plant and Equipment	A7	(180,389,022)	(242,460,787)
Acquisitions of intangible assets	A8	(1,627,365)	(2,632,477)
<b>Net cash used in investing activities</b>		<b>(182,016,387)</b>	<b>(245,093,265)</b>
<b>Cash flow from financing activities</b>			
Cash flow from financing activities		-	-
<b>Net cash from financing activities</b>		<b>-</b>	<b>-</b>
Net (decrease)/increase in cash and cash equivalents		44,249,495	6,647,684
Cash and cash equivalents at 1 January		85,034,130	78,335,636
Effects of exchange rate changes on the balance of cash held in foreign currencies		55,511	50,810
<b>Cash and cash equivalents at 31 December</b>	<b>A3</b>	<b>129,339,136</b>	<b>85,034,130</b>

## Statement of Changes in Net Assets/Equity for the Year Ended 31 December 2013

Amounts in Euros

	2013	2012
<b>Balance at 1 January</b>	-	-
Surplus/(deficit)	-	-
<b>Net Assets/Equity at 31 December</b>	<b>-</b>	<b>-</b>





# B.Budget Execution Statement 2013

17

2013

**Top left** Superconductor cabling is underway at the Institute of Plasma Physics, Chinese Academy of Sciences (ASIPP). *Photo: ITER China*

**Bottom left** Seen from the sky: the raised, one-kilometre-long construction platform in southern France where the ITER facility is under construction.

*Photo: MatthieuCOLIN.com/ITER Organization*

**Top** Dummy modules, under development as part of the Test Blanket Module program, will occupy the test blanket housings before the installation of the actual components.

## Budgetary Outturn 2013

Amounts in Euros

	2013	2012
Total Income Execution	157,233,691	214,429,276
Total Payments	192,180,992	189,318,753
<b>Total Budgetary Outturn</b>	<b>(34,947,301)</b>	<b>25,110,523</b>

## Income Execution 2013

Amounts in Euros

Budget Headings	Initial Total Income Budget 2013 1	Final Total Income Budget 2013 2	Total Income in 2013 3	Total Results carried Forward to 2014 4 = 3 - 2
Article 711 Contribution from Euratom	87,933,968	69,201,500	70,574,479	1,372,979
Article 712 Contribution from the People's Republic of China	17,582,925	13,836,431	14,268,731	432,300
Article 713 Contribution from the Republic of India	17,582,925	13,836,431	13,676,725	(159,706)
Article 714 Contribution from Japan	17,582,925	13,836,431	13,836,431	-
Article 715 Contribution from the Republic of Korea	17,582,925	13,836,431	15,339,079	1,502,648
Article 716 Contribution from the Russian Federation	17,582,925	13,836,431	14,917,105	1,080,674
Article 717 Contribution from the United States of America	17,582,925	13,836,431	16,480,385	2,643,954
<b>Chapter 71 Contributions</b>	<b>193,431,518</b>	<b>152,220,088</b>	<b>159,092,935</b>	<b>6,872,847</b>
Article 721 Internal Tax from Professional Staff	12,533,214	12,533,214	11,144,727	(1,388,487)
Article 722 Internal Tax from Technical Staff	2,871,134	2,871,134	2,492,045	(379,089)
<b>Chapter 72 Internal tax</b>	<b>15,404,348</b>	<b>15,404,348</b>	<b>13,636,772</b>	<b>(1,767,576)</b>
Article 731 Financial interest	750,000	750,000	3,235,372	2,485,372
Article 732 Exchange rate Income	-	-	-	-
<b>Chapter 73 Financial Income</b>	<b>750,000</b>	<b>750,000</b>	<b>3,235,372</b>	<b>2,485,372</b>
Article 741 Cancellation of Appropriations from the current year	(800,000)	(800,000)	-	800,000
Article 742 Cancellation of Appropriations from previous year(s)	800,000	800,000	-	(800,000)
Article 743 Monaco Partnership	350,000	350,000	350,000	-
Article 744 Excess Income from previous years	-	-	(19,089,402)	(19,089,402)
Article 749 Miscellaneous income	-	-	8,014	8,014
<b>Chapter 74 Other Income</b>	<b>350,000</b>	<b>350,000</b>	<b>(18,731,388)</b>	<b>(19,081,388)</b>
<b>Title VII Income</b>	<b>209,935,866</b>	<b>168,724,436</b>	<b>157,233,691</b>	<b>(11,490,745)</b>
<b>Total Income</b>	<b>209,935,866</b>	<b>168,724,436</b>	<b>157,233,691</b>	<b>(11,490,745)</b>

## Payments Execution 2013

Amounts in Euros

Budget Headings		Initial Total Payments Budget 2013	Final Total Payments Budget 2013	Unused Total Payment Appropriations brought forward from 2012	Total Payment Appropriations 2013	Total Payments and Credit Notifications 2013	Unused Total Payment Appropriations carried forward to 2014
		1	2	3	4 = 2 + 3	5	6 = 4 - 5
Article 111	Direct Investment	48,140,090	21,560,754	36,410,072	57,970,826	46,680,948	11,289,878
Article 112	Test Blanket Module	2,005,219	1,254,756	91,221	1,345,977	553,833	792,144
Article 113	IO Reserve	6,162,000	5,514,100	475,000	5,989,100	-	5,989,100
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>56,307,309</b>	<b>28,329,610</b>	<b>36,976,293</b>	<b>65,305,903</b>	<b>47,234,781</b>	<b>18,071,122</b>
Article 211	Research & Development	9,912,306	4,434,810	10,828,819	15,263,629	12,793,681	2,469,948
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>9,912,306</b>	<b>4,434,810</b>	<b>10,828,819</b>	<b>15,263,629</b>	<b>12,793,681</b>	<b>2,469,948</b>
Article 311	Professional staff salary costs	61,523,622	55,850,610	759,614	56,610,224	55,173,241	1,436,983
Article 312	Technical Support staff salary costs	17,865,048	15,523,041	348,255	15,871,296	15,733,826	137,470
Article 313	Travel and subsistence	2,899,792	2,084,452	794,300	2,878,752	2,481,495	397,257
Article 314	Secondment allowances	-	-	-	-	-	-
Article 315	Removal expenses	793,844	580,234	213,197	793,431	720,864	72,567
Article 316	Promotions	415,472	451,114	8,630	459,744	452,936	6,808
Article 317	Awards	415,472	287,054	2,942	289,996	205,000	84,996
<b>Chapter 31</b>	<b>Staff Expenditure</b>	<b>83,913,250</b>	<b>74,776,505</b>	<b>2,126,938</b>	<b>76,903,443</b>	<b>74,767,361</b>	<b>2,136,081</b>
Article 321	General services	7,371,395	5,615,034	2,493,918	8,108,952	7,290,668	818,284
Article 322	Administrative services	2,431,669	3,622,798	507,966	4,130,764	3,199,744	931,020
Article 323	Equipment	1,978,360	2,792,529	282,276	3,074,805	2,706,573	368,232
Article 324	External specialized services	40,944,577	42,113,647	19,770,576	61,884,223	44,188,184	17,696,039
Article 325	IO Reserve	7,077,000	7,039,503	15,145,434	22,184,937	-	22,184,937
<b>Chapter 32</b>	<b>Organizational Expenditure</b>	<b>59,803,001</b>	<b>61,183,511</b>	<b>38,200,170</b>	<b>99,383,681</b>	<b>57,385,169</b>	<b>41,998,512</b>
<b>Title III</b>	<b>Direct Expenditure</b>	<b>143,716,252</b>	<b>135,960,017</b>	<b>40,327,108</b>	<b>176,287,125</b>	<b>132,152,530</b>	<b>44,134,594</b>
<b>Total Expenditure</b>		<b>209,935,866</b>	<b>168,724,436</b>	<b>88,132,220</b>	<b>256,856,656</b>	<b>192,180,992</b>	<b>64,675,663</b>
<b>Total Expenditure (without reserve)</b>		<b>196,696,866</b>	<b>156,170,833</b>	<b>72,511,786</b>	<b>228,682,619</b>	<b>192,180,992</b>	<b>36,501,627</b>

## Commitments Execution 2013

Amounts in Euros

Budget Headings		Initial Total Commitments Budget 2013	Final Total Commitments Budget 2013	Unused Total Commitment Appropriations brought forward from 2012	Available Commitment Appropriations 2013	De-commitments and Transfers of previous years' Total Commitments	Total Commitments 2013	Unused Commitment Appropriations carried forward to 2014
		1	2	3	4 = 2 + 3	5	6	7 = 4 + 5 - 6
Article 111	Direct Investment	61,939,946	65,132,062	6,604,905	71,736,967	3,308,093	62,319,345	12,725,715
Article 112	Test Blanket Module	2,008,301	1,823,981	202,457	2,026,438	3,185	1,010,258	1,019,365
Article 113	IO Reserve	6,162,000	735,500	475,000	1,210,500	-	-	1,210,500
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>70,110,247</b>	<b>67,691,543</b>	<b>7,282,362</b>	<b>74,973,905</b>	<b>3,311,278</b>	<b>63,329,603</b>	<b>14,955,580</b>
Article 211	Research & Development	2,298,152	1,876,349	5,826,218	7,702,567	1,887,614	4,287,915	5,302,266
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>2,298,152</b>	<b>1,876,349</b>	<b>5,826,218</b>	<b>7,702,567</b>	<b>1,887,614</b>	<b>4,287,915</b>	<b>5,302,266</b>
Article 311	Professional staff salary costs	61,523,622	55,850,610	759,614	56,610,224	-	55,173,241	1,436,983
Article 312	Technical Support staff salary costs	17,865,048	15,523,041	348,255	15,871,296	-	15,733,826	137,470
Article 313	Travel and subsistence	2,912,579	2,692,138	276,262	2,968,400	442,469	3,222,577	188,292
Article 314	Secondment allowances	-	-	-	-	-	-	-
Article 315	Removal expenses	793,844	759,802	3,358	763,160	4,644	654,022	113,782
Article 316	Promotions	415,472	451,114	8,630	459,744	-	452,936	6,808
Article 317	Awards	415,472	287,054	2,942	289,996	-	205,000	84,996
<b>Chapter 31</b>	<b>Staff Expenditure</b>	<b>83,926,038</b>	<b>75,563,760</b>	<b>1,399,061</b>	<b>76,962,821</b>	<b>447,113</b>	<b>75,441,602</b>	<b>1,968,332</b>
Article 321	General services	7,613,674	5,185,137	783,750	5,968,887	1,544,580	6,774,578	738,889
Article 322	Administrative services	1,989,209	2,845,591	193,115	3,038,706	563,176	3,003,444	598,438
Article 323	Equipment	2,156,872	22,502,554	225,981	22,728,535	9,735	22,404,673	333,597
Article 324	External specialized services	39,935,028	41,952,066	8,459,118	50,411,184	5,682,234	52,515,849	3,577,569
Article 325	IO Reserve	7,077,000	(12,469,632)	15,145,434	2,675,802	-	-	2,675,802
<b>Chapter 32</b>	<b>Organizational Expenditure</b>	<b>58,771,783</b>	<b>60,015,716</b>	<b>24,807,398</b>	<b>84,823,114</b>	<b>7,799,725</b>	<b>84,698,544</b>	<b>7,924,295</b>
<b>Title III</b>	<b>Direct Expenditure</b>	<b>142,697,820</b>	<b>135,579,475</b>	<b>26,206,459</b>	<b>161,785,934</b>	<b>8,246,838</b>	<b>160,140,146</b>	<b>9,892,626</b>
<b>Total Expenditure</b>		<b>215,106,219</b>	<b>205,147,367</b>	<b>39,315,039</b>	<b>244,462,406</b>	<b>13,445,730</b>	<b>227,757,664</b>	<b>30,150,472</b>
<b>Total Expenditure (without reserve)</b>		<b>201,867,219</b>	<b>216,881,499</b>	<b>23,694,605</b>	<b>240,576,104</b>	<b>13,445,730</b>	<b>227,757,664</b>	<b>26,264,170</b>





# C.Notes to the 2013 Financial Statements

21

2013

**Top left** Over 2,000 embedded plates are installed on the Tokamak Complex basemat slab to provide robust anchorage for equipment and systems.

**Bottom left** ITER Organization and Domestic Agency managers meet monthly as part of the Unique ITER Team forum to deliberate project issues.

**Top** ITER Headquarters in Saint Paul-lez-Durance, France.

# C.Notes to the Financial Statements 2013

## Notes to the Financial Statements 2013 prepared on an Accrual Basis (A)

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## Notes to the Financial Statements 2013 prepared on an Accrual Basis (A)

### Note A1 - Basis of preparation

The 2013 Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and the ITER Project Resource Management Regulations (PRMR), the former being published by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC).

These Financial Statements have been prepared using the following bases of accounting:

- accruals
- consistency
- going concern

IO considers that currently all its activities are linked to a single 'Construction' segment.

The measurement basis applied for cash transactions is at historical cost. PA credits and their counterparts in fixed assets are measured and accounted at their agreed values (as defined in the ITER Agreement). However, they do not reflect the actual costs incurred by the Domestic Agencies in relation to their own procurements.

The amount of revenue deferred is directly correlated with the amount of costs capitalized. Specifically, the full cost capitalization approach, adopted by the IO, implies that related Member contributions will be deferred to the same extent and the fixed asset depreciation and write back of the deferred revenue should be equivalent during the operating life of the asset. Alternatively, a partial cost capitalization approach signifies that, during the Construction Phase, certain costs will be expensed to the Statement of Financial Performance and also an equivalent amount of Members' contributions will be shown as revenue recorded in the Statement of Financial Performance. Because of the nature of the IO, the impact of either partial or full cost capitalization is generally without consequences on the net result of the organization during the Construction Phase.

Development costs are capitalized as part of the cost of the experimental equipment to the extent that such costs can be measured reliably, the product or process is technically feasible, future service potential is probable, and the entity has sufficient resources and intends to complete the development and to use the asset.

Expenditure on Property, Plant and Equipment relating to the construction of the experimental equipment is recognized as an asset on the basis that future economic benefits or service potential associated with the item will flow to the IO and that the cost or fair value of the item has been measured reliably. Such expenditure is incurred in accordance with the objectives of the IO and therefore is considered to meet the 'service potential' criteria set out in the IPSAS Nr 1 'Presentation of Financial Statements.'

### Note A2 - Significant Accounting Policies

#### *Foreign exchange accounting*

The Financial Statements are presented in Euro, which is the IO's functional currency.

Transactions in foreign currencies are converted into Euro at exchange rates prevailing at the dates of the transactions; the exchange rates used are the ones applicable for that month, published by the European Commission (<http://ec.europa.eu/budget/inforeuro/>).

Realized and unrealized gains and losses resulting from the settlement of such transactions and from the re-conversion at the reporting date of assets and liabilities denominated in foreign currencies are recognized in the Statement of Financial Performance. The spot rates used at year end are those published by the European Central Bank (<http://www.ecb.int/stats/exchange/>).

As indicated in the section 'Revenue Recognition' below, the revenue of the IO is mainly comprised of contributions from Members to finance the phases of the ITER Project. The cost estimates of the Construction and Operation Phases have been determined using the IUA unit of currency.

The applied conversion rate for IUA in 2013 was 1 IUA equals EUR 1,660.15 (versus EUR 1,619.65 in 2012).



Testing the pre-compression load of the ITER central solenoid.

*Photo: Major Tool & Machine (Indiana, US)*

**Use of estimates and judgements**

The preparation of Financial Statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions of the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**Property, Plant and Equipment**

Items of Property, Plant and Equipment (PPE) are recorded at historical cost, after deduction of accumulated depreciation and accumulated impairment losses.

PPE includes the costs associated with the construction of the experimental machine together with associated infrastructure costs comprising buildings, fixtures and fittings, IT equipment, furniture and transport equipment necessary to conduct the project.

The cost of an item of PPE comprises its purchase price, including import duties, any non-refundable purchase taxes and attributable costs of bringing the asset to

working condition for its intended use. Examples of these costs are the costs of site preparation, initial delivery and handling costs, installation costs, and professional fees such as those for architects and engineers. Additionally, administration and other general costs attributable to the acquisition of the asset or costs of bringing the asset to its working condition are included in the cost of the asset. The costs of self-constructed assets include the cost of materials and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

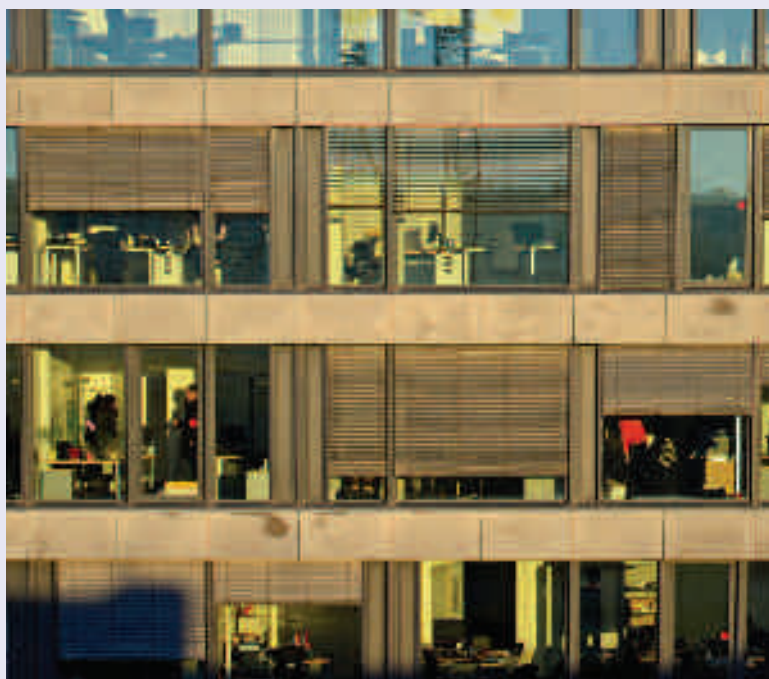
PPE related to in-kind contributions from Members are initially recorded at agreed values with Members using the

Euro/IUA conversion rate prevailing for the year of the contribution. In-kind contributions are recorded as PPE under construction upon awarding the credits concerned. Accrued values at year end are also recorded as PPE under construction at reception of the milestone.

Upon completion of the experimental equipment Construction Phase, and once operations have commenced, the costs of de-commissioning and removing the reactor and restoring the site on which it is located will be incorporated into the cost of the experimental equipment. Such costs of dismantling will be based on the estimated cost at current value.

When parts of an item of PPE have different useful lives, they are accounted for as separate items (major components) of PPE. Concerning the experimental equipment under construction and given its technical nature and the intrinsic difficulty in identifying separate useful lives to such costs, related expenditure is capitalized as a single component and depreciated over a uniform period.

Depreciation is recognized in the Statement of Financial Performance on a straight-line basis over the estimated useful life of each part of an item of PPE. Depreciation of the experimental equipment will be recorded at the start of the Operation Phase.



Nearly 500 people occupied offices in the five-storey Headquarters building in 2013; the building's capacity will be increased by 350 desks in 2014.

The estimated useful lives of PPE in line with general conventions are as follows:

- buildings 30 years
- plant and equipment experimental assets 20 years
- fixtures and fittings 10 - 20 years
- furniture 8 years
- transport equipment 4 years
- IT, telecom equipment 2 - 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

In accordance with IO's rules, acquisitions of property, plant and equipment which are individually below 3 IUA are expensed directly to the Statement of Financial Performance.

When such expenses are incurred and the aggregate of these costs exceeds 3 IUA, the costs may be capitalized even though some of the individual items/materials cost less than 3 IUA.

### **Impairment**

The carrying values of Property, Plant and Equipment and Intangible Assets are reviewed for impairment if events or changes in circumstances indicate that they may be impaired. If such indication exists, the recoverable service amount of the asset is estimated in order to determine the extent of any impairment loss. Any impairment loss is charged against the Statement of Financial Performance in the year concerned.

In particular, the impairment reviews relating to the experimental assets will take into account technological developments, changes in the major assumptions of the IO and any unforeseen difficulties which may require a revision of the asset's depreciation life applied or an impairment charge to write down to the recoverable service amount of the asset.

**Work ends during the year on the site critical networks and precipitation drainage networks.**



### **Intangible assets**

Expenditure on Intangible Assets relating to the experimental equipment is recognized as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the IO and if the cost or fair value of the item can be measured reliably. Such expenditure is incurred in accordance with the objectives of the IO and is considered to meet 'service potential' criteria.

Intangible Assets relating to in-kind contributions from Members are initially recorded at values agreed with the Members using the Euro/IUA conversion rate prevailing for the year of the contribution.

Other intangible assets that are acquired by the IO, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Intangible Assets expenditure is capitalized only when it increases the future economic benefits or service potential embodied in the specific asset to which it relates. All other expenditure, including expenditure on

internally generated goodwill and licenses, is recognized in the Statement of Financial Performance as incurred.

Amortization is recognized in the Statement of Financial Performance on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives are as follows:

- Software 2 - 5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date.

Acquisitions of intangible assets which are individually under 3 IUA are expensed directly to the Statement of Financial Performance.

**Inventories**

Inventories (stocks) are measured at the lower of cost and net realizable value except where received in kind from our Members. In this case inventories are measured at their agreed value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. No inventories have been recorded at 31 December 2013.

**Employee benefits**

The IO has set up a defined pension contribution scheme, a medical insurance scheme and a life and invalidity insurance scheme:

- **Defined pension contribution scheme**

The IO has a defined pension contribution plan for its employees, which is a post-employment benefit plan under which it pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to such defined pension contribution plans are recognized as employee benefit expenses when they are due.

- **Short-term benefits**

The IO has contracted out a medical insurance scheme and a life and invalidity insurance scheme. Monthly contributions to these schemes are deducted from the employees' remuneration and supplemented by a contribution from the IO. These employer contributions are expensed in the period of deduction from the employees' remuneration.

Termination benefits are payable to its employees under certain circumstances prescribed in the Staff Regulations of the IO. The amount of the termination benefits payable is dependent on the length of service of the employee in question. Termination benefits are recognized as an expense upon termination of the employment contract for one of the reasons stipulated in the Staff Regulations.



The seismic isolation system of the Tokamak Complex disappears in 2013 under the propping and formwork of the next-level basemat.

**Revenue recognition**

IO revenue comprise contributions from Members, Miscellaneous Income, Internal Tax, Financial Income, revenue from construction contracts, exchange rate gains, donations and the contribution from Monaco.

- **Contributions from Members**

Contributions from Members are determined annually, based on estimates of the required level of operating and capital payments for that year. These contributions are recorded as revenue in the year for which they are requested. Any contribution which has not been fully paid up by Members at year-end are shown within recoverables from non-exchange transactions (Note A4). Contributions received from Members which at year end exceed amounts requested are shown within payables (Note A9).

Contributions from Members are made in the form of either cash or in-kind contribution. In-kind contributions comprise the providing of assets, other goods and services and staff seconded by the Members. Revenue recorded relating to in-kind contributions are measured at the agreed value (ITER Agreement) of the asset or service contributed.

Revenue used to acquire tangible or intangible assets are deferred and written back to revenue in the Statement of Financial Performance over the period of utilization of the related asset.

The construction of some assets may take place in the country of a Member over several years. Upon attainment of certain milestones, Members' contributions relating to PPE are recorded within the assets under construction.

- **Internal Tax**

An Internal Tax is applied to the basic salary of IO employees and collected monthly by the IO. This revenue is deferred and will be used towards covering the cost of salaries, related benefits and infrastructure.

- **Financial Income**

Financial Income is an income generated by the cash held on secured fixed term deposits in the banks. This revenue is deferred and will be used whenever required and agreed by the ITER Council.



The foundation slab for the Assembly Building is now in place: the completion of the 60-metre-tall building and the installation of its overhead cranes will signify that ITER assembly can begin.

### **Construction Contracts**

As defined in IPSAS 11 article 40 and as the outcome of our construction contracts cannot be estimated reliably, the revenue and costs from fixed price construction contracts are recognized based on the following method:

- Revenue shall be recognized only to the extent of contract costs incurred; and
- Contract costs shall be recognized as an expense in the period in which they are incurred.

### **Provisions**

A provision is recognized if, as a result of a past event, the IO has a present legal or constructive obligation that can be estimated reliably, and provided it is probable that an outflow of economic benefits or service potential will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

- **Asset de-commissioning**

In accordance with applicable legal requirements and accounting standards, a provision for the cost of de-commissioning the experimental equipment will be recognized once the related assets have been constructed. No such provision has been recorded at 31 December 2013 as the experimental equipment is still at the Construction Phase.

- **Site restoration**

In accordance with the IO's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land and its related expense is recognized when the land is contaminated. No site restoration provision has been recorded at 31 December 2013.

- **Employee benefits**

Provisions related to employee benefits are recorded in Note A10.

- **Contingent liabilities**

There are three cases pending before the Tribunals and one on-going dispute with the IO but it does not represent a liability at this time. In the opinion of the IO legal office, the final outcome of these claims is not determinable and, accordingly, these items are not recorded in the accounts. Settlements, if any, resulting from the resolution of these claims will be accounted for in the year in which the liability is determined.

IO registers two active claims from contractors at 31 December 2013, where resolution was not finalized by the date of preparation of the Financial Statements 2013. The amount of any potential obligation is as yet to be confirmed and the potential outflow of resources cannot be measured with sufficient reliability to be considered a liability. The estimated value of such contingent liability is EUR 0.15 million at the reporting date.

### **Events after the reporting date**

No favourable or unfavourable event occurred after the reporting date.

## Note A3 – Cash and Cash Equivalents

Amounts in Euros

	31.12.2013	31.12.2012
<b>Cash at bank - Euro accounts</b>	<b>21,072,822</b>	<b>17,876,874</b>
• HSBC France	21,052,844	17,856,916
• BNP Paribas France	19,978	19,958
<b>Cash at bank - JP Yen account</b>	<b>235,739</b>	<b>22,184</b>
• HSBC France	235,739	22,184
<b>Cash at bank - US Dollar accounts</b>	<b>166,111</b>	<b>503,392</b>
• HSBC France	22,556	48,493
• HSBC USA	173,763	542,573
• HSBC USA, Cheques issued and not yet disbursed	(30,208)	(87,675)
<b>Fixed term deposits with banks - Euro accounts</b>	<b>107,864,465</b>	<b>66,631,681</b>
• BNP Paribas France	89,282,531	46,609,763
• Crédit Mutuel France	18,581,934	20,021,918
<b>Total Cash and Cash Equivalents</b>	<b>129,339,136</b>	<b>85,034,130</b>

The IO's cash and cash equivalent balances arise from Members' Contributions, Financial Income and Other Income including the annual contribution from the Principality of Monaco and assigned revenue from construction contracts.

The high level of cash at year end takes into account the EUR 74.94 million received in advance from the Members (detailed in Note A9) and an advance from the USDA of EUR 10.90 million for the TCWS Agreements.

Cash balances on deposits are held in secure interest-bearing bank accounts or fixed-term deposits. The Japanese Yen and US Dollar bank accounts are valued in Euros using official year-end exchange rates prevailing at 31 December 2013.

In 2013 Financial Income of EUR 1.56 million was realized by the IO. This amount represents an average rate of return of 1.6% of the average daily available cash balance (invested). In comparison, the average 2013 Eonia® (Euro OverNight Index Average) index was 0.09%.

As IO is financed by public funds, the investments are limited to low risk opportunities (only secured deposits/investments are allowed).

## Note A4 – Recoverables from Non-Exchange Transactions

Amounts in Euros

	31.12.2013	31.12.2012
<b>Members' Cash Contributions to be received</b>	-	<b>747,936</b>
Euratom	-	-
People's Republic of China	-	-
Republic of India	-	747,936
Japan	-	-
Republic of Korea	-	-
Russian Federation	-	-
United States of America	-	-
<b>Members' In-Kind Contributions to be credited</b>	<b>21,026,896</b>	<b>17,813,762</b>
Euratom	10,793,249	9,410,600
People's Republic of China	-	372,938
Republic of India	210,491	12,999
Japan	-	-
Republic of Korea	6,474,585	3,582,961
Russian Federation	818,454	975,554
United States of America	2,730,117	3,458,710
<b>Other Recoverables from Non-Exchange Transactions</b>	<b>11,506,679</b>	<b>14,079,135</b>
EU Domestic Agency	675,372	744,023
CN Domestic Agency	-	-
IN Domestic Agency	3,987	2,140
JA Domestic Agency	-	-
KO Domestic Agency	-	5,250
RF Domestic Agency	4,238	-
US Domestic Agency	755,278	1,012,212
Personnel - Advances	19,041	32,983
VAT receivable	9,956,967	11,768,046
Unrealized Gains/Foreign Currency exchange rate	-	31,707
Other	91,795	482,775
<b>Total Recoverables from Non-Exchange Transactions</b>	<b>32,533,575</b>	<b>32,640,833</b>

'Members' In-Kind Contributions to be credited' corresponds to Short-Term (EUR 14.23 million) and/or Long-Term (EUR 6.79 million) In-Kind deliverables received by IO but not credited at the reporting date. The counterpart is accrued in Payables and shown in Note A9.

Other recoverables have been recorded mainly for suspense accounts payments for Fusion for Energy (EUR 0.68 million) and the US Domestic Agency (EUR 0.76 million).

The IO is exempted from taxes (corporate income, business licence and value added tax). Value added tax ('VAT') invoiced by suppliers for purchasing goods and services is recovered by requesting the reimbursement from the European states in which the VAT was collected (the amount already requested at reporting date was EUR 5.38 million, the amount to be requested was EUR 3.67 million and the VAT on accruals was EUR 0.91 million).

Requests for the reimbursement of VAT paid in France have been made regularly and have resulted in regular refunds from the French authorities concerned. Regarding the reimbursement of VAT paid in other European countries (for a total outstanding amount of EUR 0.29 million) the new Regulation approved by the EU in 2011 is now applicable in France. A request has been addressed to the French authorities in 2012 and a refund was expected in 2013.

## Note A5 – Receivables from Exchange Transactions

Amounts in Euros

	31.12.2013	31.12.2012
Down Payment to suppliers	19,046,448	18,433,448
Accrued Interests	2,496	1,674,406
US Domestic Agency (Assigned Construction Contracts – TCWS)	10,897,000	-
<b>Total Receivables From Exchange Transactions</b>	<b>29,945,944</b>	<b>20,107,854</b>

'Down Payment to suppliers' shows the open amount paid to suppliers to mainly finance their long lead procurement items (cryostat, vacuum vessel,...). These amounts are covered by bank guarantees.

'Accrued Interest' is financial income generated during the reporting period but not yet cashed (cash on deposits are held in secure interest-bearing bank accounts or fixed-term deposits).

In 2013 the IO signed two construction contracts/agreements with the USDA for the design and procurement of the Tokamak Cooling Water System ('TCWS'). The amount to be received on these agreements at the reporting date was EUR 10.90 million (the full value is recorded under the Note A9 in 'Partnership and Agreements').

## Note A6 - Prepayments

Amounts in Euros

	31.12.2013	31.12.2012
Licence Fees	412,227	473,836
General Maintenance and Repair	197,041	371,894
Subscriptions	191,457	78,329
Maintenance Equipment	109,951	51,512
Maintenance Licences	80,368	47,580
Insurance	22,725	34,274
Rent	2,600	2,600
Other	18,337	9,708
<b>Total Prepayments</b>	<b>1,034,706</b>	<b>1,069,733</b>

Prepayments correspond to expenditures incurred in 2013 for which the acquired services relate to 2014 or beyond.



2013

**On top of the completed seismic foundations, work begins early in the year on propping and formwork for the basemat of the Tokamak Complex.**



## Note A7 – Property, Plant and Equipment

Amounts in Euros

	Land and Buildings	Fixtures and fittings	Vehicles, IT Telecom, Office Equipment Furniture	"Machine" Under Construction			Total
				Activities Costs Capitalized	Direct Investment In Cash	Direct Investment In Kind	
<b>Cost</b>							
<b>Balance 31/12/2011</b>	22,400,000	485,133	5,035,557	497,281,345	32,107,125	179,189,931	736,499,091
Additions	-	-	2,357,858	127,029,912	26,384,154	86,688,864	242,460,788
Disposals	-	-	-	-	-	-	-
Transfers	10,093,248	-	-	-	-	(10,093,248)	-
<b>Balance 31/12/2012</b>	<b>32,493,248</b>	<b>485,133</b>	<b>7,393,415</b>	<b>624,311,256</b>	<b>58,491,279</b>	<b>255,785,546</b>	<b>978,959,879</b>
Additions	47,718	72,760	272,264	116,486,442	63,509,838	154,495,259	334,884,281
Disposals	-	(5,671)	(37,440)	-	-	-	(43,111)
Transfers	21,332,928	-	-	-	-	(21,332,928)	-
<b>Balance 31/12/2013</b>	<b>53,873,894</b>	<b>552,223</b>	<b>7,628,240</b>	<b>740,797,698</b>	<b>122,001,117</b>	<b>388,947,877</b>	<b>1,313,801,049</b>
<b>Accumulated Depreciation</b>							
<b>Balance 31/12/2011</b>	(1,120,000)	(89,978)	(2,606,182)	-	-	-	(3,816,160)
Depreciation of the year	(1,055,071)	(37,077)	(1,224,897)	-	-	-	(2,317,046)
Write back (disposals)	-	-	-	-	-	-	-
<b>Balance 31/12/2012</b>	<b>(2,175,071)</b>	<b>(127,056)</b>	<b>(3,831,079)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,133,206)</b>
Depreciation of the year	(1,676,844)	(39,338)	(1,320,203)	-	-	-	(3,036,385)
Write back (disposals)	-	1,512	26,520	-	-	-	28,032
<b>Balance 31/12/2013</b>	<b>(3,851,915)</b>	<b>(164,882)</b>	<b>(5,124,762)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,141,559)</b>
<b>Net Carrying Amount</b>							
<b>Balance 31/12/2012</b>	<b>30,318,177</b>	<b>358,078</b>	<b>3,562,337</b>	<b>624,311,256</b>	<b>58,491,279</b>	<b>255,785,546</b>	<b>972,826,673</b>
Net Variation	19,703,802	29,263	(1,058,859)	116,486,442	63,509,838	133,162,331	331,832,817
<b>Balance 31/12/2013</b>	<b>50,021,979</b>	<b>387,341</b>	<b>2,503,478</b>	<b>740,797,698</b>	<b>122,001,117</b>	<b>388,947,877</b>	<b>1,304,659,490</b>

The items "transferred" during the reporting period from 'Under construction in-kind' include the PPE credited (in kind) during that period. In 2013, it concerns the IO Headquarters transferred to Buildings for EUR 21.33 million.

## Note A8 – Intangible Assets

Amounts in Euros

	Computer software	Intangible assets under development (computer software)	Total
<b>Cost</b>			
<b>Balance 31/12/2011</b>	<b>3,986,079</b>	<b>-</b>	<b>3,986,079</b>
Additions	168,647	2,463,830	2,632,477
Disposals	-	-	-
Transfers	-	-	-
<b>Balance 31/12/2012</b>	<b>4,154,726</b>	<b>2,463,830</b>	<b>6,618,556</b>
Additions	340,619	1,286,746	1,627,365
Disposals	-	-	-
Transfers	-	-	-
<b>Balance 31/12/2013</b>	<b>4,495,345</b>	<b>3,750,576</b>	<b>8,245,922</b>
<b>Accumulated Amortization</b>			
<b>Balance 31/12/2011</b>	<b>(2,430,669)</b>	<b>-</b>	<b>(2,430,669)</b>
Amortization of the year	(791,521)	-	(791,521)
Write back (disposals)	-	-	-
<b>Balance 31/12/2012</b>	<b>(3,222,191)</b>	<b>-</b>	<b>(3,222,191)</b>
Amortization of the year	(734,025)	-	(734,025)
Write back (disposals)	-	-	-
<b>Balance 31/12/2013</b>	<b>(3,956,216)</b>	<b>-</b>	<b>(3,956,216)</b>
<b>Net Carrying Amount</b>			
<b>Balance 31/12/2012</b>	<b>932,536</b>	<b>2,463,830</b>	<b>3,396,366</b>
Net Variation	(393,406)	1,286,746	893,340
<b>Balance 31/12/2013</b>	<b>539,130</b>	<b>3,750,576</b>	<b>4,289,706</b>

2013

**In 2013, the Cryostat Workshop becomes the second large assembly facility to take its place on the ITER platform.**



## Note A9 – Payables

Amounts in Euros

	31.12.2013	31.12.2012
<b>Advance payments on Contribution</b>	<b>74,944,056</b>	<b>28,961,108</b>
Euratom	18,059,096	-
People's Republic of China	9,330,039	3,855,210
Republic of India	3,127,895	-
Japan	3,746,494	-
Republic of Korea	18,282,881	11,825,158
Russian Federation	17,986,291	13,280,740
United States of America	4,411,360	-
<b>Other Payables</b>	<b>65,721,905</b>	<b>35,488,449</b>
Creditors (Suppliers and accrued charges)	22,415,120	17,141,792
Accrued Value : In-Kind Task Agreements	14,231,902	15,384,287
Accrued Value : In-Kind Procurement Arrangements	6,794,994	2,429,475
Partnership & Agreements	21,909,591	343,909
Personnel - Travel Costs	346,493	188,986
Unrealized Losses/Foreign Currency exchange rate	23,804	-
<b>Total Payables</b>	<b>140,665,961</b>	<b>64,449,557</b>

'Advance payments of Members' contributions' corresponds to cash received by the IO exceeding the requested amount.

'Creditors and other accrued charges' is the cost recognized in the Financial Statements 2013 but not paid as at 31 December 2013.

'In-Kind accrued values' represents the costs/values recognized in the Financial Statements 2013 but not credited as at 31 December. The counterpart is shown under Recoverables in Note A4.

'Partnership and Agreements' relates to the amounts deferred at the reporting date. Costs and revenue associated with these Partnership and Agreements are not considered part of the construction costs of the experimental equipment but should be reported as performed by the IO. Open balances at reporting date were EUR 42,478 for the Monaco Partnership, EUR 21,794,000 for the USDA TCWS Agreements and EUR 73,114 linked to the other administrative management agreements.

'Personnel - Travel costs' corresponds to year-end unpaid costs related to travel undertaken by staff during the reporting year.

## Note A10 - Employee Benefits Liabilities

Amounts in Euros

	31.12.2013	31.12.2012
Accrued untaken leave	1,382,418	1,368,308
Social benefits	894,369	803,012
<b>Total Employee Benefits Liabilities</b>	<b>2,276,787</b>	<b>2,171,321</b>

'Accrued untaken leave' represents vacation entitlement accrued by staff during the reporting year. Untaken annual leave is carried forward to the following year with a maximum of 14 days per staff.

'Social benefits' is the amount outstanding for social security and pension schemes.

**Note A11 – Deferred Revenue at 31 December 2013**

Amounts in Euros

	Cash			Short-Term In-Kind Seconded staff and Credited Task Agreements		
	End of 2012	2013	End of 2013	End of 2012	2013	End of 2013
<b>Deferred Contributions</b>						
Euratom (*)	310,791,461	62,373,352	373,164,813	57,810,311	9,583,776	67,394,087
People's Republic of China	70,463,066	13,543,245	84,006,311	3,062,310	352,548	3,414,858
Republic of India	68,414,233	13,573,391	81,987,624	4,319,714	134,812	4,454,526
Japan (*)	72,545,089	13,836,431	86,381,520	873,634	-	873,634
Republic of Korea	66,171,863	14,017,025	80,188,888	7,723,637	832,629	8,556,266
Russian Federation	69,486,946	13,875,029	83,361,975	3,134,163	66,522	3,200,685
United States of America	49,750,143	13,261,565	63,011,708	21,155,687	2,490,227	23,645,914
<b>Deferred Contributions</b>	<b>707,622,802</b>	<b>144,480,038</b>	<b>852,102,840</b>	<b>98,079,456</b>	<b>13,460,514</b>	<b>111,539,970</b>
<b>Other Deferred Revenue</b>						
Internal Tax	56,191,022	13,636,772	69,827,794			
Donations (buildings, works,...)	22,400,000	-	22,400,000			
Financial Income	5,721,580	1,563,461	7,285,041			
<b>Other Deferred Revenue</b>	<b>84,312,602</b>	<b>15,200,233</b>	<b>99,512,835</b>			
<b>Write back</b>						
<b>Total Deferred Revenue</b>	<b>791,935,404</b>	<b>159,680,271</b>	<b>951,615,675</b>	<b>98,079,456</b>	<b>13,460,514</b>	<b>111,539,970</b>

(\*) Cumulative credits granted to Japan include a contribution from the European Union corresponding to 22,250 IUA amounting to EUR 35,751,237 (including 8,441 IUA for deliverables achieved in 2013) for procurements for which the procurement responsibility has been transferred to Japan within the framework of the transferred procurement responsibilities from Euratom to Japan.

Total "Cash"			Long-Term In-Kind			Total		
Including Cash, Seconded staff and Credited Task Agreements			Procurement Arrangements					
End of 2012	2013	End of 2013	End of 2012	2013	End of 2013	End of 2012	2013	End of 2013
368,601,771	71,957,128	440,558,899	62,169,916	48,609,192	110,779,108	430,771,688	120,566,320	551,338,007
73,525,376	13,895,793	87,421,169	3,903,357	2,199,699	6,103,055	77,428,733	16,095,492	93,524,225
72,733,947	13,708,203	86,442,150	7,322,660	11,692,436	19,015,096	80,056,607	25,400,639	105,457,246
73,418,723	13,836,431	87,255,154	70,125,416	23,624,632	93,750,048	143,544,139	37,461,063	181,005,202
73,895,500	14,849,654	88,745,154	6,873,312	42,710,004	49,583,316	80,768,812	57,559,658	138,328,469
72,621,109	13,941,551	86,562,660	4,049,125	12,198,782	16,247,907	76,670,234	26,140,334	102,810,568
70,905,831	15,751,792	86,657,623	13,355,553	-	13,355,553	84,261,383	15,751,792	100,013,175
<b>805,702,258</b>	<b>157,940,552</b>	<b>963,642,810</b>	<b>167,799,338</b>	<b>141,034,745</b>	<b>308,834,083</b>	<b>973,501,596</b>	<b>298,975,296</b>	<b>1,272,476,893</b>
56,191,022	13,636,772	69,827,794				56,191,022	13,636,772	69,827,794
22,400,000	-	22,400,000				22,400,000	-	22,400,000
5,721,580	1,563,461	7,285,041				5,721,580	1,563,461	7,285,041
<b>84,312,602</b>	<b>15,200,233</b>	<b>99,512,835</b>				<b>84,312,602</b>	<b>15,200,233</b>	<b>99,512,835</b>
						(9,355,397)	(3,770,410)	(13,125,807)
<b>890,014,860</b>	<b>173,140,785</b>	<b>1,063,155,645</b>	<b>167,799,338</b>	<b>141,034,745</b>	<b>308,834,083</b>	<b>1,048,458,801</b>	<b>310,405,120</b>	<b>1,358,863,921</b>

## Note A12 – Other Revenue

Amounts in Euros

	2013	2012
Exchange rate gains	-	8,939
Fixed asset sales proceeds	8,014	-
Monaco Partnership	651,432	399,354
<b>Total Other Revenue</b>	<b>659,446</b>	<b>408,293</b>

'Exchange rate gains' are generated by realized exchange rate transactions and shown in this Note whereas the losses are in Note A13.

## Note A13 – Operating Expenses

Amounts in Euros

	2013	2012
Electricity	603,946	769,043
Furniture and equipment	279,475	577,799
Telecom and IT equipment	152,936	357,354
Water	126,335	62,391
Purchased software/licenses	115,097	573,491
Administrative supplies	101,024	50,674
Other	122,819	53,429
<b>Total Supplies and Consumables</b>	<b>1,501,632</b>	<b>2,444,182</b>

External services	32,738,846	47,233,124
Travel and related costs (staff)	3,002,992	2,259,083
Temporary staff/Other personnel	2,637,139	2,930,575
Maintenance and repairs	2,199,099	1,820,500
Documentation and seminar expenses (conferences)	820,599	478,404
Removal expenses	825,119	390,923
Software fees	736,717	449,785
Travel and related costs (external)	646,309	677,910
External consultant fees	641,420	671,900
Post and Communication	300,541	307,629
Receptions and representation costs	249,397	180,720
Equipment, buildings rental	242,875	471,043
General services	230,846	348,392
Communication costs	216,935	160,280
Insurance	153,254	151,893
Exchange rate losses	55,203	38,426
Transport of goods	36,166	78,253
Bank charges	2,815	3,021
Other	35,372	2,803
<b>Total Subcontracting and External Services</b>	<b>45,771,644</b>	<b>58,654,664</b>
<b>Total Operating Expenses</b>	<b>47,273,276</b>	<b>61,098,846</b>

The decrease in external services costs is mainly due to the ramp-up of the capitalized construction expenses directly linked to the experimental asset.

The EUR 72,572 reported under 'Other' in the 2012 Financial Statements (out of EUR 75,375) have now been allocated to the 'Removal expenses'.



## Note A14 – Employee Benefits

Personnel costs are detailed in the table below:

Amounts in Euros

	Professional Staff		Technical Support Staff		Total	
	2013	2012	2013	2012	2013	2012
Wages and salaries	40,296,081	38,727,936	11,841,788	11,122,809	52,137,869	49,850,745
Pension costs	5,642,704	5,426,015	1,660,138	1,570,794	7,302,842	6,996,809
Medical costs	1,007,625	968,935	296,452	280,499	1,304,077	1,249,434
Life and invalidity costs	403,055	387,573	118,584	112,201	521,638	499,774
Other employee benefits	5,851,226	5,205,149	2,030,904	1,746,266	7,882,130	6,951,416
Accrued untaken leave	34,500	92,230	(20,390)	34,077	14,110	126,306
Awards	127,500	125,000	77,500	77,500	205,000	202,500
Indemnities for loss of job	72,761	56,835	-	39,183	72,761	96,019
On call duty indemnity	-	-	-	43	-	43
Seconded Staff	2,092,788	2,810,278			2,092,788	2,810,278
Secondment allowances	-	-			-	-
Trainees	28,210	55,293			28,210	55,293
Bonus for temporary assignment	17,687	2,926			17,687	2,926
Social activities					166,432	-
Other (canteen)					219,855	308,094
<b>Total</b>	<b>55,574,137</b>	<b>53,858,172</b>	<b>16,004,975</b>	<b>14,983,372</b>	<b>71,965,399</b>	<b>69,149,637</b>
<b>Total Excluding Seconded Staff</b>	<b>53,481,349</b>	<b>51,047,894</b>	<b>16,004,975</b>	<b>14,983,372</b>	<b>69,872,611</b>	<b>66,339,359</b>

An internal tax is applied to basic salary costs including overtime and night work. This tax is collected by the IO by withholding from the monthly salary payments. No liability is recorded for the amounts withheld as the internal tax is not paid to external organizations or authorities. Amounts withheld are/will be used for salaries, related benefits and infrastructure of the IO. 'Employee benefits' present the gross costs including the corresponding internal tax.

The Seconded Staff costs are directly capitalized and values credited to their respective Members (short term in-kind).

The IO has set up a defined pension contribution scheme with an external company. Contributions equal to 7% of gross basic salary are deducted from employee remuneration and are supplemented by a contribution from the IO of 14% of gross basic salary.

Medical and life insurance schemes have also been set up with an external provider. Medical insurance employee contributions amount to 1.25% of gross basic salary supplemented by an IO contribution of 2.5% of gross basic salary. Life and invalidity insurance employee contributions amount to 0.5% of gross basic salary supplemented by an IO contribution of 1% of gross basic salary.

The aggregate gross remuneration of the Director-General and the three Directors of Department was EUR 1.13 million (EUR 1.10 million in 2012).

At 31 December 2013 the IO had in total 515 staff in the following categories:

	Professional Staff		Technical Support Staff		Total	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
ITER Organization Staff	313	296	188	164	501	460
Seconded Professional Staff	14	17			14	17
<b>Total</b>	<b>327</b>	<b>313</b>	<b>188</b>	<b>164</b>	<b>515</b>	<b>477</b>

Since the Tenth ITER Council in June 2012, the cap for the number of staff is 565 (217 Support and 348 Professional staff).

## Notes to the Budget Execution Statement 2013 (B)

### Note B1 - Budget Execution

The IO's Project Resource Management Regulations (PRMR) and its Implementing Measures, require the preparation of certain schedules and notes for inclusion in the Financial Statements. The primary budgetary schedules following from the PRMR are shown in pages 18 and 19, reflecting the Budget Outturn, Income, Payments and Commitments Executions against their respective budgets. Supplementary information required under the PRMR is provided in Notes B1 to B9.

The establishment of these schedules is governed by the basic principles of equilibrium, specification, annuality, budget accuracy, unit of Account, universality, sound financial management and transparency.

At its meeting in November 2012, the ITER Council adopted Commitments, Income and Payments Budgets for 2013 at the level of EUR 215.11 million for Commitments and EUR 209.94 million for Payments and Income. The Commitments, Payments and Income Budgets and the financial schedules are subdivided into Titles, Chapters and Articles.

Considering a final Payments Budget in 2013 of EUR 168.73 million and Unused Payment Appropriations brought forward from 2012 of EUR 88.13 million, the available Payment Appropriations for 2013 were EUR 256.86 million. This included EUR 28.17 million in the IO Reserve that was set aside to address project risks that materialize during construction.

Considering a final Commitments Budget in 2013 of EUR 205.15 million and Unused Commitment Appropriations brought forward from 2012 of EUR 39.32 million, the available Commitment Appropriations for 2013 were EUR 244.47 million. This included EUR 3.89 million of remaining funds in the IO Reserve that was earmarked for addressing project risks that occur during construction.

The negative balance of EUR 11.49 million reported on the table 'Income Execution 2013' corresponds to a negative result of EUR 10.50 million for the Short-Term In-Kind income together with a positive result of 0.99 million for the Cash income.

The negative balance of EUR 19.09 million reported on the table 'Income Execution 2013' has no impact on the Income Budget as it concerns only the Short-Term In-Kind Contributions.

In order to simplify and streamline the budget management of the IO, and in particular to allow the carry-over of unused payment appropriations, the ITER Council has decided (November 2012) to delete the 'Special Account'. This implies that the unused Payments Budget will be carried forward to the following year by Article.

During 2013, the Director-General approved several budgetary transfers within the limits of his mandate.

All schedules for Income, Payments and Commitments are shown in tables formatted as approved by the ITER Council. They show the cumulative figures of the Cash and Short-Term In-Kind (covering Task Agreements and Staff Secondments) transactions per Budget Article.



Russian-produced poloidal field cable is jacketed and compacted in Italy before being spooled to await testing and a return to Russia.

## Note B2 – Members' Cash Contributions

### Cash Contributions

Amounts in Euros

Members	Brought forward from 2012 1	Requested for 2013 2	Received in 2013 3	Carry forward to 2014 4 = 1 - 2 + 3
Euratom	-	62,373,352	80,432,448	18,059,096
People's Republic of China	3,855,210	13,543,245	19,018,074	9,330,039
Republic of India	(747,936)	13,573,391	17,449,222	3,127,895
Japan	-	13,836,431	17,582,925	3,746,494
Republic of Korea	11,825,158	14,017,025	20,474,748	18,282,881
Russian Federation	13,280,740	13,875,029	18,580,580	17,986,291
United States of America	-	13,261,565	17,672,925	4,411,360
<b>Total</b>	<b>28,213,172</b>	<b>144,480,038</b>	<b>191,210,922</b>	<b>74,944,056</b>

The Members' Cash Contributions have been accounted in full as Income of the year, in accordance with the budget, regardless of the cash received. Over and underpayments have been carried forward as cash liabilities to/from these Members.

### Short-Term In-Kind Contributions

Amounts in Euros

Members	Brought forward from 2012 1	Requested for 2013 2	Received in 2013 3	Carry forward to 2014 4 = 1 - 2 + 3
Euratom	(7,984,662)	6,828,149	8,201,127	(6,611,684)
People's Republic of China	(266,285)	293,186	725,486	166,015
Republic of India	(697,774)	263,040	103,334	(857,480)
Japan	-	-	-	-
Republic of Korea	(676,709)	(180,594)	1,322,055	825,940
Russian Federation	(1,773,169)	(38,598)	1,042,076	(692,495)
United States of America	(5,971,323)	574,866	3,218,820	(3,327,369)
<b>Total</b>	<b>(17,369,922)</b>	<b>7,740,049</b>	<b>14,612,898</b>	<b>(10,497,073)</b>

The Members' Short-Term In-Kind Contributions are recognized when credited. Over and underpayments have been carried forward as Short-Term In-Kind liabilities to/from these Members.

### Total Contributions (Cash and Short-Term In-Kind)

Amounts in Euros

Members	Brought forward from 2012 1	Requested for 2013 2	Received in 2013 3	Carry forward to 2014 4 = 1 - 2 + 3
Euratom	(7,984,662)	69,201,501	88,633,575	11,447,412
People's Republic of China	3,588,925	13,836,431	19,743,560	9,496,054
Republic of India	(1,445,710)	13,836,431	17,552,556	2,270,415
Japan	-	13,836,431	17,582,925	3,746,494
Republic of Korea	11,148,449	13,836,431	21,796,803	19,108,821
Russian Federation	11,507,572	13,836,431	19,622,656	17,293,797
United States of America	(5,971,323)	13,836,431	20,891,745	1,083,991
<b>Total</b>	<b>10,843,250</b>	<b>152,220,087</b>	<b>205,823,820</b>	<b>64,446,983</b>

**Note B3 – Cash Breakdown***Amounts in Euros*

<b>Cash balance at 31 December 2012</b>	<b>85,121,805</b>
Cheques issued in 2012 and disbursed in 2013	(87,675)
<b>Cash and cash equivalent at 31 December 2012</b>	<b>85,034,130</b>

2013 Contributions from the Members	116,266,866
Cash advances on 2014 contributions	74,944,056
Monaco Partnership	350,000
Internal tax	13,636,772
Interest from banks	3,235,372
Miscellaneous Income	8,014
Movements in Suspense Accounts	13,374,553
<b>Total cash in</b>	<b>221,815,632</b>

Payments against budget	177,568,094
<b>Total disbursement</b>	<b>177,568,094</b>

Cash balance at 1 January 2013	85,121,805
Total cash Income	221,815,632
Total disbursement	177,568,094
<b>Balance in cash</b>	<b>129,369,344</b>

<b>Cash balance at 31 December 2013</b>	<b>129,369,344</b>
Cheques issued and not disbursed in 2013	(30,208)
<b>Cash and cash equivalent at 31 December 2013</b>	<b>129,339,136</b>

## Note B4 – Suspense accounts

Amounts in Euros

Third Party	Situation at 1 January 2013	Movements in 2013	Situation at 31 December 2013
EU Domestic Agency	(842,689)	137,393	(705,295)
IN Domestic Agency	(2,000)	(1,987)	(3,987)
RF Domestic Agency	-	(4,238)	(4,238)
US Domestic Agency	(954,293)	11,126,270	10,171,977
<b>Total Domestic Agencies</b>	<b>(1,798,981)</b>	<b>11,257,437</b>	<b>9,458,456</b>
Administrative fees	56,349	22,644	78,994
VAT to be reimbursed	(10,627,211)	1,579,651	(9,047,559)
ITER Organization Staff	(32,698)	13,978	(18,720)
Sickness insurances and Pension funds	803,012	91,357	894,369
Others	(438,028)	409,486	(28,543)
<b>Total Other</b>	<b>(10,238,575)</b>	<b>2,117,116</b>	<b>(8,121,459)</b>
<b>Total</b>	<b>(12,037,557)</b>	<b>13,374,553</b>	<b>1,336,996</b>

The 'EUDA' suspense account shows a final balance of EUR 0.71 million from which the main part corresponds to the amounts paid by IO and not yet recovered at the end of 2013 further to the 'On-site support cooperation' Agreement and the Agreement to make available offices to Fusion for Energy (F4E) and its contractors.

The 'USDA' suspense account shows a final balance of EUR 10.17 million which mainly includes the amounts received in advance related to the agreements for the Tokamak Cooling Water System (TCWS). This balance also takes into account EUR 0.75 million of US tax paid in advance by IO on behalf of the US staff.

The 'Sickness insurances and Pension' funds shows a final balance of EUR 0.89 million including EUR 0.68 million related to the sickness insurance of the IO staff and EUR 0.21 million related to the IO seconded staff social contributions (sickness and pension).

## Note B5 – Statement of Unpaid Commitments

Amounts in Euros

Budget Headings		Unpaid Total	Total Commitments	Total	Total Payments	Unpaid Total
		Commitments	2013	De-commitments	2013	Commitments
		1 January 2013		of previous years' commitments		31 December 2013
		1	2	3	4	5 = 1 + 2 - 3 - 4
Article 111	Direct Investment	134,061,891	62,319,345	3,308,093	46,680,948	146,392,195
Article 112	Test Blanket Module	303,290	1,010,258	3,185	553,833	756,530
Article 113	IO Reserve	-	-	-	-	-
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>134,365,181</b>	<b>63,329,603</b>	<b>3,311,278</b>	<b>47,234,781</b>	<b>147,148,725</b>
Article 211	Research & Development	30,486,301	4,287,915	1,887,614	12,793,681	20,092,921
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>30,486,301</b>	<b>4,287,915</b>	<b>1,887,614</b>	<b>12,793,681</b>	<b>20,092,921</b>
Article 311	Professional staff salary costs	-	55,173,241	-	55,173,241	-
Article 312	Technical Support staff salary costs	-	15,733,826	-	15,733,826	-
Article 313	Travel and subsistence	678,095	3,222,577	442,469	2,481,495	976,708
Article 314	Secondment allowances	-	-	-	-	-
Article 315	Removal expenses	256,823	654,022	4,644	720,864	185,337
Article 316	Promotions	-	452,936	-	452,936	-
Article 317	Awards	-	205,000	-	205,000	-
<b>Chapter 31</b>	<b>Staff Expenditure</b>	<b>934,916</b>	<b>75,441,602</b>	<b>447,113</b>	<b>74,767,361</b>	<b>1,162,044</b>
Article 321	General services	10,520,325	6,774,578	1,544,580	7,290,668	8,459,655
Article 322	Administrative services	2,557,621	3,003,444	563,176	3,199,744	1,798,145
Article 323	Equipment	1,006,467	22,404,673	9,735	2,706,573	20,694,832
Article 324	External specialized services	46,025,103	52,515,849	5,682,234	44,188,184	48,670,534
Article 325	IO Reserve	-	-	-	-	-
<b>Chapter 32</b>	<b>Organisational Expenditure</b>	<b>60,109,515</b>	<b>84,698,544</b>	<b>7,799,725</b>	<b>57,385,169</b>	<b>79,623,165</b>
<b>Title III</b>	<b>Direct Expenditure</b>	<b>61,044,431</b>	<b>160,140,146</b>	<b>8,246,838</b>	<b>132,152,530</b>	<b>80,785,208</b>
<b>Total Expenditure</b>		<b>225,895,913</b>	<b>227,757,664</b>	<b>13,445,730</b>	<b>192,180,992</b>	<b>248,026,854</b>

## Note B6 – Long-Term In-Kind/Procurement Arrangements

Members	2007 - 2012 Procurement Arrangements			
	Commitments		Notifications	
	IUA	EUR	IUA	EUR
Euratom	887,040	1,370,766,812	39,270	62,169,916
People's Republic of China	237,039	368,807,208	2,410	3,903,357
Republic of India	258,424	405,521,634	4,600	7,322,660
Japan	371,192	565,960,596	44,234	70,125,416
Republic of Korea	225,306	343,921,719	2,800	4,443,837
Russian Federation	204,646	318,239,739	2,500	4,049,125
United States of America	181,910	283,957,989	8,350	13,355,553
<b>Total</b>	<b>2,365,557</b>	<b>3,657,175,698</b>	<b>104,164</b>	<b>165,369,863</b>

Members	2013 Procurement Arrangements			
	Commitments		Notifications	
	IUA	EUR*	IUA	EUR
Euratom	45,773	174,819,628	29,280	48,609,192
People's Republic of China	32,840	79,134,045	1,325	2,199,699
Republic of India	2,229	26,887,181	6,943	11,526,421
Japan	71,866	166,272,285	14,230	23,624,632
Republic of Korea	29,593	79,043,243	23,690	39,328,954
Russian Federation	8,366	35,291,215	6,855	11,380,328
United States of America	4,608	25,183,251	-	-
<b>Total</b>	<b>195,274</b>	<b>586,630,848</b>	<b>82,323</b>	<b>136,669,226</b>

\* Includes the EUR revaluation of all open commitments at the 2013 IUA definitive rate

Members	Cumulative Procurement Arrangements			
	Commitments		Notifications	
	IUA	EUR	IUA	EUR
Euratom	932,814	1,545,586,440	68,550	110,779,108
People's Republic of China	269,879	447,941,253	3,735	6,103,055
Republic of India	260,653	432,408,816	11,543	18,849,081
Japan	443,058	732,232,880	58,464	93,750,048
Republic of Korea	254,898	422,964,963	26,490	43,772,791
Russian Federation	213,012	353,530,954	9,355	15,429,453
United States of America	186,518	309,141,241	8,350	13,355,553
<b>Total</b>	<b>2,560,832</b>	<b>4,243,806,546</b>	<b>186,487</b>	<b>302,039,089</b>

The Procurement Arrangements shown in this Note constitute the Long-Term In-Kind contributions from the Members to the IO recorded at values as agreed between the IO and the Members. These contributions are valued using the ITER Unit of Account (IUA) and recorded in Euros.

IUA Exchange rates	
Periods	1 IUA =
2013	EUR 1,660.15
2012	EUR 1,619.65
January 1989	USD 1,000.00

2013

**Prototypes of poloidal field magnet power system components are being tested in China before series production begins. Photo: ITER China**





## Note B7 – Total comparative Executions

Amounts in Euros

### Income

Budget Headings		Total Income 2013 1	Total Income 2012 2
Article 711	Contribution from Euratom	70,574,479	97,799,848
Article 712	Contribution from the People's Republic of China	14,268,731	20,706,891
Article 713	Contribution from the Republic of India	13,676,725	19,686,536
Article 714	Contribution from Japan	13,836,431	19,788,996
Article 715	Contribution from the Republic of Korea	15,339,079	18,523,224
Article 716	Contribution from the Russian Federation	14,917,105	19,478,159
Article 717	Contribution from the United States of America	16,480,385	22,692,791
<b>Chapter 71</b>	<b>Contributions</b>	<b>159,092,935</b>	<b>218,676,445</b>
Article 721	Internal Tax from Professional Staff	11,144,727	10,776,345
Article 722	Internal Tax from Technical Staff	2,492,045	2,360,276
<b>Chapter 72</b>	<b>Internal tax</b>	<b>13,636,772</b>	<b>13,136,621</b>
Article 731	Financial interest	3,235,372	437,134
Article 732	Exchange rate Income	-	-
<b>Chapter 73</b>	<b>Financial Income</b>	<b>3,235,372</b>	<b>437,134</b>
Article 741	Cancellation of Appropriations from the current year	-	-
Article 742	Cancellation of Appropriations from previous year(s)	-	-
Article 743	Monaco Partnership	350,000	350,000
Article 744	Excess Income from previous years	(19,089,402)	(18,170,924)
Article 749	Miscellaneous income	8,014	-
<b>Chapter 74</b>	<b>Other Income</b>	<b>(18,731,388)</b>	<b>(17,820,924)</b>
<b>Title VII</b>	<b>Income</b>	<b>157,233,691</b>	<b>214,429,276</b>
<b>Total Income</b>		<b>157,233,691</b>	<b>214,429,276</b>

The Cash Contributions from the Members and assigned revenue from agreements are considered as Income in the year for which they are called regardless of their date of receipt by the IO. Other sources of income are registered in the year in which they are realized or received.

In 2013, the IO has not brought any amount to Income cancellation of Appropriations from the previous year due to the deletion of the Special Account following the Council's decision taken in November 2012. However, there has been a shortfall in Cash Income 2013 coming from the carry forward of the Excess Income from previous years of EUR -19.09 million, effectively reducing the total Cash Income Budget Execution for the year leaving a negative result of EUR 11.49 million to carry forward to 2014.

**Payments**

Amounts in Euros

Budget Headings		Total Payments and Credit Notifications 2013	Total Payments and Credit Notifications 2012
		1	2
Article 111	Direct Investment	46,680,948	48,000,039
Article 112	Test Blanket Module	553,833	573,017
Article 113	IO Reserve	-	-
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>47,234,781</b>	<b>48,573,056</b>
Article 211	Research & Development	12,793,681	15,483,329
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>12,793,681</b>	<b>15,483,329</b>
Article 311	Professional staff salary costs	55,173,241	53,310,070
Article 312	Technical Support staff salary costs	15,733,826	14,706,855
Article 313	Travel and subsistence	2,481,495	1,902,033
Article 314	Secondment allowances	-	-
Article 315	Removal expenses	720,864	251,631
Article 316	Promotions	452,936	495,812
Article 317	Awards	205,000	202,500
<b>Chapter 31</b>	<b>Staff Expenditure</b>	<b>74,767,361</b>	<b>70,868,901</b>
Article 321	General services	7,290,668	6,025,727
Article 322	Administrative services	3,199,744	3,613,083
Article 323	Equipment	2,706,573	3,983,487
Article 324	External specialized services	44,188,184	40,771,170
Article 325	IO Reserve	-	-
<b>Chapter 32</b>	<b>Organizational Expenditure</b>	<b>57,385,169</b>	<b>54,393,467</b>
<b>Title III</b>	<b>Direct Expenditure</b>	<b>132,152,530</b>	<b>125,262,368</b>
<b>Total Expenditure</b>		<b>192,180,992</b>	<b>189,318,753</b>

The 2013 Payments Execution shows a total payments execution of EUR 192.18 million which includes Cash Payments of EUR 177.57 million and Short-Term In-Kind Payments, via credit notifications, of EUR 14.61 million.

Excluding the IO Reserve, which is not part of the planned budgets, the underrun in Payments for 2013 was EUR 36.50 million or 15.96% of the related Payments Appropriations. This was due to delays in the construction of the extension of the Headquarters building, delays in the placement of contracts for the detritiation system, slippages in the completion of contracts for the ion cyclotron antenna design and diagnostics first wall, delays in the placement of contracts for magnet instrumentation, and slower-than-expected progress in Task Agreements signed with the Domestic Agencies.

**Commitments***Amounts in Euros*

<b>Budget Headings</b>		<b>Total Commitments 2013</b>	<b>Total Commitments 2012</b>
		<b>1</b>	<b>2</b>
Article 111	Direct Investment	62,319,345	152,400,178
Article 112	Test Blanket Module	1,010,258	451,289
Article 113	IO Reserve	-	-
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>63,329,603</b>	<b>152,851,467</b>
Article 211	Research & Development	4,287,915	17,203,985
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>4,287,915</b>	<b>17,203,985</b>
Article 311	Professional staff salary costs	55,173,241	53,310,070
Article 312	Technical Support staff salary costs	15,733,826	14,706,855
Article 313	Travel and subsistence	3,222,577	2,442,770
Article 314	Secondment allowances	-	-
Article 315	Removal expenses	654,022	466,492
Article 316	Promotions	452,936	495,812
Article 317	Awards	205,000	202,500
<b>Chapter 31</b>	<b>Staff Expenditure</b>	<b>75,441,602</b>	<b>71,624,499</b>
Article 321	General services	6,774,578	10,353,995
Article 322	Administrative services	3,003,444	3,938,533
Article 323	Equipment	22,404,673	4,614,389
Article 324	External specialized services	52,515,849	36,934,827
Article 325	IO Reserve	-	-
<b>Chapter 32</b>	<b>Organizational Expenditure</b>	<b>84,698,544</b>	<b>55,841,744</b>
<b>Title III</b>	<b>Direct Expenditure</b>	<b>160,140,146</b>	<b>127,466,243</b>
<b>Total Expenditure</b>		<b>227,757,664</b>	<b>297,521,695</b>

In 2013, there were de-commitments against previous years' commitments, constituting a reduction of the value of contracts signed between 2007 to 2012 due to contracts being either settled at a lower value than agreed or cancelled. The total amount of these de-commitments equals EUR 13.45 million.

The Commitments Execution shows commitments in 2013 of EUR 227.76 million which also includes an amount of EUR 20.07 million towards future liabilities for the Construction Erection All Risks (CEAR) insurance contract signed in 2010 against which EUR 406,112 commitment and payment were made (EUR 84,470 in 2011, EUR 19,287 in 2012 and EUR 302,354 in 2013). The IO also decided to defer making the related budget commitment for future liabilities on account of a portion of this CEAR contract relating to testing of equipment (EUR 13.39 million) until a report is addressed to the insurers latest by January 2015, providing (as per the contract conditions) a set of revised project costs and scheduling for mutual agreement between the parties.

In provision of the article 78b, B. – Title IX of the Implementing Measures of the PRMR, it is confirmed that no other liabilities existed to pay the open commitments as at the end of the financial years 2010 to 2012.

When combined with de-commitments, the total commitments execution for 2013 equals EUR 214.31 million.

Excluding the IO Reserve, which is not part of the planned budgets, an uncommitted balance of EUR 26.26 million or 10.92% of the related Commitment Appropriation was due to a delay in placement of the cryostat radial bearing procurement and a change in procurement strategy for assembly that delayed placement of several contracts until future years.

## Note B8 – Budgets

Amounts in Euros

### Income

Budget Headings		Initial Total Income Budget 2013 (IC-11 November 2012)	Cumulative Internal Total Transfers Approved by the DG	Total Transfers approved (IC-12 June 2013)	Final Total Income Budget 2013 4 = 1 + 2 + 3
		1	2	3	4 = 1 + 2 + 3
Article 711	Contribution from Euratom	87,933,968	-	(18,732,468)	69,201,500
Article 712	Contribution from the People's Republic of China	17,582,925	-	(3,746,494)	13,836,431
Article 713	Contribution from the Republic of India	17,582,925	-	(3,746,494)	13,836,431
Article 714	Contribution from Japan	17,582,925	-	(3,746,494)	13,836,431
Article 715	Contribution from the Republic of Korea	17,582,925	-	(3,746,494)	13,836,431
Article 716	Contribution from the Russian Federation	17,582,925	-	(3,746,494)	13,836,431
Article 717	Contribution from the United States of America	17,582,925	-	(3,746,494)	13,836,431
<b>Chapter 71</b>	<b>Contributions</b>	<b>193,431,518</b>	<b>-</b>	<b>(41,211,430)</b>	<b>152,220,088</b>
Article 721	Internal Tax from Professional Staff	12,533,214	-	-	12,533,214
Article 722	Internal Tax from Technical Staff	2,871,134	-	-	2,871,134
<b>Chapter 72</b>	<b>Internal tax</b>	<b>15,404,348</b>	<b>-</b>	<b>-</b>	<b>15,404,348</b>
Article 731	Financial interest	750,000	-	-	750,000
Article 732	Exchange rate Income	-	-	-	-
<b>Chapter 73</b>	<b>Financial Income</b>	<b>750,000</b>	<b>-</b>	<b>-</b>	<b>750,000</b>
Article 741	Cancellation of Appropriations from the current year	(800,000)	-	-	(800,000)
Article 742	Cancellation of Appropriations from previous year(s)	800,000	-	-	800,000
Article 743	Monaco Partnership	350,000	-	-	350,000
Article 744	Excess Income from previous years	-	-	-	-
Article 749	Miscellaneous income	-	-	-	-
<b>Chapter 74</b>	<b>Other Income</b>	<b>350,000</b>	<b>-</b>	<b>-</b>	<b>350,000</b>
<b>Title VII</b>	<b>Income</b>	<b>209,935,866</b>	<b>-</b>	<b>(41,211,430)</b>	<b>168,724,436</b>
<b>Total Income</b>		<b>209,935,866</b>	<b>-</b>	<b>(41,211,430)</b>	<b>168,724,436</b>

The final total Income Budget is equal to the Payments Budget in accordance with Article III.1.3 of the PRMR.

In 2013, there has been a transfer of EUR 2.90 million from the Cash Income Budget to the Short-Term In-Kind Income as well as a cash Income decrease of EUR 41.21 million reducing the total Income Budget to EUR 168.72 million compared to the total Income budget as approved by the ITER Council in November 2012.

**Payments***Amounts in Euros*

Budget Headings		Initial Total Payments	Cumulative Internal	Total Transfers	Final Total
		Budget 2013 (IC-11 November 2012)	Total Transfers Approved by the DG	approved (IC-12 June 2013)	Payments Budget 2013
		1	2	3	4 = 1 + 2 + 3
Article 111	Direct Investment	48,140,090	647,900	(27,227,236)	21,560,754
Article 112	Test Blanket Module	2,005,219	-	(750,463)	1,254,756
Article 113	IO Reserve	6,162,000	(647,900)	-	5,514,100
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>56,307,309</b>	<b>-</b>	<b>(27,977,699)</b>	<b>28,329,610</b>
Article 211	Research & Development	9,912,306	-	(5,477,496)	4,434,810
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>9,912,306</b>	<b>-</b>	<b>(5,477,496)</b>	<b>4,434,810</b>
Article 311	Professional staff salary costs	61,523,622	(5,673,012)	-	55,850,610
Article 312	Technical Support staff salary costs	17,865,048	(2,342,007)	-	15,523,041
Article 313	Travel and subsistence	2,899,792	(653,744)	(161,596)	2,084,452
Article 314	Secondment allowances	-	-	-	-
Article 315	Removal expenses	793,844	(213,610)	-	580,234
Article 316	Promotions	415,472	35,642	-	451,114
Article 317	Awards	415,472	(128,418)	-	287,054
<b>Chapter 31</b>	<b>Staff Expenditure</b>	<b>83,913,250</b>	<b>(8,975,149)</b>	<b>(161,596)</b>	<b>74,776,505</b>
Article 321	General services	7,371,395	7,031	(1,763,392)	5,615,034
Article 322	Administrative services	2,431,669	1,290,353	(99,224)	3,622,798
Article 323	Equipment	1,978,360	955,529	(141,360)	2,792,529
Article 324	External specialized services	40,944,577	6,759,733	(5,590,663)	42,113,647
Article 325	IO Reserve	7,077,000	(37,497)	-	7,039,503
<b>Chapter 32</b>	<b>Organizational Expenditure</b>	<b>59,803,001</b>	<b>8,975,149</b>	<b>(7,594,639)</b>	<b>61,183,511</b>
<b>Title III</b>	<b>Direct Expenditure</b>	<b>143,716,252</b>	<b>-</b>	<b>(7,756,235)</b>	<b>135,960,017</b>
<b>Total Expenditure</b>		<b>209,935,866</b>	<b>-</b>	<b>(41,211,430)</b>	<b>168,724,436</b>

The initial Payments Budget for 2013 of EUR 209.94 million has been decreased by EUR 41.21 million during the year resulting in a final Payments Budget of EUR 168.73 million. Cumulated transfers of EUR 2.51 million from the Cash Payments Budget to the Short-Term In-Kind Payments Budget were approved by the Director-General during the year.

**Commitments**

Amounts in Euros

Budget Headings		Initial Total	Cumulative Internal	Total Transfers	Final Total
		Commitments	Total Transfers	approved	Commitments
		Budget 2013	Approved by the DG	(IC-12 June 2013)	Budget 2013
		(IC-11 November 2012)			
		1	2	3	4 = 1 + 2 + 3
Article 111	Direct Investment	61,939,946	5,426,500	(2,234,384)	65,132,062
Article 112	Test Blanket Module	2,008,301	-	(184,320)	1,823,981
Article 113	IO Reserve	6,162,000	(5,426,500)	-	735,500
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>70,110,247</b>	<b>-</b>	<b>(2,418,704)</b>	<b>67,691,543</b>
Article 211	Research & Development	2,298,152	-	(421,803)	1,876,349
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>2,298,152</b>	<b>-</b>	<b>(421,803)</b>	<b>1,876,349</b>
Article 311	Professional staff salary costs	61,523,622	(5,673,012)	-	55,850,610
Article 312	Technical Support staff salary costs	17,865,048	(2,342,007)	-	15,523,041
Article 313	Travel and subsistence	2,912,579	(59,088)	(161,353)	2,692,138
Article 314	Secondment allowances	-	-	-	-
Article 315	Removal expenses	793,844	(34,042)	-	759,802
Article 316	Promotions	415,472	35,642	-	451,114
Article 317	Awards	415,472	(128,418)	-	287,054
<b>Chapter 31</b>	<b>Staff Expenditure</b>	<b>83,926,038</b>	<b>(8,200,925)</b>	<b>(161,353)</b>	<b>75,563,760</b>
Article 321	General services	7,613,674	(1,731,659)	(696,878)	5,185,137
Article 322	Administrative services	1,989,209	1,016,670	(160,288)	2,845,591
Article 323	Equipment	2,156,872	20,345,682	-	22,502,554
Article 324	External specialized services	39,935,028	8,116,864	(6,099,826)	41,952,066
Article 325	IO Reserve	7,077,000	(19,546,632)	-	(12,469,632)
<b>Chapter 32</b>	<b>Organizational Expenditure</b>	<b>58,771,783</b>	<b>8,200,925</b>	<b>(6,956,992)</b>	<b>60,015,716</b>
<b>Title III</b>	<b>Direct Expenditure</b>	<b>142,697,820</b>	<b>-</b>	<b>(7,118,345)</b>	<b>135,579,475</b>
<b>Total Expenditure</b>		<b>215,106,219</b>	<b>-</b>	<b>(9,958,852)</b>	<b>205,147,367</b>

In accordance with the PRMR, the Commitments Budget represents the upper limit of the legal obligations the IO can engage for the year.

The initial Commitments Budget for 2013 of EUR 215.11 million has been decreased by EUR 9.96 million resulting in a final Commitments Budget of EUR 205.15 million. Cumulated transfers of EUR 5.80 million from the Cash Commitment Budget to the Short-Term In-Kind Commitment Budget were approved by the Director-General during the year.

## Note B9 – Cumulative Budgets and Executions

Amounts in Euros

### Income

Budget Headings		Cumulative Total Income Budgets up to End 2013 1	Cumulative Total Income Executions up to End 2013 2
Article 711	Contribution from Euratom	434,635,689	428,024,006
Article 712	Contribution from the People's Republic of China	86,906,996	87,073,011
Article 713	Contribution from the Republic of India	86,906,995	86,049,514
Article 714	Contribution from Japan	86,906,996	86,906,996
Article 715	Contribution from the Republic of Korea	86,906,995	87,732,933
Article 716	Contribution from the Russian Federation	86,906,996	86,214,501
Article 717	Contribution from the United States of America	86,906,717	83,579,348
<b>Chapter 71</b>	<b>Contributions</b>	<b>956,077,385</b>	<b>945,580,310</b>
Article 721	Internal Tax from Professional Staff	59,436,672	58,037,711
Article 722	Internal Tax from Technical Support Staff	17,181,539	11,790,080
<b>Chapter 72</b>	<b>Internal tax</b>	<b>76,618,211</b>	<b>69,827,791</b>
Article 731	Financial interest	4,550,000	7,282,255
Article 732	Exchange rate Income	200,000	1,020,596
<b>Chapter 73</b>	<b>Financial Income</b>	<b>4,750,000</b>	<b>8,302,851</b>
Article 741	Cancellation of Appropriations from the current year	800,000	1,111,119
Article 742	Cancellation of Appropriations from previous year(s)	3,745,542	6,134,586
Article 743	Monaco Partnership	2,700,000	2,700,000
Article 744	Excess Income from previous years	-	(55,626,824)
Article 745	Shortfall Income Budget of the current year	(73,401)	-
Article 749	Miscellaneous income	3,831,000	3,897,955
<b>Chapter 74</b>	<b>Other Income</b>	<b>11,003,141</b>	<b>(41,783,164)</b>
<b>Title VII</b>	<b>Income</b>	<b>1,048,448,737</b>	<b>981,927,788</b>
<b>Total Income</b>		<b>1,048,448,737</b>	<b>981,927,788</b>

**Payments***Amounts in Euros*

<b>Budget Headings</b>		<b>Cumulative Total Payments Budgets up to End 2013</b>	<b>Cumulative Total Payments up to End 2013</b>
		<b>1</b>	<b>2</b>
Article 111	Direct Investment	133,283,912	121,894,034
Article 112	Test Blanket Module	2,403,421	1,611,277
Article 113	IO Reserve	5,989,100	-
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>141,676,433</b>	<b>123,505,311</b>
Article 211	Research & Development	97,516,679	93,091,353
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>97,516,679</b>	<b>93,091,353</b>
Article 311	Professional staff salary costs	307,984,768	306,536,714
Article 312	Technical Support staff salary costs	74,908,241	74,760,781
Article 313	Travel and subsistence	16,688,371	16,057,902
Article 314	Secondment allowances	691,642	691,642
Article 315	Removal expenses	3,107,221	3,004,868
Article 316	Promotions	1,849,023	1,842,215
Article 317	Awards	779,796	694,800
<b>Chapter 31</b>	<b>Staff Expenditure</b>	<b>406,009,062</b>	<b>403,588,921</b>
Article 321	General services	37,653,277	35,815,530
Article 322	Administrative services	21,409,581	19,817,708
Article 323	Equipment	27,089,435	26,276,721
Article 324	External specialized services	294,909,331	275,028,441
Article 325	IO Reserve	22,184,937	-
<b>Chapter 32</b>	<b>Organizational Expenditure</b>	<b>403,246,561</b>	<b>356,938,400</b>
<b>Title III</b>	<b>Direct Expenditure</b>	<b>809,255,624</b>	<b>760,527,321</b>
<b>Total Expenditure</b>		<b>1,048,448,735</b>	<b>977,123,985</b>



**Commitments***Amounts in Euros*

<b>Budget Headings</b>		<b>Cumulative Total</b>	<b>Cumulative Total</b>
		<b>Commitments Budgets up to End 2013</b>	<b>Commitments Executions up to End 2013</b>
		<b>1</b>	<b>2</b>
Article 111	Direct Investment	281,011,944	268,286,229
Article 112	Test Blanket Module	3,387,172	2,367,807
Article 113	IO Reserve	1,210,500	-
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>285,609,616</b>	<b>270,654,036</b>
Article 211	Research & Development	118,548,860	113,246,594
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>118,548,860</b>	<b>113,246,594</b>
Article 311	Professional staff salary costs	307,973,696	306,536,713
Article 312	Technical Support staff salary costs	74,898,251	74,760,781
Article 313	Travel and subsistence	17,238,208	17,049,916
Article 314	Secondment allowances	691,642	691,642
Article 315	Removal expenses	3,303,989	3,190,207
Article 316	Promotions	1,849,023	1,842,215
Article 317	Awards	779,796	694,800
<b>Chapter 31</b>	<b>Staff Expenditure</b>	<b>406,734,606</b>	<b>404,766,274</b>
Article 321	General services	46,010,670	45,271,781
Article 322	Administrative services	22,211,217	21,612,779
Article 323	Equipment	47,279,646	46,946,049
Article 324	External specialized services	326,230,895	322,653,326
Article 325	IO Reserve	2,675,802	-
<b>Chapter 32</b>	<b>Organizational Expenditure</b>	<b>444,408,230</b>	<b>436,483,935</b>
<b>Title III</b>	<b>Direct Expenditure</b>	<b>851,142,835</b>	<b>841,250,209</b>
<b>Total Expenditure</b>		<b>1,255,301,311</b>	<b>1,225,150,839</b>

## Reconciliation – Cash Flow Statement – Budget Outturn

Amounts in Euros

In the Financial Statements 2013, the schedules prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and its Statement of Financial Performance in particular take into account accruals whereas the schedules prepared in accordance with the Project Resource Management Regulations (PRMR) and its Budget Result Statement do not. The differences between the two statements are shown in the Reconciliation below, together with explanations on the items concerned.

	Notes	Operating Cash Flows	
		2013	2012
<b>Budget Outturn</b>	<b>Page 18</b>	<b>(34,947,301)</b>	<b>25,110,523</b>
Cash contributions requested	B2	(144,480,038)	(201,748,222)
Cash contributions received	B3	116,266,865	141,010,465
Advance contributions received	B3	74,944,056	28,961,108
Cheques N-1 paid in N	B3	87,675	36,368
Cheques N unpaid at 31.12.N	B3	(30,208)	(87,675)
Movements in suspense account	B4	13,374,553	(4,754,996)
Excess Income from Previous Years	B7 (art744)	19,089,402	18,170,924
<b>Total</b>	<b>Page 15</b>	<b>44,305,006</b>	<b>6,698,495</b>
Effects of Exchange Rate on foreign currency		(55,511)	(50,810)
Net (decrease)/increase in cash and cash equivalents		44,249,495	6,647,684

'Cash contributions requested' corresponds to the amount of cash contributions requested from the Members for the current year.

'Cash contributions received' corresponds to the amount received in cash in the current year from the Members following the call for contributions.

'Advance contributions received' corresponds to the amount of cash contributions received from the Members in excess of the cash contributions for the current year.

'Cheques N-1 paid in N' corresponds to the cheques issued in previous year(s) and disbursed in the current year.

'Cheques N unpaid in N' corresponds to the cheques issued in the current year and not disbursed yet at the end of the current year.

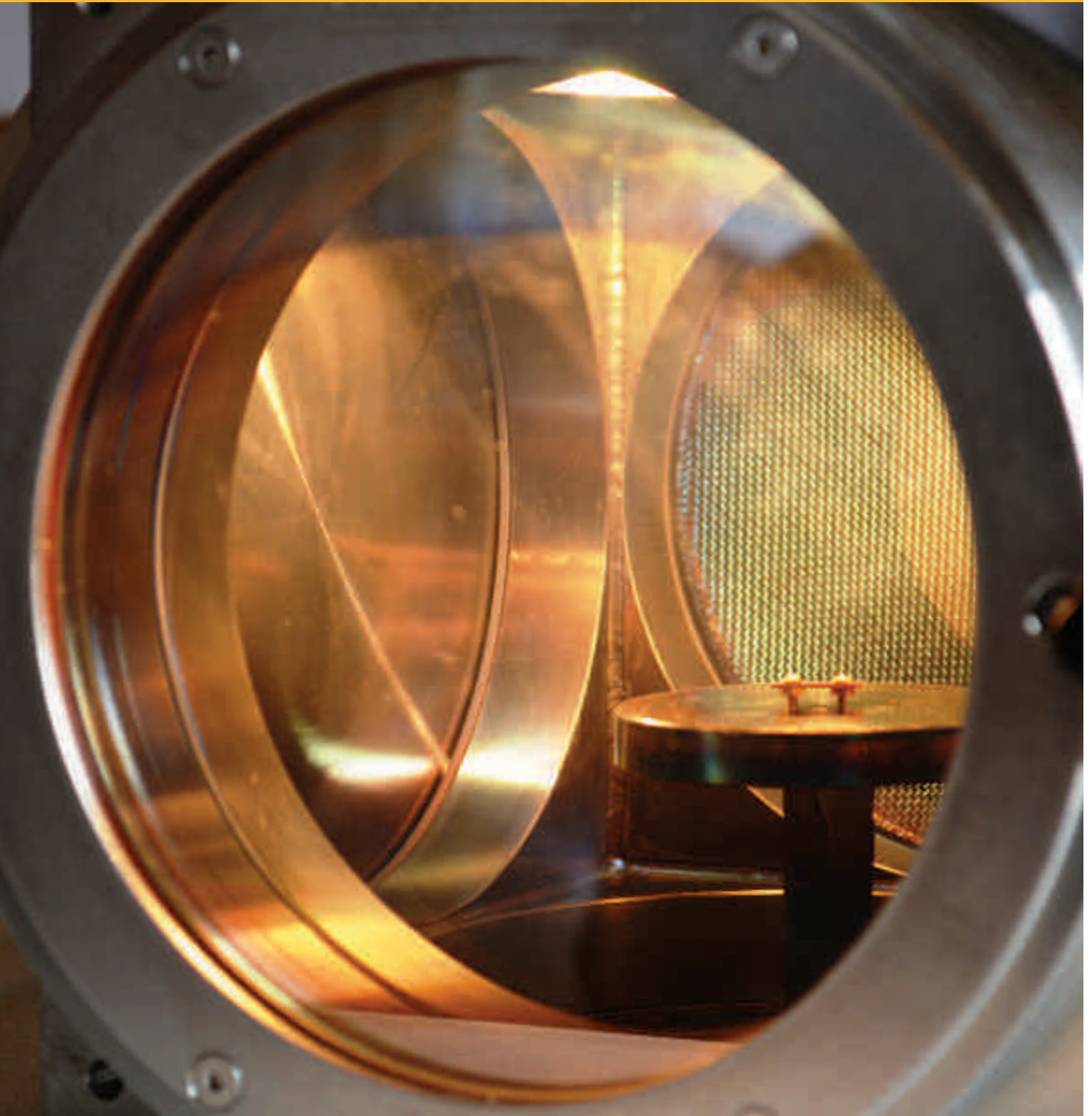
'Movements in suspense accounts' corresponds to the balance of disbursements of cash received or paid from/to third parties not related to the budgetary execution.

'Excess of Income from previous years' corresponds to the unrealized income budget carried forward from the previous year.

'Effects of Exchange Rate on foreign currency' corresponds to the variation of exchange gains/losses between N-1 and N. Unrealized gains and losses arising from changes in foreign currency exchange rates are not cash flows but their effects are reported in the Cash Flow Statement.

2013

**Producing diamond detectors in Russia for one of ITER's neutron diagnostics.  
Photo: ITER Russia**





ITER Organization Headquarters  
Route de Vinon-sur-Verdon  
CS 90 046  
13067 St. Paul-lez-Durance Cedex  
France

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