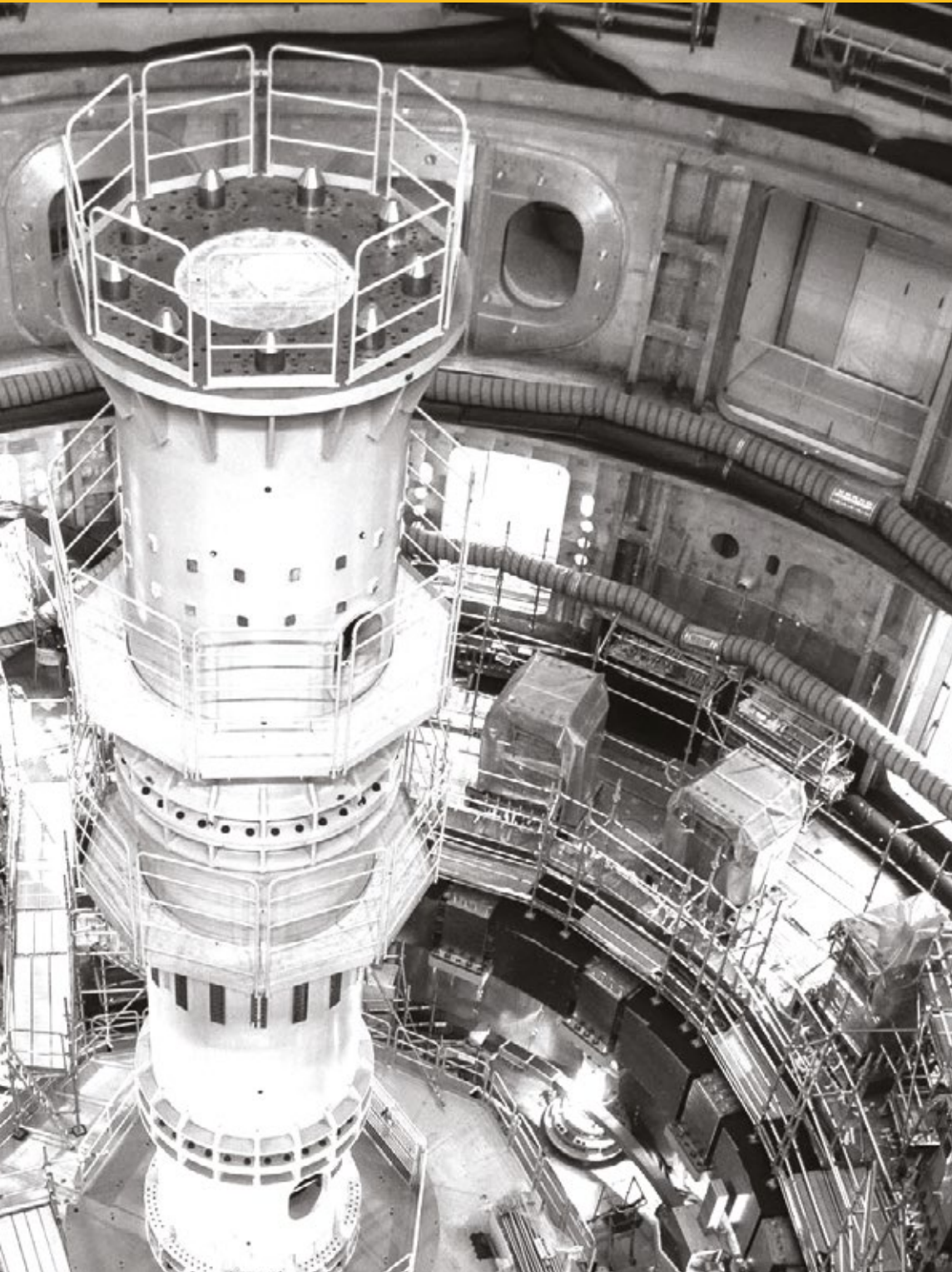


ITER ORGANIZATION

# FINANCIAL REPORT



2021

# FINANCE AT A GLANCE

**1,001**  
STAFF

**€180**  
MILLION  
IN-KIND  
CONTRIBUTIONS

**€6.18**  
BILLION  
PROPERTY, PLANT  
& EQUIPMENT

**€149**  
MILLION  
EMPLOYEE  
BENEFITS

**€27**  
MILLION  
INTANGIBLE  
ASSETS

**€489**  
MILLION  
TOTAL  
COMMITMENTS

**€531**  
MILLION  
CASH CONTRIBUTIONS  
RECEIVED 2021

The first poloidal field coil completed on site—350-tonne PF5—leaves the European coil winding facility in April. In September, the ITER teams successfully lower it into the pit.

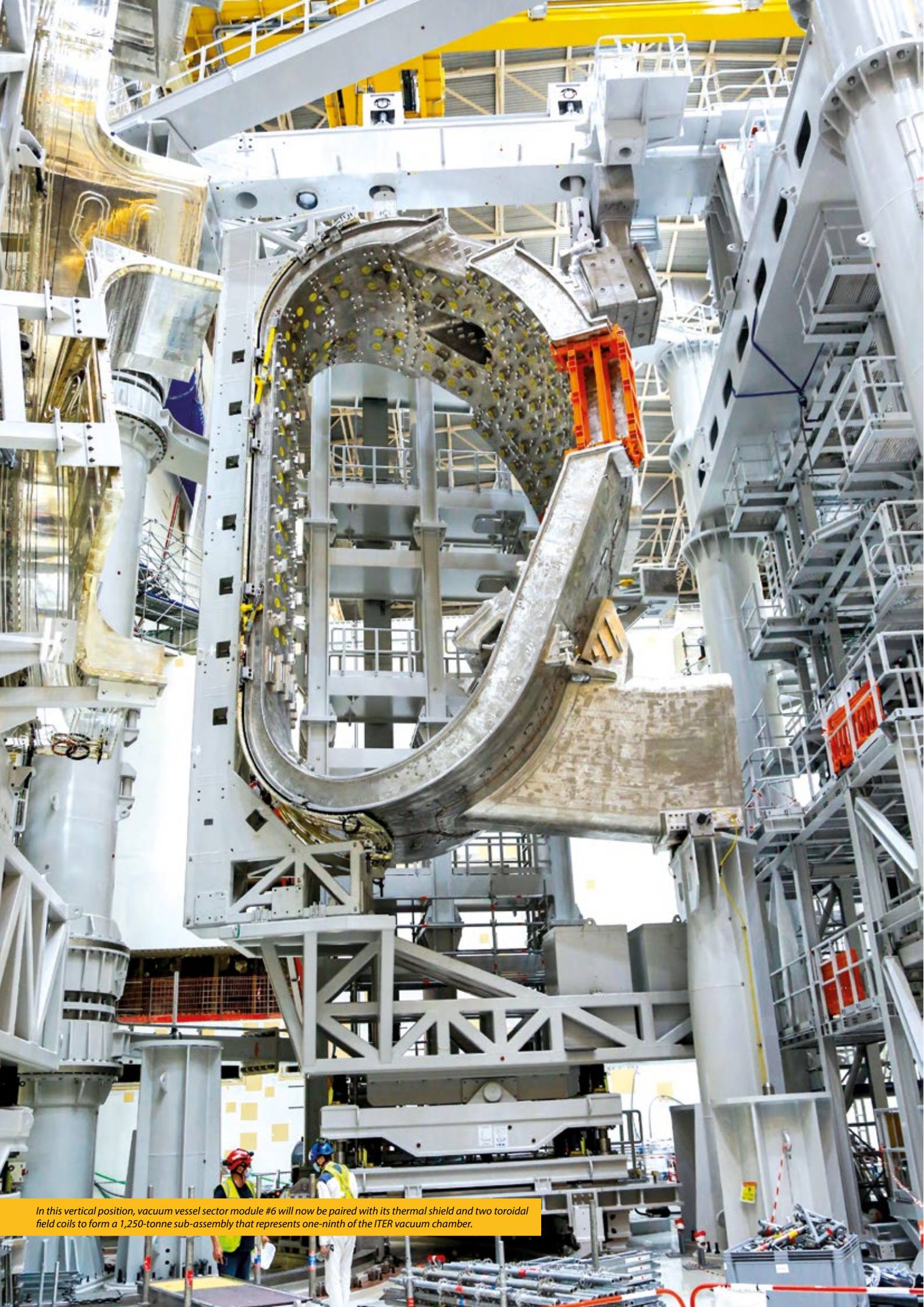


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*In this vertical position, vacuum vessel sector module #6 will now be paired with its thermal shield and two toroidal field coils to form a 1,250-tonne sub-assembly that represents one-ninth of the ITER vacuum chamber.*



# FOREWORD FROM THE DIRECTOR-GENERAL

---

One thousand staff members from the seven ITER Members now work directly for the ITER Organization, and another 300 people contribute as ITER Project Associates, visiting researchers, experts, or interns. On the construction platform, 2,300 people are involved in construction, installation and assembly. Hundreds more work directly or indirectly for the ITER Domestic Agencies.

We are all singularly focused on building this extraordinary facility, which has a unique role to play in the history of fusion science.

Despite the disturbance of the world economy created by the pandemic and related supply-chain issues, ITER is progressing. The main components are being manufactured, tested and delivered on site. Assembly works are ongoing. We have

completed 87% of the manufacturing scope to First Plasma and some of our most ambitious and longest-running procurement programs are winding down. Our principal magnet systems, for example, are all tracked at above 97% completion. Thirty-four highly exceptional loads were delivered in 2021, including six toroidal field magnets, two central solenoid modules, one vacuum vessel sector, and large magnet feeder components.

Under the careful planning and execution of our construction teams and machine assembly contractors, the assembly of the ITER machine and plant is advancing steadily. Just over one-fifth of all assembly and installation tasks have been completed (22% as of the end of December 2021). Inside the machine assembly pit this year, two poloidal field coils were installed, the cryostat upper cylinder was welded to the cryostat base, and all lower-pit tasks were completed in preparation for the installation of the first vacuum vessel sub-assembly. Our operations team has taken over a number of plant systems for commissioning, including the heat rejection zone, the cryoplant, and the reactive power compensation and harmonic filtering equipment.

We must now turn our attention to producing a firm and realistic new schedule that can guide us through the rest of construction, assembly and commissioning. Today, two years into the Covid-19 pandemic, our project management teams are able to assess the effect of the successive waves of the pandemic on manufacturing, delivery and assembly activities. They are taking a close look at past and projected fabrication and transport delays, but also at schedule gains reported in machine and plant assembly as experience is accumulated and the rate-of-work improves for repeated operations. This detailed examination of the project's status against Baseline 2016 will result in an Updated Baseline proposal that will be presented in June 2022 to the ITER Council for discussion.

There is growing momentum around the world toward the practical realization of fusion energy as nations pursue carbon neutrality. This excellent news is in no small way related to progress achieved at ITER, as decades of fusion research around the world come together in a very visible—and very spectacular—manner on the ITER worksite. We can all be proud of our contribution, however small or large.

I firmly believe that the decade to come will be “the fusion decade,” and that we are on the road to changing the basic paradigm of how energy is generated on our planet.



---

**BERNARD BIGOT**  
Saint-Paul-lez-Durance,  
April 2022



The lifting, handling and installation of the first ITER magnet, poloidal field coil #6 (PF6), is an eight-hour operation that requires a complex rigging system capable of rotating the coil and positioning it to within 4 millimetres of tolerance. (April 2021)





# 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 2021 and of the financial position of the ITER Organization in all material aspects at the end of 2021.

We are not aware of any unrecorded liabilities.

  
  
24 February 2022

**LIONEL RIGAUX**  
Accounting Officer  
Accounting, Treasury  
& Systems  
Section Leader

  
  
24 February 2022

**PHILIPPE LAMOTTE**  
Finance & Procurement  
Department Head

# 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.

  
  
24 February 2022

**BERNARD BIGOT**  
Authorizing Officer  
The Director-General

# THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

## Opinion

We have audited the financial statements of the ITER International Fusion Energy Organization (IO) as at 31 December 2021, which comprise the Statement of Financial Position, the Statement of Financial Performance, the Cash Flow Statement, the Statement of Changes in Net Assets/Equity, the Comparison of Budget and Actual Amounts, and Notes to the Financial Statements and to the Budget Execution Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the IO as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) and the Project Resource Management Regulations (PRMR). We obtained reasonable assurance on the legality and regularity of the underlying transactions.

## Basis for Opinion

We conducted our audit in accordance with Article 17 of the ITER Agreement, Financial Audit Board Charter, the relevant articles of the PRMR and the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements



A temporary column is installed to support the vacuum vessel sectors while they are progressively installed and welded.

section of our report. We are independent of the IO in accordance with the ethical requirements that are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

The IO management is responsible for the information included in the ITER Organization 2021 Financial Report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

## Responsibilities of the IO Management and the ITER Council for the Financial Statements

The IO management is responsible for the preparation and fair presentation of the financial statements in accordance with the IPSAS and the PRMR, 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.

In preparing the financial statements, the IO management is responsible for assessing the IO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ITER Council either intends to liquidate the IO or to cease operations, or has no realistic alternative other than to do so.

The ITER Council is responsible for overseeing the IO's financial reporting process.





小柳大作

**Mr. DAISAKU KOYANAGI**  
Chair of the Financial Audit Board  
JAPAN



张凌云

**Ms. LINGYUN ZHANG**  
PEOPLE'S REPUBLIC OF CHINA



C. Spillane

**Mr. CIARAN SPILLANE**  
EUROPEAN UNION

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. The audit procedures selected depend on the auditor's judgement, 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. The audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as that of the overall presentation of the financial statements and of the budget execution statements.



Richa Bagla

**Ms. RICHA BAGLA**  
REPUBLIC OF INDIA



하태형

**Mr. TAE HYUNG HA**  
REPUBLIC OF KOREA



Alexander Zagornov

**Mr. ALEXANDER ZAGORNOV**  
RUSSIAN FEDERATION



Erin Harris

**Ms. ERIN HARRIS**  
UNITED STATES OF AMERICA

9 June 2022



# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

This section of the annual Financial Report of the ITER Organization (IO) presents management's discussion and analysis of the Financial Statements for the year ended 31 December 2021.

The Financial Statement Discussion and Analysis is not part of the ITER Organization's Financial Statements; however, it should be read together with the ITER Organization's Financial Statements on pages 14 to 45 of this report.

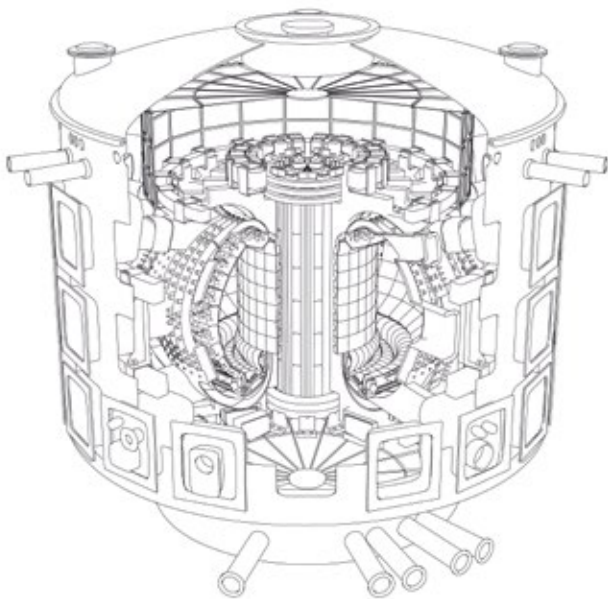
The 2020 Financial Statements were audited and thereafter approved by the ITER Council through written procedure in September 2021.

## Overview

The Financial Statements have been drawn up in accordance with the International Public Sector Accounting Standards (IPSAS) and the Project Resource Management Regulations of the ITER Organization (PRMR). The Financial Statements are therefore in compliance with both sets of standards and regulations.

In accordance with Articles 7 and 9 of the ITER Agreement, the Director-General and the staff of the ITER Organization 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 ITER Organization is the Euro. The Financial Statements show tabulations in thousands of Euro, which could cause minor differences due to rounding.



The 23,000-tonne ITER Tokamak.

The Financial Statements presented on an accrual basis show the:

- Statement of Financial Position which provides information about the:
    - Assets of the ITER Organization (cash; recoverables; prepayments; property, plant and equipment; intangible assets and financial assets);
    - Liabilities of the ITER Organization (payables; employee benefits liabilities; provisions and deferred revenue).
  - Statement of Financial Performance recognizing revenue in the period it is earned and expenses when they occur, regardless of when the associated cash is received or paid. In view of the specific nature of the ITER Organization, which has in essence one objective, consisting of the construction, operation, exploitation and deactivation of an experimental machine, generally all costs shall be considered to be incurred in order to construct and bring the asset to a condition enabling operations. Any costs/input affecting the construction of the ITER Machine are considered to be part of the master fixed asset and are capitalized under "Machine under Construction" (MuC) until the start of the Operation Phase ("First Plasma"). The consequences of this capitalization criterion on the annual results of the ITER Organization are inter-related with the choice of the accounting policy used in regard to the revenue from Members;
  - Statement of Changes in Net Assets/Equity provided for the record (not impacted during the Construction Phase);
  - Cash Flow Statement (direct method) which provides information about the ITER Organization's liquidity and solvency, including cash in and cash out;
  - Comparison of Budget and Actual Amounts;
  - Notes to the Financial Statements making them easier to understand and to compare with the Financial Statements of similar entities. They comprise a summary of accounting policies used:
    - Basis of preparation;
    - Significant 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;
    - Reconciliation between the Cash Flow Statement and the Budgetary Out-Turn.
- Contributions from the Members constitute revenue from non-exchange transactions. They are used to acquire property, plant and equipment, and intangible assets, and are taken back to revenue over the period of the utilization of the related assets. The 'Deferred Revenue' is reported in the Statement of Financial Position within Deferred Revenue (Note A11) and the write back is reported in the Statement of Financial Performance within Operational Revenue (Note A12).



### About the ITER Organization

The ITER Organization provides and promotes cooperation on the ITER Project among its Members, these being the People's Republic of China, the European Union (represented by Euratom), the Republic of India, Japan, the Republic of Korea, the Russian Federation and the United States of America.

This international project aims to demonstrate the scientific and technological feasibility of fusion energy for peaceful purposes, an essential feature of which will be achievement of sustained fusion power generation.

The purpose, functions and other organizational aspects of the ITER Organization 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 in Paris on 21 November 2006 and the ITER Organization was officially established on 24 October 2007. The Agreement has an initial duration of 35 years.

The ITER Organization has an international legal personality including the capacity to conclude agreements with States and/or other international organizations, and is governed by a Council composed of representatives from each of its Members. The ITER Council elects from among its Members a Chair and Vice-Chair who 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 functions of the ITER Project are the design, construction, assembly and installation, commissioning, operation, exploitation and de-activation (decommissioning) of the ITER facilities in accordance with prescribed technical objectives, specifications and supplemental technical requirements that may be necessary. Upon completion of the Project, decommissioning of the ITER Organization facilities will be financed by the Members and will be carried out by the Host State, France.

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

The cost estimates for the Construction and Operation Phases have been quantified using the ITER Unit of Account (IUA) unit of currency (one IUA was equal to USD 1,000 in January 1989). The conversion rate from IUA to Euro, based on the updated EUROSTAT Harmonised Index of Consumer Prices, is revised annually by the Director-General and reported to the ITER Council Management Advisory Committee (MAC) thereon.

#### IUA EXCHANGE RATES

Period	1 IUA =
2021	EUR 1,776.15
2020	EUR 1,770.84
January 1989	USD 1,000.00



*It takes a team.  
Every lift requires the coordination of many different assembly actors.*

Contributions from Members or their respective Domestic Agencies (DA) are provided in cash and in kind.

Cash contributions are recognized in the Statement of Financial Performance of the year to which they relate.

Short-term in-kind contributions (STIK) are related to Task Agreements (contracts between the ITER Organization and the Domestic Agencies/Members) and secondments of staff. STIK are recognized in the Statement of Financial Performance of the year to which they relate.

The Procurement Arrangements (PA) are contributions in kind foreseen in the ITER Agreement and signed between the ITER Organization and each Member. They are called long-term in-kind contributions (LTIK). LTIK credits are directly recognized in the Statement of Financial Performance upon validation of their delivered milestones or work performed ('credit request mechanism').

The measurement basis applied for cash transactions is at historical cost. Assets and liabilities arising from PAs are measured and accounted at their agreed values (as defined in the ITER Agreement).

The 'Common Fund' is the initial 'Trust Fund' created by the International Atomic Energy Agency (IAEA) to launch the ITER Project in 2006. In the Financial Statements, these funds received by the ITER Organization were 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 ITER Organization has developed the ITER Project Associates (IPA) scheme to increase flexibility in the use of ITER Organization and Domestic Agency resources and to strengthen cooperation between the ITER Organization and institutions or bodies of the Members (including Domestic Agencies). This scheme allows staff of Member institutes, universities, industrial enterprises, and other relevant bodies (termed as Home Institutes) to participate in the ITER Project. Detailed Implementing Agreements (IAs) are signed between the ITER Organization and the Home Institutes (HI) to assign individuals or a group of IPAs. They take into account the Member/Country specificities and financial aspects.





The buildings housing the ITER machine and plant are all contained on this one-kilometre-long platform, with the Tokamak Complex at its centre. Down from the platform (in the foreground), ITER Headquarters offers desks and meeting spaces for approximately 800 people.

Administrative agreements are agreements with Domestic Agencies, DA Institutes, Member/Domestic Agency-related entities etc., to enable the ITER Organization to provide them with administrative, logistical and/or other services (outside the ITER Council-approved IO budget).

The Partnership Arrangement with the Principality of Monaco concluded for ten years in 2008 has been renewed for another term.

Since 2013, the ITER Organization has signed arrangements/Memoranda of Understanding (MoU) with the Domestic Agencies for undertaking some construction activities on their behalf. Financial resources for the ITER Organization's execution of these arrangements are being provided separately by the Domestic Agencies concerned (outside the ITER Council-approved IO budget).

Revenue from these construction contracts and the Partnership Arrangement is recognized only to the extent of contract costs incurred that it is probable to be recovered, and contract costs are recognized as an expense in the period in which they are incurred/used. Any excess of revenue/costs over associated costs/revenue is shown as payable/receivable in Notes A9/A5.

The costs incurred by the ITER Organization arising from these construction contracts (on behalf of the Domestic Agencies) and the Partnership Arrangements are therefore not directly considered part of the construction cost of the experimental equipment. Details of these Construction Contracts and the Partnership Arrangements are disclosed in Notes A16, A17 and B5.

The address of the ITER 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 et aux Énergies Alternatives (CEA) for the duration of the ITER Project (initially foreseen to end in October 2042).

### Internal Audit

The ITER Organization's Internal Audit Service (IAS) performs independent audits on transversal matters.

It follows a risk-based audit approach to identify and select activities to review. This approach provides a systematic basis for prioritizing internal audit work. The aim is to ensure that all the ITER Organization's identified major business and financial management risks are independently reviewed within a cycle of three years. In doing so, the IAS takes into consideration the input provided by the Financial Audit Board (FAB) and the ITER Organization's Quality Management Division (QMD).

In 2021, management has made good progress in taking action on the IAS Recommendations resulting from the IAS audit reports.

### Risks and Uncertainties

The ITER Organization runs the risk of direct and indirect impacts on the project schedule and/or costs arising from a wide variety of causes associated with its processes, staff, technology and infrastructure, including site preparation and construction of the research assets. These risks also involve external factors such as those related to the ITER supply chain (including the Domestic Agencies), Member contributions, legal and regulatory requirements, environmental factors, and adherence to accepted standards of corporate behaviour. Moreover, since spring 2020, the added pressure of the Covid-19 pandemic has exposed the ITER Organization to further risks that affect many aspects of its business.

The Risk and Opportunity Management (R&OM) framework has been substantially strengthened over the years, especially after adoption of the Baseline 2016. Decisions on the handling of significant risks are reviewed regularly by the independent senior body, the Project Risk and Opportunity Management Committee Working Group (PROMC-WG), for decision by the Configuration Control Board and the Executive Project Board. Many of these risks are known risks and are dealt with through the R&OM framework.

Major manufacturing risks to First-of-a-Kind (FOAK) components continue to decrease as the first component(s) of the major component series arrived on the ITER site after the Final Acceptance Test took place on the premises

of the suppliers. FOAK-assembly works are ongoing. Manufacturing progress is being globally achieved – despite delays caused by the ongoing COVID-19 pandemic. The large components continue to experience transportation delays due to secondary COVID-19 impacts. The ITER logistics provider considers that these delays could continue until summer 2022 as the pandemic has been impacting industry and transportation sectors globally since early 2020.

Therefore, continuously identifying opportunities to compensate for such unknown risks and emerging FOAK risks remains a key activity. Opportunities are a valuable source of savings to free up contingencies for the ITER Project. The ITER R&OM Team works closely with all stakeholders to identify and manage new schedule and cost opportunities. These identified opportunities are captured in the ITER Project Risk and Opportunity Register (PROR), updated following the R&OM procedure and reported on a regular basis to the relevant stakeholders.

The R&OM framework is also applied to the process of contract award and management, and all the major contract awards related to fabrication/construction and manufacturing invariably have to be accompanied by R&OM documents that are evaluated by the ITER Organization's Technical Responsible Officers.

Following the decision of the ITER Council at its twenty-eighth meeting (IC-28), in June 2021, the IO launched work aiming at a first proposal for updates to the Overall Project Schedule and Cost in spring 2022, and approval of the finalized proposal in autumn 2022. Work is proceeding in close collaboration with the Domestic Agencies. Once approved by the ITER Council, the updates to the Overall Project Schedule and Cost will contribute enormously to reducing project risk.

An organization-wide review of the corporate risk portfolio (as opposed to project risk portfolio) is carried out annually applying the same R&OM principles as for the management of project-related risks. On this basis, the audit plans are developed for the ensuing period.

### Highlights

Activity was intense in the ITER Assembly Hall in 2021, with giant components entering and exiting in different stages of handling, pre-assembly, lifting and transport. The two main machine assembly contractors have learned to share tooling and common services in an efficient manner as they execute work packages under the oversight of ITER Organization and MOMENTUM (Construction Management-as-Agent) teams. In one of the tall sector sub-assembly tools in the Hall, final alignment was achieved on the first building block of the ITER plasma chamber—one vacuum vessel sector, two toroidal field coils and thermal shield panels were aligned to within 1 mm of tolerance in the radial, toroidal and vertical directions. This is a major achievement that smooths the way for the similar assembly of eight other sub-assemblies in the months and years ahead.

Inside the Tokamak Pit, 2021 highlights included the welding of the cryostat lower cylinder to the cryostat base, the installation of poloidal field coils #6 and #5, the positioning of the lower cryostat thermal shield, and the lowering of the first correction coils into place. Readiness activities were also completed for the reception of the first vacuum vessel sub-assembly, which will be installed during the first quarter of 2022. When a second vacuum vessel sector is installed

on temporary supports and welding begins to join the two sectors, machine assembly will have officially begun for the purposes of nuclear licensing in France; before this date, the French nuclear authorities (ASN) must lift the machine assembly hold point based on a supporting file presented by the ITER Organization.

Deliveries arrived daily from the ITER Domestic Agencies, both large and small. Despite well-documented congestion in international shipping, feeder components, transformers, busbars, cooling water equipment—as well as smaller system elements—successfully reached ITER's warehouses, where detailed preservation activities are in place to ensure that each component is maintained in optimum condition during storage. Delay was more pronounced for ITER's largest components, although the ITER community was able to celebrate the arrival of a second vacuum vessel sector from Korea, two central solenoid modules from the United States, and six toroidal field coils from Europe and Japan.

On site, a second poloidal field coil was completed by Europe (PF2), and India is advancing the assembly of the last of four cryostat sections—the top lid. Major progress has been achieved on plant support systems, with completion of the heat rejection zone, reactive power compensation, and harmonic filtering. Commissioning will begin on these systems as well as the ITER cryoplat in 2022. Buildings and site infrastructure required for First Plasma are 83 percent complete and work is underway on two new projects: the ITER Control Building and neutral beam power area.

At the 29<sup>th</sup> Meeting of the ITER Council in November 2021, ITER Members acknowledged that it no longer appears to be technically possible to achieve First Plasma in 2025. Three factors are contributing to the delay: the overall impact of the Covid-19 pandemic on the project schedule, slow progress in the manufacturing of some critical components, and external circumstances such as supply chain and maritime transport issues that are affecting final component delivery dates and, in a knock-on effect, the assembly and installation schedule. While encouraging every ITER Member to continually investigate every opportunity for schedule recovery, the ITER Council has asked the ITER Organization to prepare an update of the Baseline 2016 for consideration at its next meeting. The Council has also requested the ITER Organization and its collaboration partners to take all possible measures to ensure Fusion Power Operation in 2035 as currently planned.



On an open wing of this sector sub-assembly tool (SSAT2), a toroidal field coil has been positioned.





Standing at the bottom of the 30-metre-deep Tokamak pit, looking up toward the crane hall.



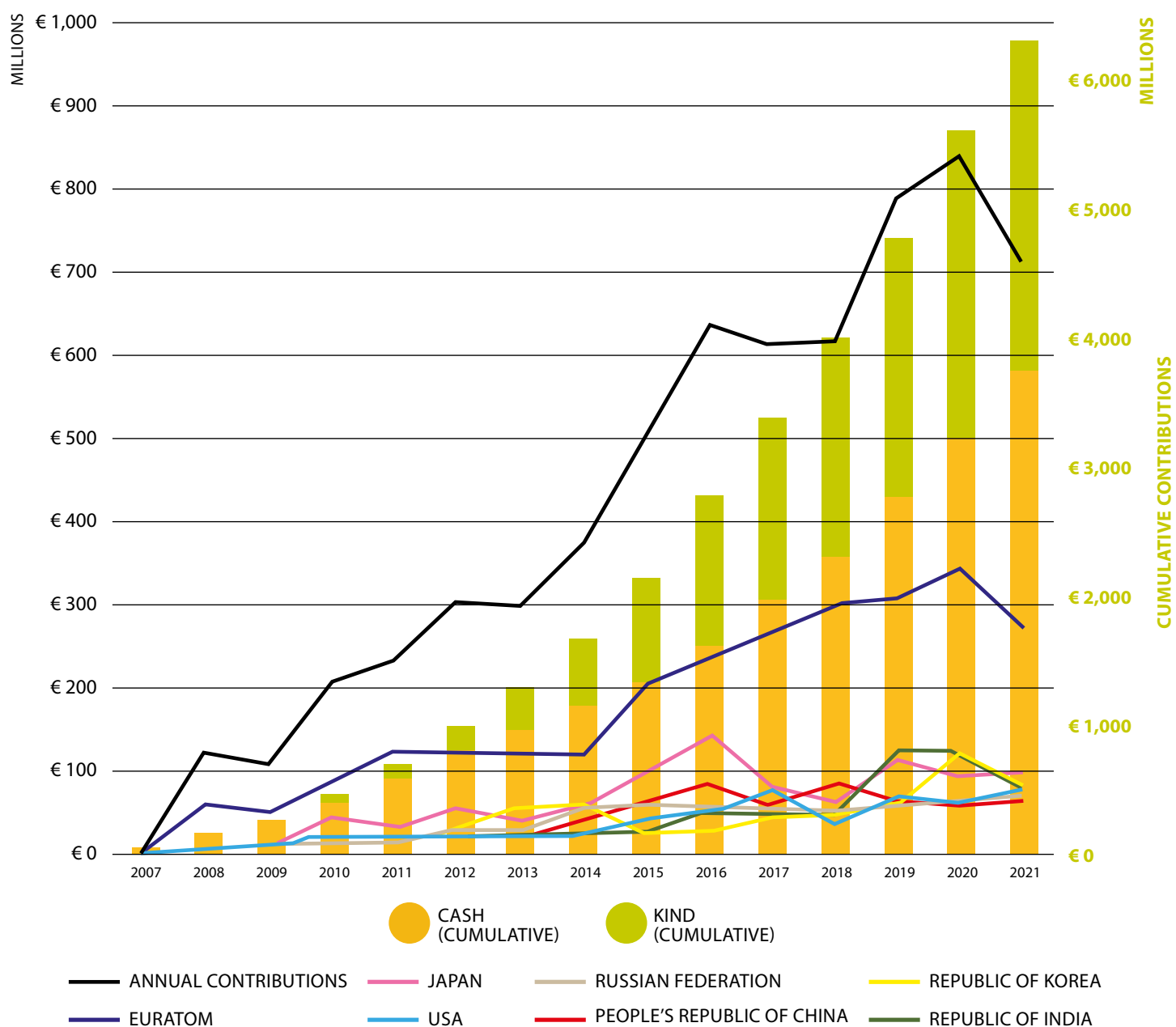
## STATEMENT OF CUMULATIVE CONTRIBUTIONS AS AT 31 DECEMBER 2021

Amounts in thousands of Euro

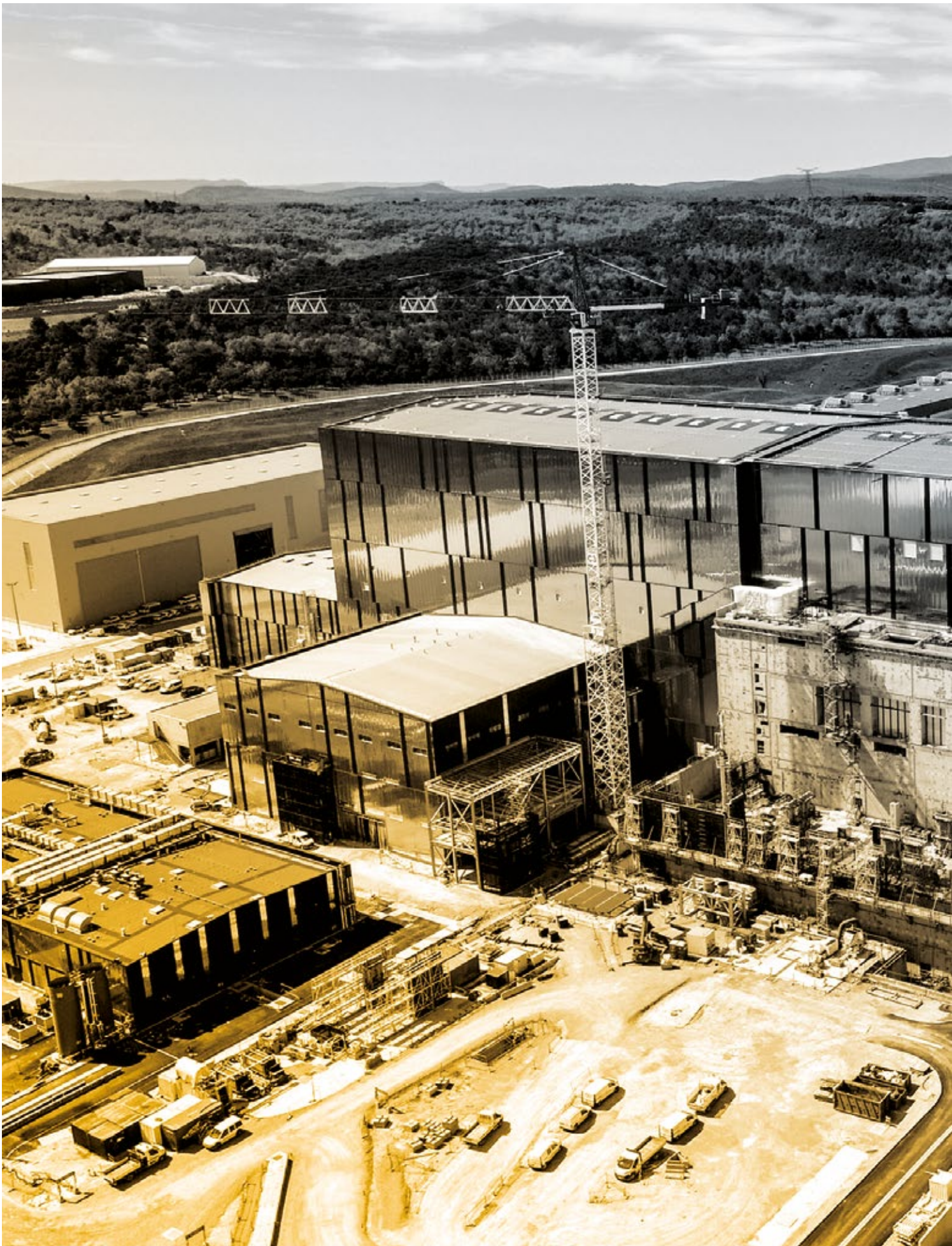
	Calls for Cash Contributions		Contributions in Kind		Total Contributions	
	Amount	%	Amount	%	Amount	%
Euratom (*)	1,690,208	44.89%	897,828	34.54%	2,588,036	40.66%
People's Republic of China	338,852	9.00%	254,870	9.80%	593,722	9.33%
Republic of India	345,676	9.18%	267,539	10.29%	613,215	9.63%
Japan (*)	333,471	8.86%	574,229	22.09%	907,700	14.26%
Republic of Korea	343,470	9.12%	257,704	9.91%	601,174	9.45%
Russian Federation	347,286	9.22%	195,793	7.53%	543,079	8.53%
United States of America	366,173	9.73%	151,534	5.83%	517,707	8.13%
<b>TOTAL</b>	<b>3,765,138</b>		<b>2,599,496</b>		<b>6,364,634</b>	

(\*) Cumulative credits granted to Japan include a contribution from the European Union corresponding to IUA 184,440.96 amounting to EUR 324.20 million (including IUA 8,282.28 for deliverables achieved in 2021) for procurements for which the responsibility has been transferred to Japan within the framework of the transferred procurement responsibilities from Euratom to Japan.

### OVERALL CONTRIBUTIONS







*Powerful bridge cranes travel the full length of this tall double building, from component entry (left end) to installation in the pit (right end).*



# ITER ORGANIZATION 2021 FINANCIAL STATEMENTS





## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

Amounts in thousands of Euro

	Note	31.12.2021	31.12.2020
<b>ASSETS</b>			
<b>Current Assets</b>		<b>1,017,513</b>	<b>882,973</b>
Cash and Cash Equivalents	A3	746,319	622,607
Recoverables from Non-Exchange Transactions	A4	219,549	216,100
Receivables from Exchange Transactions	A5	48,086	41,603
Prepayments	A6	3,559	2,664
<b>Non-Current Assets</b>		<b>6,145,257</b>	<b>5,449,571</b>
Property, Plant and Equipment	A7	6,140,883	5,444,522
Intangible Assets	A8	4,372	5,047
Financial Assets		2	2
<b>TOTAL ASSETS</b>		<b>7,162,770</b>	<b>6,332,544</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>583,291</b>	<b>485,802</b>
Payables	A9	578,771	481,656
Employee Benefits Liabilities	A10	3,974	4,146
Provisions	A20	546	-
<b>Non-Current Liabilities</b>		<b>6,579,478</b>	<b>5,846,742</b>
Deferred Revenue	A11	6,579,478	5,846,742
<b>TOTAL LIABILITIES</b>		<b>7,162,770</b>	<b>6,332,544</b>
<b>NET ASSETS/EQUITY</b>			
Brought forward surplus		-	-
<b>TOTAL NET ASSETS/EQUITY</b>		<b>-</b>	<b>-</b>

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2021

Amounts in thousands of Euro

	Note	2021	2020
<b>REVENUE</b>			
Operational Revenue	A12	8,681	8,702
Construction Contracts	A16	39,360	40,156
Partnership Arrangements	A17	416	464
Other Revenue	A13	2,553	1,961
<b>TOTAL REVENUE</b>		<b>51,010</b>	<b>51,283</b>
<b>EXPENSES</b>			
Employee Benefits Expenses	A14	147,818	140,354
Other Expenses	A15	103,851	89,429
Depreciation of Property, Plant and Equipment	A7	6,034	5,453
Amortization of Intangible Assets	A8	2,647	3,249
Provisions	A20	546	-
<b>TOTAL EXPENSES</b>		<b>260,896</b>	<b>238,485</b>
Activity costs capitalized for the machine under construction	A7	209,885	187,202
<b>SURPLUS (DEFICIT) FOR THE PERIOD</b>		<b>-</b>	<b>-</b>

## STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

Amounts in thousands of Euro

	2021	2020
<b>Balance at 1 January</b>	-	-
Surplus (deficit)	-	-
<b>NET ASSETS/EQUITY AT 31 DECEMBER</b>	-	-

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Amounts in thousands of Euro

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Contributions from Members	575,474	381,802
Inter-Organization Non-Conformities	-	57
Construction Contracts	49,679	88,610
Partnership Arrangements	504	506
Administrative agreements	7,944	14,098
Interest received	632	577
VAT reimbursement	2,796	3,179
<b>Payments</b>		
Construction Contracts	(20,679)	(45,644)
Partnership Arrangements	(406)	(386)
Administrative agreements	(3,045)	(1,817)
Other	(2,876)	(3,725)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>610,022</b>	<b>437,257</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
VAT reimbursement	54,488	33,858
Other	2,144	455
<b>Payments</b>		
Capital expenditure	(542,963)	(455,350)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(486,330)</b>	<b>(421,037)</b>
Net (decrease)/increase in cash and cash equivalents	123,692	16,220
Effects of exchange rate changes on the balance of cash held in foreign currencies	20	(39)
Cash and cash equivalents at 1 January	622,607	606,425
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>746,319</b>	<b>622,607</b>





*In September, ITER Director-General Bernard Bigot introduces European Commissioner for Energy Kadri Simson to the ITER Project and ongoing construction activities.*

## COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

### OVERALL PROJECT COST CASH (OPC CASH)

Amounts in thousands of Euro

	Chapter	Initial budget 2021	Final budget 2021	Actual amounts 2021	Actual amounts 2020
<b>INCOME</b>					
Contributions from Members	71	531,282	531,282	531,282	463,373
Internal Tax	72	26,201	26,201	27,920	26,282
Financial Income	73	1,000	1,000	648	541
Other Income	74	-	-	-	500
<b>TOTAL INCOME</b>	<b>(a)</b>	<b>558,483</b>	<b>558,483</b>	<b>559,850</b>	<b>490,696</b>
<b>PAYMENTS</b>					
Direct Investment (Fund)	11	268,080	264,786	263,981	209,902
R&D Expenditure	21	108	38	45	60
Staff Expenditure	31	153,333	150,250	145,095	136,132
Organizational Expenditure	32	136,961	143,409	110,893	94,627
<b>TOTAL PAYMENTS</b>	<b>(b)</b>	<b>558,483</b>	<b>558,483</b>	<b>520,013</b>	<b>440,721</b>
<b>BUDGETARY OUT-TURN</b>	<b>(a)-(b)</b>	<b>-</b>	<b>-</b>	<b>39,837</b>	<b>49,975</b>





A 330-tonne, D-shaped coil travels from Japan. Eleven of the 19 toroidal field coils expected are now on site.

# NOTES TO THE 2021 FINANCIAL STATEMENTS

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## NOTE A1: BASIS OF PREPARATION

The 2021 Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and the Project Resource Management Regulations of the ITER Organization (PRMR), the former being published by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC).

The measurement basis applied for cash transactions is at historical cost. In the absence of a better means to assess the fair value of components of the experimental machine, assets and liabilities arising from Procurement Arrangements (PAs) are measured and accounted at their agreed values as defined in the ITER Agreement.

The full cost capitalization approach, adopted by the ITER Organization, implies that Members' contributions and other revenue are deferred over the construction period but also that depreciation/amortization and write back to revenue of the deferred revenue are equivalent.

During the Construction Phase, certain costs, such as the depreciation and amortization of the activated non-current assets, are expensed to the Statement of Financial Performance and also the equivalent amount of Members' contributions is shown as revenue recorded in the Statement of Financial Performance under the heading 'Operational Revenue'.

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, the entity has sufficient resources, and intends to complete the development and use the asset. The ITER Organization considers that during the Construction Phase no research costs can be recognized.

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 ITER Organization, and that the cost or fair value of the item has been measured reliably. Such expenditure is incurred in accordance with the ITER Organization's objectives and therefore is considered to meet the 'service potential' criteria.

The Cash Flow Statement is presented using the 'Direct Method' which gives a better understanding of the gross cash receipts and payments. During the Construction Phase, all movements attributable to Capital Expenditure are considered as investing activities whereas the others are operating.

The Budgetary Statements are prepared on a modified cash basis as defined in Note B1. The reconciliation between the Cash Flow Statement and the Budgetary Out-Turn is provided in Note A19.

### **Effect of forthcoming accounting standards**

Three new IPSAS standards are not yet effective for the year ended 31 December 2021 and have not been adopted for the preparation of these Financial Statements.

#### **• IPSAS 41 Financial Instruments**

IPSAS 41 sets out requirements for recognition and measurement of financial instruments, including impairment, de-recognition and general hedge accounting. IPSAS 41 replaces IPSAS 29 Financial Instruments: Recognition and Measurement, while providing entities with a transitional option to continue to apply the hedge accounting requirements of IPSAS 29.

The ITER Organization has reviewed the standard and is not expecting any material impact from the adoption of the new standard on 1 January 2023.

#### **• IPSAS 42 Social Benefits**

IPSAS 42 helps users of the financial statements and general purpose financial reports to assess the nature of social benefits provided by the entity, the features of the operation of social benefit schemes and the impact of social benefits on the entity's financial performance, financial position and cash flows.

The ITER Organization has reviewed the standard and is not expecting any material impact from the adoption of the new standard on 1 January 2023.

#### **• IPSAS 43 Leases**

IPSAS 43 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IPSAS 43 will supersede IPSAS 13 Leases when it becomes effective for accounting periods beginning on or after 1 January 2025. The ITER Organization is actually reviewing the standard to determine the best approach to apply it.

## **NOTE A2: SIGNIFICANT ACCOUNTING POLICIES**

### **Foreign Exchange Accounting**

The Financial Statements are presented in thousands of Euro, which is the ITER Organization's functional and presentation currency.

Transactions in foreign currencies are converted into Euro at exchange rates prevailing on 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/budg/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 ([https://www.ecb.europa.eu/stats/policy\\_and\\_exchange\\_rates/euro\\_reference\\_exchange\\_rates/html/index.en.html](https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html)).

As indicated in the Section 'Revenue Recognition', the ITER Organization's revenue comes mainly from Members' contributions to finance the phases of the ITER Project. The cost estimates for the Construction and Operation Phases have been determined using the IUA unit of currency.

### **Use of Estimates and Judgements**

The preparation of the 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 ongoing 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**

In the Statement of Financial Position, items of property, plant and equipment (PPE) are shown at historical cost, after deduction of accumulated depreciation and accumulated impairment losses. PPE includes the costs associated with the construction of the experimental machine ('Machine under construction') together with associated infrastructure and pre-operation activity costs.

It also includes land and buildings, fixtures and fittings, vehicles, IT telecom, office equipment and furniture necessary to conduct the project.

The cost of a PPE item comprises its purchase price, 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 those 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 costs of materials and any other costs (including tools) directly attributable to bringing the asset to 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 recorded at agreed values with Members using the Euro/IUA conversion rate prevailing for the year of their completion (acceptance date by the ITER Organization).





The European Domestic Agency Fusion for Energy and its contractors celebrate the completion of the first ring-shaped magnet produced on site at ITER.



Concerning the technical nature of the ITER Project and the intrinsic difficulty in identifying separate useful lives to such costs, related expenditure is capitalized as 'Machine under Construction' and depreciated over a uniform period. The construction of some assets may take place in the country of a Member over several years.

With regard to Accounting, 'Machine under Construction' comprises the following four elements:

- **IO Activity costs capitalized** - for all other costs needed to support the construction of the ITER Machine;
- **IO Direct Investments** - for items procured directly by the ITER Organization;
- **Advances on Procurement Arrangements (ADV)** - for milestones that have been fully achieved and accepted by the ITER Organization;
- **Capital Work In Progress (CWIP)** - when all milestones related to a Procurement Arrangement have been fully accepted, potentially with reserve, by the ITER Organization.

Completed buildings financed through Procurement Arrangement are transferred from ADV/CWIP to the Building asset class.

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

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 begin when it is available for intended use; this is expected to be at the start of the Operation Phase.

The estimated useful life of PPE is as follows:

Asset class	Useful life
Buildings	7 - 30 years
Equipment experimental assets	20 - 30 years
Fixtures and fittings	10 - 20 years
Furniture, equipment	8 years
Transport equipment	4 years
IT, telecom equipment	4 years

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

In accordance with the ITER Organization's rules, acquisitions of PPE which are individually below 5 IUA are expensed directly to the Statement of Financial Performance. When such expenses are incurred and the aggregate of these costs for a common group of assets exceeds 5 IUA, the costs may be capitalized even though some of the individual items/materials are less than 5 IUA.

Major spare parts and stand-by equipment (used only in connection with an item of PPE) qualify as property, plant and equipment as the ITER Organization expects to use them during more than one period. They are measured at the lower of the cost and the net realizable value except when received in kind from the Members. In such a case they are measured at their agreed value. Their costs are based on the principle of the weighted average unit price, and include expenditure incurred in acquiring them, conversion costs and other costs incurred in bringing them to their existing location and condition.

### Impairment

The carrying values of PPE 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 take into account technological developments, changes in the major assumptions of the ITER Organization, and any unforeseen difficulties which may require a revision of the asset's useful life applied or an impairment charge. These reviews are performed on a yearly basis.

### 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 ITER Organization, and if the cost or fair value of the item can be measured reliably. Such expenditure is incurred in accordance with the ITER Organization's objectives and is considered to meet 'service potential' criteria.

In the Statement of Financial Position, intangible assets acquired by the ITER Organization which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Expenditure on Intangible Assets 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.



Night falls on the ITER site but work continues.



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

The estimated useful life is as follows:

Asset class	Useful life
Software	4 years

Amortization methods and useful lives are reviewed on each reporting date.

Acquisition of Intangible Assets which are individually under 5 IUA is expensed directly to the Statement of Financial Performance.

### Employee Benefits

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

#### • Defined contribution pension plan

The ITER Organization has a defined contribution pension plan for its employees, which is a post-employment benefit plan under which it pays fixed contributions to 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 ITER Organization 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 ITER Organization. These employer contributions are expensed in the period in which the employees have rendered the related services.

Termination benefits are payable to employees under certain circumstances prescribed in the Staff Regulations of the ITER Organization (hereinafter Staff Regulations). The amount of the termination benefits payable depends on the length of service of the employee concerned. Termination benefits are recognized as an expense upon termination of the employment contract for one of the reasons stipulated in the Staff Regulations.

#### • End-of-contract departure and removal costs

Considering the nature of the employment conditions of the ITER Organization staff, and related uncertainties in estimation, the end-of-contract departure and removal costs are charged in the year in which they are incurred.

### Revenue Recognition

ITER Organization revenue comprises contributions from the Members, internal tax, financial revenue, revenue from construction contracts, exchange rate gains, insurance claim reimbursements, liquidated damages, donations, sponsorships, the contribution resulting from the Partnership Arrangements with the Principality of Monaco and other miscellaneous income.

#### • Contributions from the Members

Contributions from the 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 by Members at year-end is 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).

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

#### • Internal Tax

An Internal Tax is applied to the basic salary of the ITER Organization's employees for the purpose of ensuring fair taxation for all its staff. Funds are collected monthly by the ITER Organization and set off against the Members' Contributions. This revenue is deferred and will be used for salaries, related benefits and infrastructure.

#### • Financial Revenue

Financial Revenue is revenue generated by the cash held on secured fixed-term deposits and interest-bearing accounts in the banks. This revenue is deferred and will be used whenever required and agreed by the ITER Council.

#### • Grants, Donations and Sponsorship

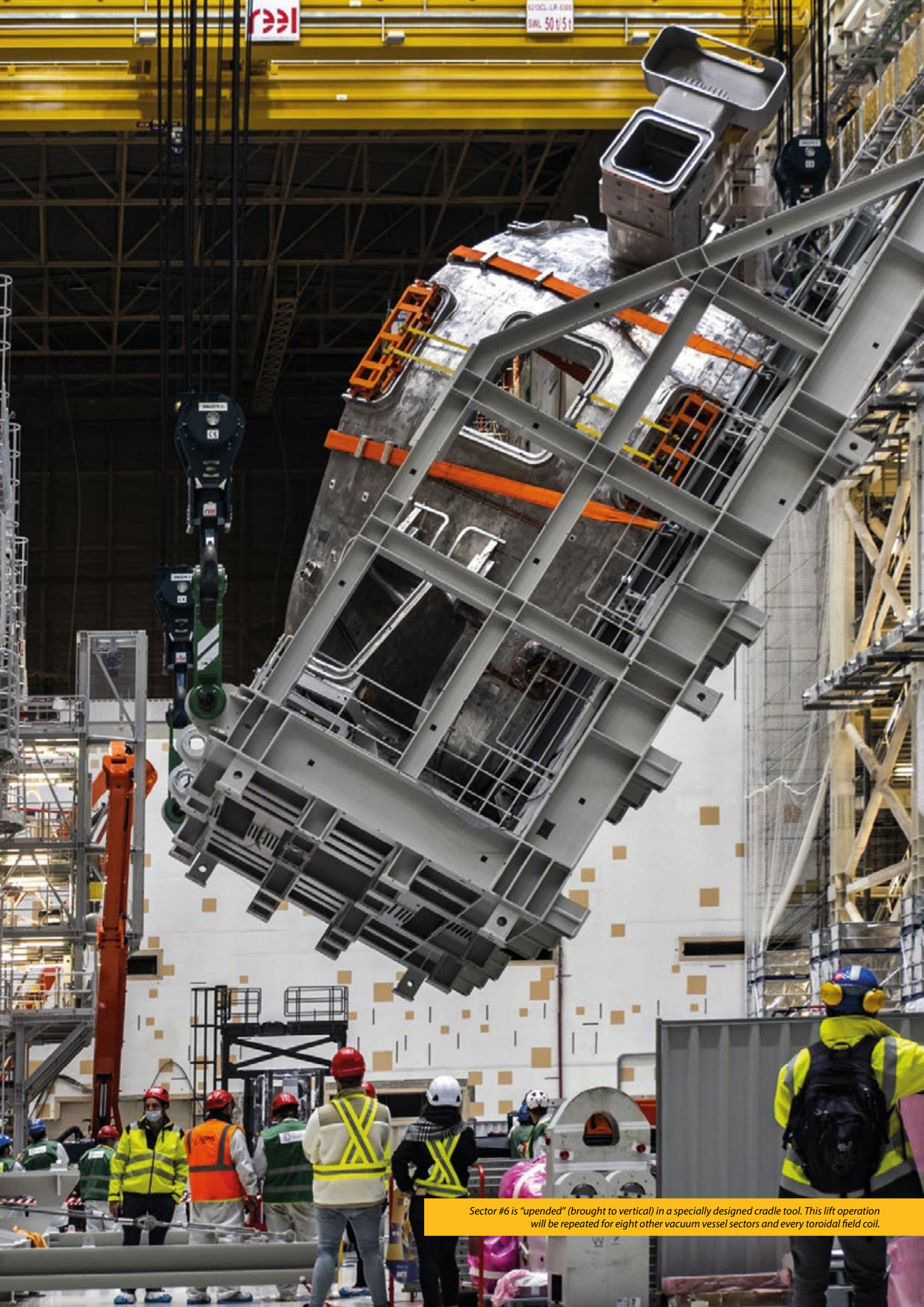
Grants are voluntary in-kind donations from public sector organizations which are recorded as revenue in the year of their reception and then deferred.

The Donations and Sponsorship policy was agreed by the ITER Council at its thirteenth meeting (IC-13) in November 2013 under certain conditions. These additional resources, if any, do not modify the level of the agreed Members' Contributions nor its sharing. The costs incurred by the ITER Organization arising from any donation or sponsorship agreements are therefore not considered as part of the construction costs of the experimental equipment.



Thousands of kilometres of armoured cables run belowground in a maze of galleries to distribute power from the switchyard to the plant systems.





Sector #6 is "upended" (brought to vertical) in a specially designed cradle tool. This lift operation will be repeated for eight other vacuum vessel sectors and every toroidal field coil.





*In this trial, a radial beam is positioned with precision between supports on the concrete wall and the central column tool. Next time, there will be a vacuum vessel module in tow.*



## Deferred Revenue

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

Most of the ITER Organization's revenue comes from contributions from the Members which could be either in the form of cash, reserve fund, short-term in-kind contributions (seconded staff and Task Agreements) and long-term in-kind contributions (through Procurement Arrangements). Other revenue consists of internal tax (levied on the salaries of the ITER Organization staff), and financial revenue etc. The ITER Organization utilizes these contributions and other revenue in order to enable it to construct and operate, and thereafter deactivate and decommission, the ITER experimental machine.

Contributions from the Members and other revenue used to acquire tangible or intangible assets have to be deferred and written back to revenue over the useful life of the related assets (mainly the ITER experimental machine). For the contributions and other revenue used to create the ITER machine, the write-back will start after the machine is ready for use. Such contributions from Members (in cash or in kind) are recorded as deferred revenue during the Construction Phase and will be taken back to revenue during the Operation Phase/utilization period through the write-back mechanism, correspondingly reducing the total amount of deferred revenue. Currently, such contributions and other revenue related to the ITER experimental machine remain fully deferred.

For other assets (e.g.: office buildings, vehicles, IT equipment, furniture and fittings etc.), this write-back has already commenced from the dates when these assets were ready for use.

## Construction Contracts

As the outcome of the ITER Organization's construction contracts cannot be estimated reliably, the revenue and costs from fixed price construction contracts are recognized based on the following method:

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

If and when the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as an expense. As ITER Organization expects to be able to recover all costs on all construction contracts, no such losses are recognized during work in progress.

ITER Organization determines contract costs and progress billings on a contract-by-contract basis. For contracts where contract costs incurred to date exceed progress billings, the surplus is shown under 'Construction contracts' as a receivable on the Statement of Financial Position (Note A5).



Europe is responsible for delivering five vacuum vessel sectors. Work is well advanced.

For contracts where the amounts received on progress billings exceed contract costs incurred to date, the surplus is shown under 'Construction Contracts' as Payable (Note A9) on the Statement of Financial Position. Advance billing (above the progress of the work performed) not received by the ITER Organization at the reporting date is disclosed in Note A16.

## Provisions

A provision is recognized if, as a result of a past event, the ITER Organization 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 Decommissioning/Site Restoration

In light of the PRMR provisions, the Members shall contribute jointly through the Budget of the ITER Organization to the accumulation of the Decommissioning Fund from the date of First Plasma throughout the Operation Phase. This will be done by making regular annual payments through the Budget of the ITER Organization. Upon achievement of First Plasma, the Decommissioning Fund will be established accordingly.

## Segment Reporting

The ITER Organization considers that all its activities are linked to a single 'Construction' segment.

## Financial Instruments

The ITER Organization has very little exposure to financial risks as most of its financial assets are kept in Euro. Cash balances on deposits are held in interest-bearing bank accounts or short fixed-term deposits which are expected to be held to maturity.

The Japanese Yen and US Dollar bank accounts are valued in Euro using official year-end exchange rates prevailing on the reporting date.



### NOTE A3: CASH AND CASH EQUIVALENTS

Amounts in thousands of Euro

	31.12.2021	31.12.2020
<b>Cash at bank - Euro accounts</b>	<b>234,957</b>	<b>226,999</b>
BNP Paribas, France	177,901	194,962
Caisse d'Epargne, France	20	-
Crédit Mutuel, France	57,036	32,036
<b>Cash at bank - JP Yen account</b>	<b>1</b>	<b>1</b>
BNP Paribas, France	1	1
<b>Cash at bank - US Dollar accounts</b>	<b>522</b>	<b>299</b>
BNP Paribas, France	96	133
Bank of the West, USA	488	224
Cheques issued and not yet disbursed	(62)	(58)
<b>Saving/Deposits with banks - Euro accounts</b>	<b>510,839</b>	<b>395,308</b>
BNP Paribas, France	0	0
Caisse d'Epargne, France	75,000	80,000
Crédit Agricole PCA, France	205,315	175,000
Crédit Mutuel, France	230,524	140,308
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>746,319</b>	<b>622,607</b>

The balance of the ITER Organization's cash and cash equivalents arises from Members' contributions and other cash receipts including those related to Construction Contracts, the annual contribution from the Partnership Arrangements with the Principality of Monaco, the financial revenue and the other arrangements.

At year-end, it includes EUR 193.46 million received in advance from the Members toward their 2022 cash contributions, EUR 264.93 million for Construction Contracts, Partnership Arrangements and Donations, EUR 15.74 million of financial income, and the balance mainly represents the unused paid Members' contributions.

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 Euro using official European Central Bank year-end exchange rates prevailing on 31 December 2021.

In 2021, Financial Revenue of EUR 1.89 million was earned by the ITER Organization. This amount represents an average rate of return of 0.34% of the average daily available cash balance (invested). In comparison, the average 2021 Eonia® (Euro OverNight Index Average) index was -0.48%.

As the ITER Organization is financed through public funding, the investments are limited to low-risk opportunities (only secured deposits/investments are allowed as stipulated in the Investment Procedure approved by the Director-General).

## NOTE A4: RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS

Amounts in thousands of Euro

	31.12.2021	31.12.2020
<b>Members' cash contributions yet to be received</b>	<b>201,242</b>	<b>197,311</b>
People's Republic of China	651	-
Republic of India	130,955	128,961
Republic of Korea	2,474	629
United States of America	67,162	67,720
<b>Other recoverables from non-exchange transactions</b>	<b>18,307</b>	<b>18,789</b>
Taxes – United States of America	559	562
Taxes – France	17,732	18,225
Other	16	2
<b>TOTAL RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS</b>	<b>219,549</b>	<b>216,100</b>

Out of the EUR 201.24 million in Cash Contributions yet to be paid by the Members, EUR 42.03 million have been due for more than one year and EUR 159.21 million have been due for less than one year.

'Taxes' represents the amounts paid by the ITER Organization (e.g.: Value Added Tax (VAT), Electricity taxes etc.). As the ITER Organization is exempt from paying taxes it periodically requests the Host State and/or the United States of America to reimburse these taxes (within twelve months).

The Recoverables from Non-Exchange Transactions related to accrued in-kind contributions from Members are not disclosed above as they are offset against their counterpart (payables related to accrued in-kind procurement).





Work resumes in 2021 on the Tritium Building after a multiyear pause, declared in order to focus all efforts on completing the crane hall.



## NOTE A5: RECEIVABLES FROM EXCHANGE TRANSACTIONS

Amounts in thousands of Euro

	31.12.2021	31.12.2020
Down payments to suppliers	41,889	37,785
Accrued interest	2,860	1,599
EU Domestic Agency	1,244	594
CN Domestic Agency	700	-
IN Domestic Agency	114	311
JA Domestic Agency	361	360
US Domestic Agency	31	29
Other	885	924
<b>TOTAL RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>	<b>48,086</b>	<b>41,603</b>

- 'Down payments to suppliers' shows the open amount paid to suppliers for financing their long-lead procurement items. Where material, these amounts are covered by guarantees.
- 'Accrued interest' is the financial revenue generated during the reporting period but not yet received (cash on deposits is held in secure interest-bearing bank accounts or short-term deposits).
- 'Domestic Agencies' represents the amounts due for goods and services (not included in the ITER Organization's scope), including accruals, provided by the ITER Organization to each Domestic Agency.
- 'Other' mainly represents an outstanding recoverable under tight scrutiny with an Indian supplier for EUR 0.77 million and EUR 0.06 million for delay damages.

## NOTE A6: PREPAYMENTS

Amounts in thousands of Euro

	31.12.2021	31.12.2020
License fees	1,906	1,317
Cooling water	610	-
Maintenance and repair	345	195
Maintenance licenses	337	613
Insurance	195	171
Rent warehouse	91	251
Subscriptions	67	94
Other	7	22
<b>TOTAL PREPAYMENTS</b>	<b>3,559</b>	<b>2,664</b>

Prepayments correspond to payments made in 2021 for which the acquired goods/services relate to 2022 or beyond (deferred charges).



## NOTE A7: PROPERTY, PLANT AND EQUIPMENT (PPE)

Amounts in thousands of Euro

	Buildings	Fixtures and fittings	Furniture, IT, telecom, transport equipment	'Machine' under Construction (MuC)					Total
				Activity costs capitalized	Direct investment	PA advance	PA Capital work in progress	Total MuC	
<b>COST</b>									
<b>BALANCE 01.01.2020</b>	111,767	2,081	11,767	1,492,098	881,489	923,569	1,215,080	4,512,235	4,637,850
Additions	2,162	461	2,083	187,202	268,597	356,754	25,816	838,369	843,074
Transfers	440	-	218	-	(658)	-	-	(658)	-
Transfers to Intangible Assets	-	-	-	-	(485)	-	-	(485)	(485)
<b>BALANCE 31.12.2020</b>	114,368	2,541	14,068	1,679,300	1,148,943	1,280,322	1,240,896	5,349,461	5,480,439
Additions	1,916	75	948	209,885	309,855	92,248	87,974	699,962	702,901
Transfers	1,729	-	-	-	147,070	-	(148,799)	(1,729)	-
Transfers to Intangible Assets	-	-	-	-	(506)	-	-	(506)	(506)
<b>BALANCE 31.12.2021</b>	118,014	2,616	15,016	1,889,185	1,605,362	1,372,570	1,180,071	6,047,188	6,182,834
<b>ACCUMULATED DEPRECIATION</b>									
<b>BALANCE 01.01.2020</b>	(20,179)	(758)	(9,527)						(30,463)
Depreciation of the year	(4,046)	(208)	(1,198)						(5,453)
<b>BALANCE 31.12.2020</b>	(24,225)	(966)	(10,725)						(35,916)
Depreciation of the year	(4,420)	(235)	(1,379)						(6,034)
<b>BALANCE 31.12.2021</b>	(28,645)	(1,202)	(12,104)						(41,950)
<b>NET CARRYING AMOUNT</b>									
<b>BALANCE 31.12.2020</b>	90,143	1,575	3,343	1,679,300	1,148,943	1,280,322	1,240,896	5,349,461	5,444,522
Net variation	(774)	(161)	(431)	209,885	456,419	92,248	(60,826)	697,727	696,361
<b>BALANCE 31.12.2021</b>	89,369	1,415	2,912	1,889,185	1,605,362	1,372,570	1,180,071	6,047,188	6,140,883

- 'PA capital work in progress (CWIP)' and 'PA advance' reflect the statuses of achievement of milestones under the Procurement Arrangements (PAs). They show the continuous progress achieved during the reporting period.
- 'Direct investment' includes the major items procured directly by the ITER Organization, including Task Agreements (TAs) and Seconded Staff.
- 'Activity Costs capitalized' includes all other costs needed to support the construction of the ITER Machine.
- 'Additions' and 'Transfers' under 'Buildings' corresponds to the delivery of buildings B73.3 – Warehouse; CA6 – Laboratory; and some additional work on various actual buildings.
- 'Additions' under 'Furniture, IT, telecom, transport equipment' corresponds to the purchase of servers for the scientific data and computing center (SDCC).
- 'Transfers' under 'PA CWIP' includes the impact of the new PRMR requiring the Task Agreements and Seconded Staff costs to be classified under Direct Investment.

## NOTE A8: INTANGIBLE ASSETS

Amounts in thousands of Euro

	Computer software	Intangible assets under development (computer software)	Total
<b>COST</b>			
<b>BALANCE 01.01.2020</b>	22,298	-	22,298
Additions	2,106	-	2,106
Transfers from PPE	485	-	485
<b>BALANCE 31.12.2020</b>	24,889	-	24,889
Additions	1,466	-	1,466
Transfers from PPE	506	-	506
<b>BALANCE 31.12.2021</b>	26,861	-	26,861
<b>ACCUMULATED AMORTIZATION</b>			
<b>BALANCE 01.01.2020</b>	(16,594)		(16,594)
Amortization of the year	(3,249)		(3,249)
<b>BALANCE 31.12.2020</b>	(19,843)		(19,843)
Amortization of the year	(2,647)		(2,647)
<b>BALANCE 31.12.2021</b>	(22,489)		(22,489)
<b>NET CARRYING AMOUNT</b>			
<b>BALANCE 31.12.2020</b>	5,047	-	5,047
Net variation	(675)	-	(675)
<b>BALANCE 31.12.2021</b>	4,372	-	4,372

- 'Additions' and 'Transfers from PPE' correspond to the release of phases 10 and 11 of the Product Life Management system (PLM).



## NOTE A9: PAYABLES

Amounts in thousands of Euro

	31.12.2021	31.12.2020
<b>Advance Received on Members' Contributions</b>	<b>191,006</b>	<b>126,640</b>
Euratom	185,066	106,422
People's Republic of China	-	5,477
Russian Federation	5,940	14,740
<b>Other Payables</b>	<b>387,765</b>	<b>355,017</b>
Creditors (suppliers and accrued charges)	118,447	96,659
Construction Contracts	265,925	255,325
Partnership Arrangements	713	630
Retention from Suppliers	2,618	38
Personnel	62	19
Other	-	2,346
<b>TOTAL PAYABLES</b>	<b>578,771</b>	<b>481,656</b>

- 'Advance Received on Members' Contributions' corresponds to cash received by the ITER Organization exceeding the requested amount due on the reporting date.
- 'Creditors (suppliers and accrued charges)' is the liability recognized in the 2021 Financial Statements but not yet paid as at 31 December 2021 (mainly accruals).
- 'Construction Contracts' and 'Partnership Arrangements' relate to the amounts deferred at the reporting date. Related costs and revenue are not considered part of the construction costs of the experimental equipment but should be reported as performed by the ITER Organization. Details are provided in Notes A16 and A17.
- 'Retention from Suppliers' corresponds to an amount withheld as temporary guarantee.
- 'Personnel' is the year-end unpaid costs related to travel undertaken by staff during the reporting year.
- 'Other' relates mainly to the recovery of VAT on behalf of the Indian Domestic Agency.

The payables related to accruals from Procurement Arrangements are not disclosed above as they are offset against their counterpart (accrued in-kind contribution from Members).

## NOTE A10: EMPLOYEE BENEFITS LIABILITIES

Amounts in thousands of Euro

	31.12.2021	31.12.2020
Accrued untaken leave	3,972	4,146
Other	2	-
<b>TOTAL EMPLOYEE BENEFITS LIABILITIES</b>	<b>3,974</b>	<b>4,146</b>

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

The accrued untaken leave liability is net of EUR 12,294 arising from excessive leave taken during the reporting period. The accrued untaken leave liability is computed on gross basis and therefore includes EUR 773,307 internal tax.

## NOTE A11: DEFERRED REVENUE AS AT 31 DECEMBER 2021

Amounts in thousands of Euro

	31.12.2021	31.12.2020
<b>DEFERRED REVENUE FROM CONTRIBUTIONS</b>		
Euratom (*)	2,588,036	2,316,086
People's Republic of China	593,722	538,413
Republic of India	613,215	540,611
Japan (*)	907,700	812,714
Republic of Korea	601,174	521,515
Russian Federation	543,079	479,065
United States of America	517,707	444,640
<b>TOTAL DEFERRED REVENUE FROM CONTRIBUTIONS</b>	<b>6,364,634</b>	<b>5,653,045</b>
<b>OTHER DEFERRED REVENUE</b>		
Internal tax	239,834	211,913
Grants and donations	23,297	23,282
Financial revenue	16,997	15,104
<b>TOTAL OTHER DEFERRED REVENUE</b>	<b>280,128</b>	<b>250,299</b>
Write back from Deferred Revenue (during the Construction Phase, write back to revenue equals the depreciation and amortization costs)	(65,283)	(56,602)
<b>TOTAL DEFERRED REVENUE</b>	<b>6,579,478</b>	<b>5,846,742</b>

(\*) Cumulative credits granted to Japan include a contribution from the European Union corresponding to IUA 184,440.96 amounting to EUR 324.20 million (including IUA 8,282.28 for deliverables achieved in 2021) for procurements for which the responsibility has been transferred to Japan within the framework of the transferred procurement responsibilities from Euratom to Japan.

- 'Deferred revenue from contributions' includes all kinds of contributions from Members (in cash and in kind) and in particular EUR 12.14 million of in-kind credits allocated from the Reserve Fund (EUR 7.06 million from the Russian Federation and EUR 5.08 million from the United States of America).
- 'Others deferred revenue' mainly includes internal tax and financial revenue that will contribute to the financing of the construction. It also includes additional grants and donations received to support the Project.



## NOTE A12: OPERATIONAL REVENUE

Amounts in thousands of Euro

	2021	2020
<b>CALLS FOR CASH CONTRIBUTIONS</b>		
Euratom	220,094	210,649
People's Republic of China	44,895	42,121
Republic of India	51,719	42,121
Japan	39,514	42,121
Republic of Korea	49,513	42,121
Russian Federation	53,329	42,121
United States of America	72,217	42,121
<b>TOTAL CALLS FOR CASH CONTRIBUTIONS</b>	<b>531,282</b>	<b>463,373</b>
<b>CONTRIBUTIONS IN KIND</b>		
Euratom	51,856	133,235
People's Republic of China	10,414	8,807
Republic of India	20,885	77,722
Japan	55,472	51,514
Republic of Korea	30,145	77,976
Russian Federation	10,684	16,754
United States of America	851	13,988
<b>TOTAL CONTRIBUTIONS IN KIND</b>	<b>180,307</b>	<b>379,996</b>
<b>OTHER</b>		
Internal tax	27,920	26,282
Grants and Donations	15	-
Financial revenue	1,893	1,459
Write back to revenue	8,681	8,702
<b>TOTAL OTHER</b>	<b>38,509</b>	<b>36,442</b>
<b>TOTAL</b>	<b>750,099</b>	<b>879,811</b>
Deferred revenue	(741,418)	(871,110)
<b>TOTAL REVENUE</b>	<b>8,681</b>	<b>8,702</b>

• 'Calls for Cash Contributions' represents the amounts requested by the ITER Organization to each Member as their respective Contribution for the year. It includes the Cash, the Reserve Fund and the Short-Term In Kind.

Cash Contributions include "In-kind adjustments" corresponding to differences between the value of In-kind Contributions for each Member and the approved Cost-Sharing Ratio for Construction.

• 'Contributions in Kind' represents the euro equivalent of the in-kind deliveries on Procurement Arrangements by each Member during the period.

• 'Other' includes the amount of income tax withheld by the ITER Organization on the gross salaries paid to the Staff, the financial interests generated during the period on cash deposits and the write back to revenue (depreciation of property, plant and equipment and amortization of intangible assets).



A cryoline spool, part of the multi-process piping system that will transport cooling fluids in and out of the Tokamak Building, is installed in the cryoplant. Outside of the Tokamak Complex, 65% of all plant equipment has been installed.



## NOTE A13: OTHER REVENUE

Amounts in thousands of Euro

	2021	2020
Service support	1,756	1,565
Additional cash compensation	405	-
Administrative fees	162	162
Exchange rate gains	126	66
Liquidated and delay damages	69	99
Insurance claim reimbursements	32	64
Other	2	5
<b>TOTAL OTHER REVENUE</b>	<b>2,553</b>	<b>1,961</b>

- ‘Service support’ is the revenue generated by IT or logistic support services (put in place for the DAs) rendered on the ITER Organization’s premises.
- ‘Additional cash compensation’ corresponds to the difference between the estimated cost of the scope transferred from a Member to the ITER Organization and the transferred credit value in IUA converted into Euro for that same scope.
- ‘Administrative fees’ represents the revenue requested by the ITER Organization from the DAs and/or other organizations in order to cover the costs of additional administrative support provided for activities outside the scope of work covered by the ITER Organization’s budget.
- ‘Exchange rate gains’ is shown in this Note whereas the exchange rate losses are in Note A15.
- ‘Liquidated and delay damages’ is related to revenue generated from contractors’ breach of contract and compensation for non-respect of the contractual implementation schedule.

## NOTE A14: EMPLOYEE BENEFITS EXPENSES

Amounts in thousands of Euro

	Professional Staff		Technical Support Staff		Total Staff	
	2021	2020	2021	2020	2021	2020
Wages and salaries	89,415	83,527	20,583	19,926	109,998	103,453
Pension funds	12,537	11,722	2,911	2,807	15,448	14,529
Medical care insurance	2,239	2,093	520	501	2,758	2,595
Life and invalidity insurances	895	837	208	201	1,103	1,038
Other employee benefits	12,318	11,285	3,692	3,462	16,010	14,747
Accrued untaken leave	(157)	1,309	(17)	229	(174)	1,538
Awards	834	682	223	206	1,057	888
Indemnities for loss of job	-	63	-	-	-	63
On-call duty indemnity			119	80	119	80
Bonus for temporary assignment	3	-	-	-	3	-
Trainees					245	218
Occupational medicine / infirmary					495	445
Social activities					116	123
Other (canteen)					639	637
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<b>118,084</b>	<b>111,518</b>	<b>28,238</b>	<b>27,412</b>	<b>147,818</b>	<b>140,354</b>
Seconded Staff	812	896	108	108	920	1,003
Total Employee Benefits Expenses and Seconded Staff	118,896	112,414	28,346	27,520	148,738	141,357

An internal tax is applied to gross basic salary costs including overtime and night work. This tax is collected by the ITER Organization by withholding it 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. The amounts withheld are used for salaries, related benefits and infrastructure of the ITER Organization. 'Wages and salaries' represents the gross salary costs.

The seconded staff costs are capitalized in the Note A7, within the Machine under Construction, Direct investment.

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

Medical and life insurance schemes have also been set up with an external provider. Employee contributions to the medical insurance amount to 1.25% of gross basic salary supplemented by a contribution from the ITER Organization of 2.5% of gross basic salary. Employee contributions for the Life and Invalidity insurances amount to 0.5% of gross basic salary supplemented by a contribution from the ITER Organization of 1% of gross basic salary.

On 31 December 2021, the ITER Organization had the following number of staff, per category:

Number of staff	Professional staff		Technical support staff		Total number of staff	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
ITER Organization staff (Directly Employed Staff)	723	678	272	266	995	944
Seconded staff by Members or Domestic Agencies to ITER Organization	5	6	1	1	6	7
<b>SUB-TOTAL</b> within target(*)	<b>728</b>	<b>684</b>	<b>273</b>	<b>267</b>	<b>1,001</b>	<b>951</b>
Others staff (post-doctoral and IO staff recruited for work on Construction Contracts)	25	27	9	11	34	38
<b>TOTAL NUMBER OF STAFF</b>	<b>753</b>	<b>711</b>	<b>282</b>	<b>278</b>	<b>1,035</b>	<b>989</b>

(\*) The target for the number of directly employed and seconded staff decided by the Director-General for 2021 was 1,001 (in 2016, the ITER Council had determined an overall ITER Organization staff cap of 1,050).

In addition to the target positions for directly employed and seconded staff, 34 other positions were allocated as at 31 December 2021 as follows: 25 for TCWS, 2 for VAS, 5 for MCP and 2 for SCS-N.



## NOTE A15: OTHER EXPENSES

Amounts in thousands of Euro

	2021	2020
Material	17,875	22,495
Energy (Electricity and gas)	2,365	1,589
Telecom and IT equipment	1,742	976
Furniture and equipment	1,215	928
Water	412	181
IT licenses and software	283	66
Small fitting-out premises	182	103
Office supplies	158	131
Other	76	12
<b>TOTAL SMALL EQUIPMENT AND CONSUMABLES</b>	<b>24,309</b>	<b>26,482</b>
External services	28,739	23,085
ITER Project Associates	21,528	16,433
Maintenance and repairs	10,234	8,256
Rental of equipment and buildings	8,083	6,070
License yearly fees	3,371	3,010
Temporary staff	3,096	2,676
Insurance	1,023	701
Removal expenses	847	506
Travel and related costs (IO staff)	836	555
Communication	746	510
Documentation and seminar expenses (conferences)	522	400
Post and telecommunication	236	241
Membership fees	124	70
Travel and related costs (non-IO staff)	70	130
Exchange rate losses	57	178
Transport of goods	16	99
Reception and representation	12	24
Bank charges	1	1
Other	1	1
<b>TOTAL EXTERNAL SERVICES AND OTHER EXPENSES</b>	<b>79,542</b>	<b>62,947</b>
<b>TOTAL OTHER EXPENSES</b>	<b>103,851</b>	<b>89,429</b>

- 'Material' represents mainly the raw materials and equipment purchased in the framework of Construction Contracts (EUR 15.70 million for VVS and EUR 2.00 million for TCWS).
- 'ITER Project Associates': the number of staff from Home Institutes was 244 as at 31 December 2021 (209 in 2020).





*In tooling, the 440-tonne sectors are supported both from above (by a radial beam) and below (see the pillar under the port stub extension on the left).*



## NOTE A16: CONSTRUCTION CONTRACTS

Amounts in thousands of Euro

	01.01.2020	2020	31.12.2020	2021	Completed contract	31.12.2021
<b>Statement of Financial Position Data</b>						
<b>Advances/payments on account received</b>	<b>302,324</b>	<b>88,610</b>	<b>390,934</b>	<b>49,961</b>	<b>(425)</b>	<b>440,470</b>
Construction contracts in progress - assets	478	(478)	-	-	-	-
Construction contracts in progress - liabilities	(211,548)	(49,651)	(261,200)	(33,803)	-	(295,003)
<b>Construction Contracts in progress - net</b>	<b>(211,070)</b>	<b>(50,130)</b>	<b>(261,200)</b>	<b>(33,803)</b>	<b>-</b>	<b>(295,003)</b>
Total revenue and expenses to date recognized on contracts in progress						
Costs incurred to date	95,454	40,156	135,610	39,360	(425)	174,545
Less invoices issued	(306,524)	(90,285)	(396,809)	(73,163)	425	(469,548)
<b>Construction Contracts in progress - net</b>	<b>(211,070)</b>	<b>(50,130)</b>	<b>(261,200)</b>	<b>(33,803)</b>	<b>-</b>	<b>(295,003)</b>

- 'Advances/payments on account received' represents the amount of cash received.
- 'Construction contracts in progress – assets' represents the gross amount due from the Domestic Agencies for contract work.
- 'Construction contracts in progress – liabilities' represents the gross amount due to the Domestic Agencies for contract work. It includes EUR 29.08 million (EUR 5.88 million in 2020) of advance billing not received by the ITER Organization at the reporting date (in line with the progress of the work). These advance billings are related to the following contracts: EUR 28.63 million for TCWS (EUR 4.20 million in 2020) and EUR 0.45 million for PPS (EUR 1.39 million in 2020).
- 'Costs incurred to date' represents the aggregate amount of costs incurred to date. The balance between the positions as at 31 December 2020 and 31 December 2021 also represents the revenue recognized during the period.
- 'Less invoices issued' represents the sum of progress billings for all contracts in progress.
- 'Completed contract' includes the closure of the PF6 construction contract.

Revenues have been recognized to the extent of construction contract costs incurred in the period. There are no recognized surpluses or deficits estimated to date.

## NOTE A17: PARTNERSHIP ARRANGEMENTS

Amounts in thousands of Euro

	01.01.2020	2020	31.12.2020	2021	31.12.2021
Contribution requested and received	1,021	500	1,521	500	2,021
Post-doctoral fellowship costs	(427)	(464)	(891)	(416)	(1,308)
<b>Unused revenue / deferred revenue</b>	<b>594</b>	<b>36</b>	<b>630</b>	<b>84</b>	<b>713</b>

The initial Partnership Arrangement with the Principality of Monaco, for a total of EUR 5.50 million, was signed in 2008 to support post-doctoral fellowships and the organization of conferences on scientific and technical subjects related to ITER (Monaco-ITER International Fusion Energy Days (MIIFED)).

While the execution of the first Partnership Arrangement ended in 2020, a new one, this time for a total of EUR 5 million, was signed by both parties for another ten years running to 2028. The second one is entirely dedicated to the post-doctoral fellowships program. The unspent Contribution (EUR 21,024) received from the first Partnership Arrangement is included in the current one.

Revenue has been recognized to the extent of contract costs incurred in the period (EUR 0.42 million in 2021 and EUR 0.46 million in 2020). There are no recognized surpluses or losses estimated to date.

## NOTE A18: LEASES

Amounts in thousands of Euro

	2021	2020
<b>Total Lease Payments</b>	<b>2,040</b>	<b>1,715</b>
No later than one year	1,871	1,861
Later than one year and no later than five years	1,939	3,984
Later than five years	-	-
<b>TOTAL FUTURE OPERATING LEASE PAYMENTS</b>	<b>3,810</b>	<b>5,845</b>

No significant operating leases were signed in 2021.

The operating lease related to the rental of an Algeco building will expire in August 2022. The option to renew this lease contract has not yet been activated. The contract also includes an option to purchase the Algeco building at the end of the lease period.

The other main operating leases are:

- "Corbières warehouse facility" (signed in 2018) which remains in force until 2025 with no extension foreseen in the contract;
- "Fos warehouse facility" (signed in 2020) which remains in force until 2023 with a possible extension of three years;
- "Self-propelled modular transporter (SPMT)" (signed in 2020) which remains in force until 2024 with no extension foreseen in the contract. It includes an option for it to be purchased at the end of the lease period.

The ITER Organization did not have a financial lease at the closing date.



## NOTE A19: RECONCILIATION: CASH FLOW STATEMENT - BUDGETARY OUT-TURN

Amounts in thousands of Euro

	Note	2021			2020		
		Operating activities	Investing activities	Total	Operating activities	Investing activities	Total
<b>Budgetary Out-Turn</b>	PAGE 49	<b>39,837</b>		<b>39,837</b>	<b>49,975</b>		<b>49,975</b>
Total contributions requested	B2	(531,282)		(531,282)	(463,373)		(463,373)
Total contributions received	B2	591,717		591,717	389,046		389,046
Bank checks N-1 paid in N	A3	58		58	65		65
Bank checks N unpaid at 31.12.N	A3	(62)		(62)	(58)		(58)
Effects of exchange rate changes on the balance of cash held in foreign currencies	CFS	(20)		(20)	39		39
Movements in suspense accounts		(5,594)		(5,594)	(5,614)		(5,614)
<b>Basis differences</b>		<b>54,817</b>		<b>54,817</b>	<b>(79,895)</b>		<b>(79,895)</b>
Earmarked Funds Out-Turn	B5	29,038		29,038	46,140		46,140
<b>Entity differences</b>		<b>29,038</b>		<b>29,038</b>	<b>46,140</b>		<b>46,140</b>
<b>Presentation differences</b>	<b>CFS</b>	<b>486,330</b>	<b>(486,330)</b>	<b>-</b>	<b>421,037</b>	<b>(421,037)</b>	<b>-</b>
<b>Net Cash Flow</b>	<b>CFS</b>	<b>610,022</b>	<b>(486,330)</b>	<b>123,692</b>	<b>437,257</b>	<b>(421,037)</b>	<b>16,220</b>

• ‘Basis differences’ are the differences between the statements showing the schedules prepared in accordance with the IPSAS and in particular its Statement of Financial Performance (accruals-based accounting) and the schedules prepared in accordance with the PRMR and its Budgetary Out-Turn Statement (modified cash-based accounting):

- ‘Total contributions requested’ corresponds to the amount of cash and short-term in-kind contributions (including Reserve Fund) requested from the Members for the period;
- ‘Total contributions received’ corresponds to the amount received from the Members in cash and short-term in kind in the period from the Members following the call for contributions (including advances);
- ‘Bank checks N-1 paid in N’ corresponds to the checks issued in previous year(s) and disbursed in the current year;
- ‘Bank checks N unpaid at 31.12.N’ corresponds to the checks issued in the current year and not disbursed at the end of the current year;
- ‘Effects of exchange rate changes on the balance of cash held in foreign currencies’ is not real cash flow but impacts are reported in the Cash Flow Statement;
- ‘Movements in suspense accounts’ relates to non-budgetary transactions. Together with the Income, Commitments and Payments Budget Execution Statements and Note B5 - Earmarked Funds, it ensures that the totality of transactions undertaken by the ITER Organization are included in the Budgetary Statements of the Financial Report.

It mainly consists of:

- EUR 2.16 million related to transactions for/on behalf of Domestic Agencies (Host and On-Site Agreements, US Tax);
  - EUR 1.85 million related to the tax reimbursement mechanism with the French State and;
  - EUR 0.28 million related to other miscellaneous operations.
- ‘Entity differences’ comes from the variation of the revenue received and associated costs incurred by the ITER Organization for the Earmarked Funds. These costs and revenue are included in the Statement of Financial Performance but outside the ITER Council-approved ITER Organization budget:
- ‘Earmarked Funds Out-Turn’ corresponds to the balance between the cash-in and the actual payments made on the Earmarked Funds for the current year.

## **NOTE A20: PROVISIONS**

A provision of EUR 0.55 million has been recorded as of 31.12.2021 to reflect the claims (received from contractors) which have been assessed as probable to be due shortly.

- **Asset Decommissioning/ Site Restoration:**

No such provision was recorded as at 31 December 2021 as the experimental equipment is still in the Construction Phase.

## **NOTE A21: CONTINGENT LIABILITIES**

There are two cases pending before the International Labour Organization Administrative Tribunal but in the opinion of Legal Affairs of the ITER Organization, the final outcome of these claims is not determinable as at the time of closure of the 2021 financial year. No material financial obligation resulting from these cases is foreseen.

Therefore, these items are not recorded as liability in these accounts. Settlements, if any, resulting from the resolution of these cases will be accounted for in the year in which the liability is determined.

## **NOTE A22: SPARE PARTS**

No spare parts/inventories have been recorded at 31 December 2021.

## **NOTE A23: RELATED PARTY DISCLOSURES**

The ITER Organization is governed by its seven Members and works closely with their respective Domestic Agencies.

All transactions made between the ITER Organization and the Domestic Agencies, including construction contracts which have specific mandates, are in essence intended for building the ITER facilities.

The key management personnel are the Director-General, the Deputy Director-General and the four Domain Heads. The aggregate gross remuneration of EUR 1.52 million (EUR 1.48 million in 2020) includes their gross salaries and allowances. In addition, EUR 0.24 million (EUR 0.23 million in 2020) is also recognized as employer's pension and social insurance contributions.

No other material related party transaction was identified in 2021.

## **NOTE A24: EVENTS AFTER THE REPORTING DATE**

The ITER Organization's reporting date is 31 December 2021. The Financial Statements were authorized for issue and submission to the Financial Audit Board by the Director-General on 24 February 2022. On the date of signing these accounts, there had been no material events, favourable or unfavourable, incurred between the reporting date and the date when the Financial Statements were authorized for issue that would have impacted these statements.



The inner surface of the vacuum vessel is pockmarked with "flexible cartridges," which are some of the interfacing components between the steel vessel and the blanket.





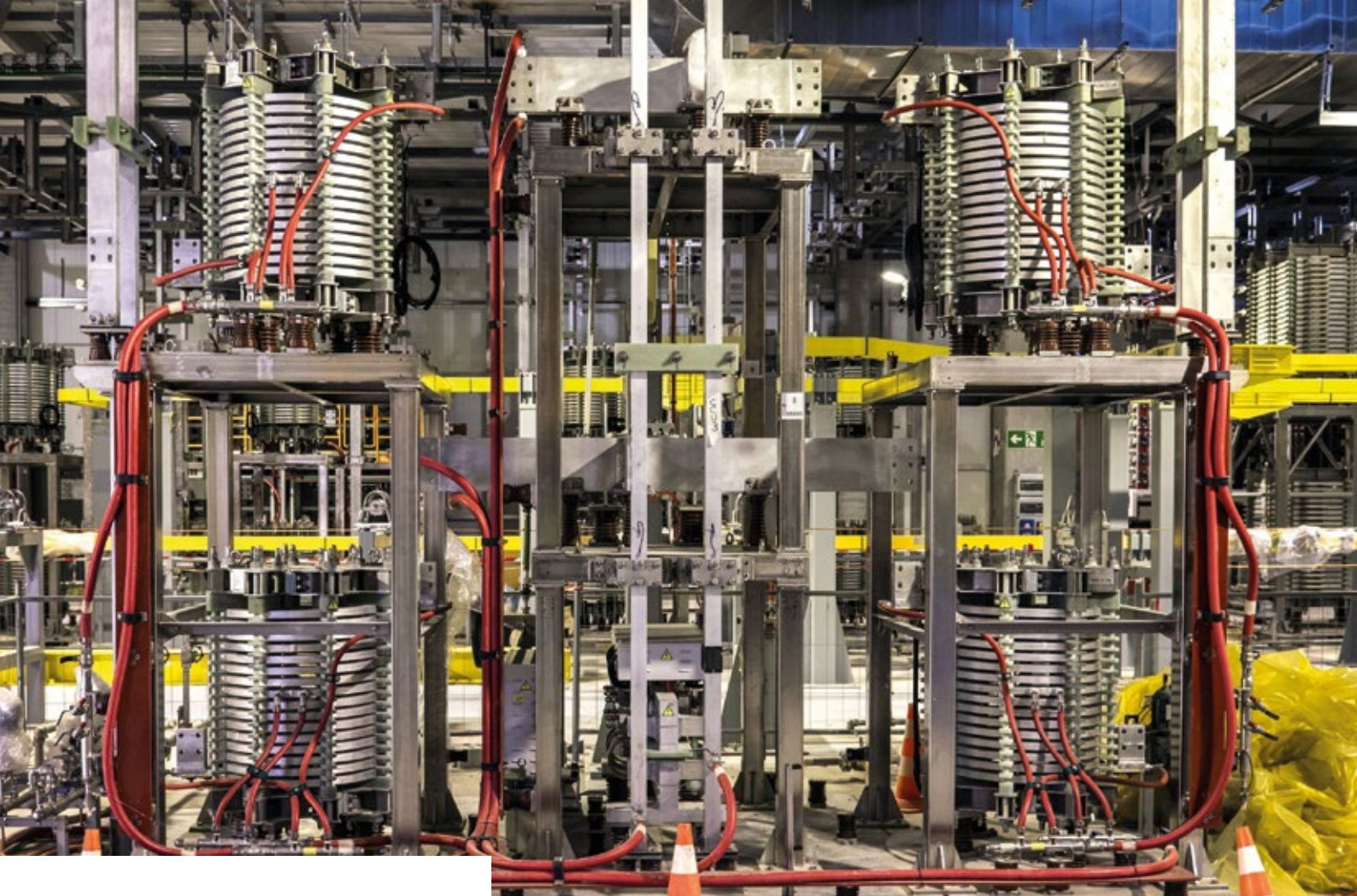
*The first vacuum vessel module in construction. A module is formed from one vacuum vessel sector (440 tonnes), two D-shaped toroidal field coils (330 tonnes each), and thermal shield panels (50 tonnes).*





# **—2021** **BUDGETARY STATEMENTS**





# OVERVIEW

*Electrical converters are lined up in one of the Magnet Power Conversion buildings, where AC power from the grid is transformed into DC power that can be used by the ITER magnets.*

The 2021 Budgetary Statements have been prepared in accordance with the latest Project Resource Management Regulations of the ITER Organization (PRMR) as approved by the ITER Council at its twenty eighth meeting in June 2021.

These Budgetary Statements mainly disclose the status related to the Overall Project Cost Cash (OPC Cash) which gathers the following resources: Cash, Reserve Fund, Reserve Fund Short-Term In Kind (covering Task Agreements) and Short-Term In Kind (covering Task Agreements and Seconded Staff).

- Budgetary Out-Turn comparing the Income and Payments Executions;
- Income, Payments and Commitments Executions against their respective initial and final budgets;
- Basis of Preparation and Budget Execution explaining how the statements are built and justifying the variances between the budgets and corresponding executions;
- Members' Contributions comparing the requested amount against the received amounts by Member in Cash and Short-Term In Kind;

- Reserve Fund Status providing cumulative figures and explaining its purpose and mechanism;
- Statement of Unpaid Commitments providing the unpaid total commitments at year-end.

In addition, these Budgetary Statements include a status of Earmarked Funds. The Earmarked Funds represent Agreements according to which the ITER Organization performs a Scope of Work on behalf of the Domestic Agencies, Partners, or for special purposes (such as donations or sponsorship) in exchange for costs and fees.

- Earmarked Funds Out-Turn;
- Earmarked Funds Executions related to Construction Contracts comparing the cash in, commitments and payments actuals;
- Other Earmarked Funds Execution.

## BUDGETARY OUT-TURN 2021

Amounts in thousands of Euro

	2021	2020
Total Actual Income	559,850	490,696
Total Actual Payments	520,013	440,721
<b>TOTAL BUDGETARY OUT-TURN</b>	<b>39,837</b>	<b>49,975</b>

## INCOME BUDGET EXECUTION 2021

Amounts in thousands of Euro

	Unrealized Total Income Appropriations brought forward from 2020	Initial Total Income Budget 2021	Cumulative Income Transfers and Budget Adjustments 2021	Final Total Income Budget 2021	Total Income Appropriations 2021	Total Actual Income 2021	Total Actual Income 2020	Unrealized Total Income Appropriations carried forward to 2022
Budget Headings	a	b	c	d=b+c	e = d + a	f	g	h = e - f
Article 711: Contribution from Euratom	-	220,094	-	220,094	220,094	220,094	210,649	-
Article 712: Contribution from the People's Republic of China	-	44,895	-	44,895	44,895	44,895	42,121	-
Article 713: Contribution from the Republic of India	-	51,719	-	51,719	51,719	51,719	42,121	-
Article 714: Contribution from Japan	-	39,514	-	39,514	39,514	39,514	42,121	-
Article 715: Contribution from the Republic of Korea	-	49,513	-	49,513	49,513	49,513	42,121	-
Article 716: Contribution from the Russian Federation	-	53,329	-	53,329	53,329	53,329	42,121	-
Article 717: Contribution from the United States of America	-	72,217	-	72,217	72,217	72,217	42,121	-
<b>Chapter 71: Contributions</b>	<b>-</b>	<b>531,282</b>	<b>-</b>	<b>531,282</b>	<b>531,282</b>	<b>531,282</b>	<b>463,373</b>	<b>-</b>
Article 721: Internal Tax from Professional Staff	1,287	22,603	-	22,603	23,890	23,546	22,066	344
Article 722: Internal Tax from Technical Staff	825	3,598	-	3,598	4,422	4,374	4,216	48
<b>Chapter 72: Internal Tax</b>	<b>2,112</b>	<b>26,201</b>	<b>-</b>	<b>26,201</b>	<b>28,312</b>	<b>27,920</b>	<b>26,282</b>	<b>392</b>
Article 731: Financial interest and fees	1,169	1,000	-	1,000	2,169	632	577	1,537
Article 732: Exchange rate Income	136	-	-	-	136	16	(35)	120
<b>Chapter 73: Financial Income</b>	<b>1,305</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>	<b>2,305</b>	<b>648</b>	<b>541</b>	<b>1,657</b>
Article 741: Cancellation of Appropriations from the current year	-	-	-	-	-	-	-	-
Article 742: Cancellation of Appropriations from previous year(s)	-	-	-	-	-	-	-	-
Article 743: Monaco Partnership	-	-	-	-	-	-	500	-
Article 744: Excess Income from previous years	-	-	-	-	-	-	-	-
Article 745 : Shortfall Income Budget of the current year	-	-	-	-	-	-	-	-
Article 749: Miscellaneous income	(0)	-	-	-	(0)	-	-	(0)
<b>Chapter 74: Other Income</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>500</b>	<b>(0)</b>
<b>Title VII: Income</b>	<b>3,416</b>	<b>558,483</b>	<b>-</b>	<b>558,483</b>	<b>561,899</b>	<b>559,850</b>	<b>490,696</b>	<b>2,049</b>
<b>TOTAL INCOME</b>	<b>3,416</b>	<b>558,483</b>	<b>-</b>	<b>558,483</b>	<b>561,899</b>	<b>559,850</b>	<b>490,696</b>	<b>2,049</b>



## PAYMENTS BUDGET EXECUTION 2021

Amounts in thousands of Euro

	Unused Total Payment Appropriations brought forward from 2020	Initial Total Payments Budget 2021	Cumulative Payments Transfers and Budget Adjustments 2021	Final Total Payments Budget 2021	Total Payment Appropriations 2021	Total Actual Payments 2021	Total Actual Payments 2020	Unused Total Payment Appropriations carried forward to 2022
Budget Headings	a	b	c	d = b + c	e = a + d	f	g	h = e - f
Article 111: Direct Investment	221,451	244,349	936	245,285	466,736	261,617	208,023	205,119
Article 112: Test Blanket Module	4	2,061	599	2,660	2,664	2,364	1,879	300
Article 113: Reserve Fund	150,891	21,670	(4,829)	16,841	167,732	-	-	167,732
<b>Title I: Direct Investment (Fund)</b>	<b>372,346</b>	<b>268,080</b>	<b>(3,294)</b>	<b>264,786</b>	<b>637,132</b>	<b>263,981</b>	<b>209,902</b>	<b>373,152</b>
Article 211: Research & Development	1,995	108	(70)	38	2,033	45	60	1,988
<b>Title II: R&amp;D Expenditure</b>	<b>1,995</b>	<b>108</b>	<b>(70)</b>	<b>38</b>	<b>2,033</b>	<b>45</b>	<b>60</b>	<b>1,988</b>
Article 311: Professional staff salary costs	-	120,620	(2,638)	117,982	117,982	115,204	108,114	2,778
Article 312: Technical Support staff salary costs	-	28,586	(586)	28,000	28,000	27,702	26,043	299
Article 313: Travel and subsistence	154	1,993	(62)	1,931	2,085	338	363	1,747
Article 314: Secondment allowances	-	-	-	-	-	-	-	-
Article 315: Removal expenses	26	1,392	(80)	1,312	1,338	816	546	523
Article 316: Promotions	16	-	(16)	(16)	-	-	197	-
Article 317: Awards	-	742	299	1,041	1,041	1,035	870	6
<b>Chapter 31: Staff Expenditure</b>	<b>196</b>	<b>153,333</b>	<b>(3,083)</b>	<b>150,250</b>	<b>150,446</b>	<b>145,095</b>	<b>136,132</b>	<b>5,352</b>
Article 321: General services	16,609	39,192	(11,708)	27,484	44,093	19,369	16,243	24,724
Article 322: Administrative services	4,364	9,700	2,249	11,949	16,313	9,944	8,100	6,368
Article 323: Equipment	9,477	10,872	3,047	13,920	23,397	11,596	11,200	11,801
Article 324: External specialized services	61,554	58,423	1,987	60,410	121,963	49,117	43,583	72,846
Article 325: ITER Project Associates	6,715	18,774	10,872	29,646	36,362	20,866	15,500	15,495
<b>Chapter 32: Organizational Expenditure</b>	<b>98,719</b>	<b>136,961</b>	<b>6,448</b>	<b>143,409</b>	<b>242,127</b>	<b>110,893</b>	<b>94,627</b>	<b>131,234</b>
<b>Title III: Direct Expenditure</b>	<b>98,915</b>	<b>290,294</b>	<b>3,364</b>	<b>293,659</b>	<b>392,574</b>	<b>255,988</b>	<b>230,759</b>	<b>136,586</b>
<b>TOTAL EXPENDITURE</b>	<b>473,256</b>	<b>558,483</b>	<b>-</b>	<b>558,483</b>	<b>1,031,739</b>	<b>520,013</b>	<b>440,721</b>	<b>511,726</b>

## COMMITMENTS BUDGET EXECUTION 2021

Amounts in thousands of Euro

	Unused Total Commitment Appropriations brought forward from 2020	Initial Total Commitments Budget 2021	Cumulative Commitments Transfers and Budget Adjustments 2021	Final Total Commitments Budget 2021	Total Commitment Appropriations 2021	Total Actual Commitments 2021	Total Actual Commitments 2020	Unused Commitment Appropriations carried forward to 2022
Budget Headings	a	b	c	d = b + c	e = a + d	f	g	h = e - f
Article 111: Direct Investment	51,061	296,422	41,798	338,220	389,281	220,645	397,709	168,636
Article 112: Test Blanket Module	990	5,996	(63)	5,932	6,922	4,629	1,078	2,293
Article 113: Reserve Fund	80,321	40,480	(46,863)	(6,383)	73,938	-	-	73,938
<b>Title I: Direct Investment (Fund)</b>	<b>132,372</b>	<b>342,898</b>	<b>(5,128)</b>	<b>337,769</b>	<b>470,141</b>	<b>225,275</b>	<b>398,787</b>	<b>244,867</b>
Article 211: Research & Development	1,666	-	-	-	1,666	(63)	(26)	1,729
<b>Title II: R&amp;D Expenditure</b>	<b>1,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,666</b>	<b>(63)</b>	<b>(26)</b>	<b>1,729</b>
Article 311: Professional staff salary costs	-	120,620	(2,638)	117,982	117,982	115,204	108,114	2,778
Article 312: Technical Support staff salary costs	-	28,586	(586)	28,000	28,000	27,702	26,043	299
Article 313: Travel and subsistence	157	2,004	(55)	1,950	2,107	334	318	1,772
Article 314: Secondment allowances	-	-	-	-	-	-	-	-
Article 315: Removal expenses	45	1,392	(80)	1,312	1,358	865	526	493
Article 316: Promotions	16	-	(16)	(16)	-	-	197	-
Article 317: Awards	-	742	299	1,041	1,041	1,035	870	6
<b>Chapter 31: Staff Expenditure</b>	<b>219</b>	<b>153,345</b>	<b>(3,076)</b>	<b>150,269</b>	<b>150,488</b>	<b>145,140</b>	<b>136,069</b>	<b>5,347</b>
Article 321: General services	7,691	43,311	(10,903)	32,409	40,100	24,864	17,097	15,236
Article 322: Administrative services	1,997	10,894	4,696	15,590	17,587	11,824	8,841	5,763
Article 323: Equipment	144	15,840	2,733	18,573	18,718	3,759	22,339	14,958
Article 324: External specialized services	33,604	105,448	(10,238)	95,211	128,815	57,957	39,742	70,858
Article 325: ITER Project Associates	4,977	6,849	21,916	28,765	33,742	20,731	16,156	13,011
<b>Chapter 32: Organizational Expenditure</b>	<b>48,415</b>	<b>182,343</b>	<b>8,205</b>	<b>190,547</b>	<b>238,962</b>	<b>119,135</b>	<b>104,175</b>	<b>119,827</b>
<b>Title III: Direct Expenditure</b>	<b>48,634</b>	<b>335,688</b>	<b>5,128</b>	<b>340,816</b>	<b>389,450</b>	<b>264,275</b>	<b>240,244</b>	<b>125,174</b>
<b>TOTAL EXPENDITURE</b>	<b>182,672</b>	<b>678,585</b>	<b>-</b>	<b>678,585</b>	<b>861,257</b>	<b>489,487</b>	<b>639,006</b>	<b>371,770</b>





Approximately 5,000 people work on the ITER site daily, including 3,600 in construction and assembly.

# NOTES TO THE 2021 BUDGETARY STATEMENTS

<b>B1 - Basis of Preparation and Budget Execution</b> .....	<b>52</b>
<b>B2 - Members' Contributions</b> .....	<b>56</b>
<b>B3 - Reserve Fund Status</b> .....	<b>57</b>
<b>B4 - Statement of Unpaid Commitments</b> .....	<b>58</b>
<b>B5 - Earmarked Funds</b> .....	<b>59</b>

## NOTE B1: BASIS OF PREPARATION AND BUDGET EXECUTION

The Project Resource Management Regulations (PRMR) require the preparation of Budgetary Statements to be contained in the Annual Financial Report.

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

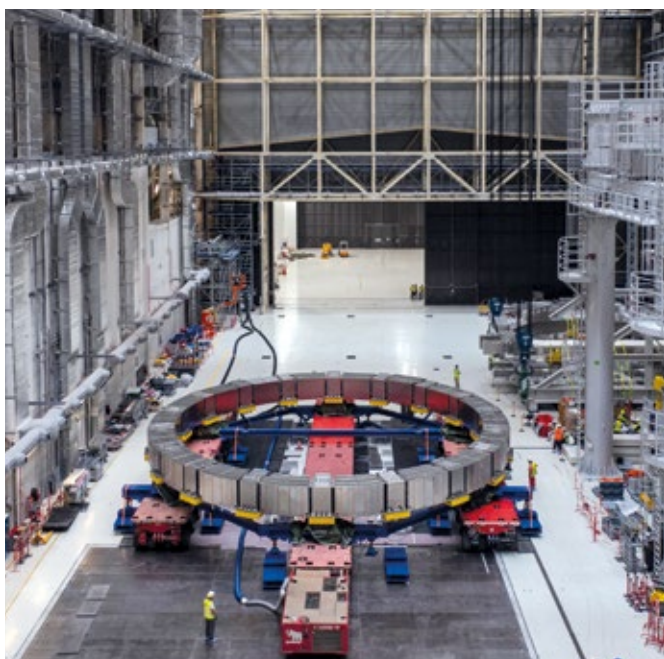
### a) Budgetary Statements for the OPC Cash

#### Basis of preparation

The primary budgetary statements following the requirements from the PRMR are shown from pages 49 to 51 reflecting the Budgetary Out-Turn, Income Budget Execution, Payments Budget Execution and Commitments Budget Execution for the OPC Cash. Supplementary information required under the PRMR for the OPC Cash is provided in Notes B2 to B4.

The overall Budgetary Out-Turn corresponds to the difference between the Actual Income, taking into account the value of Debit Notes issued, and Actual Payments made during the year.

In order to ensure full traceability, all statements are shown in the format approved by the ITER Council, including the subdivision into Titles, Chapters, and Articles. Moreover, they include the planned budget with an approved scope and un-allocated budget, including Reserve Fund, Anticipated Budget and First-Of-A-Kind (FOAK) insurance scheme.



Self-propelled modular transport vehicles are used to bring the heaviest components into the Assembly Hall.

Members' Cash Contributions, Short-Term In-Kind Contributions, as well as Members' Contributions to the Reserve Fund, are recognized in the Budget year to which they relate. This method is called "Accrual Basis". On the other hand, Internal Taxes, Financial Income and Miscellaneous Income are taken into account in the Budget Execution only when they are received or cleared. This method is called "Cash Basis". The combination of both methods is defined by the ITER Organization as "Modified Cash Basis".

### Budget Execution

The ITER Council adopted the 2021 Budgets at its twenty-seventh meeting in November 2020 at a level of EUR 678.59 million for Commitments, EUR 558.48 million for Payments, and EUR 558.48 million for Income. Throughout 2021, the Director-General approved several budgetary transfers within the limits of his mandate.

#### - Summary of Actuals

Amounts in thousands of Euro

Funds	Actual Income 2021	Actual Payments 2021	Actual Commitments 2021
Cash	538,180	468,240	419,052
Short-Term In Kind		6,111	(10,306)
<b>Total Cash and Short-Term In Kind</b>	<b>538,180</b>	<b>474,351</b>	<b>408,745</b>
Reserve Fund	21,670	44,482	80,982
Reserve Fund Short-Term In Kind		1,180	(240)
<b>Total Reserve Fund</b>	<b>21,670</b>	<b>45,662</b>	<b>80,742</b>
<b>TOTAL</b>	<b>559,850</b>	<b>520,013</b>	<b>489,487</b>

#### - Income

Considering a final Income Budget for 2021 of EUR 558.48 million and Unrealized Income Appropriations of EUR 3.42 million from 2020, the total Income Appropriations for 2021 were EUR 561.90 million. During the year, the ITER Organization recognized an Income of EUR 559.85 million, resulting in a shortfall of EUR 2.05 million to be carried forward to 2022.

#### - Payments

The final Payments Budget for 2021 was EUR 558.48 million. In addition, unused Payments Appropriations of EUR 473.26 million were brought forward from 2020, including unallocated funding for the Reserve Fund and Anticipated Budget, resulted in total Payments Appropriations for 2021 of EUR 1,031.74 million.

During 2021, the ITER Organization executed Payments of EUR 520.01 million, or EUR 468.24 million in Cash for contracts and staff expenditures, EUR 44.48 million for Reserve Fund, EUR 1.18 million for Reserve Fund Short-Term In Kind (Task Agreements) and EUR 6.11 million in Short-Term In Kind (Task Agreements and Secondments). The remaining amount of EUR 511.73 million reflected the year-end balances of EUR 167.73 million in the Reserve Fund, EUR 97.49 million in the Anticipated Budget, and EUR 20.00 million for the FOAK insurance scheme. Considering the planned budget, an underrun of EUR 226.51 million, or 30%, resulted from various project delays and strategy changes that occurred during the year. These included delays in the Tokamak Construction Contract 1 (TCC1), Vacuum Vessel Welding, Cryostat Rectangular Bellows, Tokamak Construction Contract 2 (TCC2) and Tokamak Construction Contract 0 (TCC0).

During 2021, an amount of EUR 4.83 million was transferred from Article A113 Reserve Fund to Article A111 Direct Investment. This transfer between Articles was necessary in order to execute payments on behalf of the ITER Organization and Domestic Agencies as a result of allocations approved from the Reserve Fund by the Director-General in connection with the Executive Project Board.

#### - Commitments

The final Commitments Budget for 2021 was EUR 678.59 million. In addition, unused Commitments Appropriations of EUR 182.67 million were brought forward from 2020, including unallocated funding for the Reserve Fund and Anticipated Budget, resulting in total Commitments Appropriations of EUR 861.26 million.

Throughout the year, the ITER Organization committed a total of EUR 489.49 million net de-commitments of previous years' commitments. This amount included EUR 419.05 million in Cash for contracts and staff expenditures, EUR 80.98 million for Reserve Fund, EUR 0.24 million of de-commitments for Reserve Fund Short-Term In Kind for Task Agreements and EUR 10.31 million of de-commitments in Short-Term In Kind for Task Agreements and Secondments. The remaining amount of EUR 371.77 million included the year-end balances of the Reserve Fund of EUR 73.94 million, Anticipated Budget of EUR 65.14 million and FOAK insurance scheme of EUR 20.00 million. Considering the planned budget, an underrun of EUR 212.69 million or 30%



was due to delays in the Vacuum Vessel Welding Production Phase Contract, In-Vessel Edge Local Mode Coils and Feeders Prototyping and Manufacturing Contract, and the High Voltage Power Supply System Contract.

For 2021, an amount of EUR 46.86 million was transferred from Article A113 Reserve Fund to Article A111 Direct Investment. This transfer allowed for the placement of commitments on behalf of the ITER Organization and Domestic Agencies following decisions by the Director-General to allocate money from the Reserve Fund in accordance with the approved Terms of Reference.

## **b) Budgetary Statements for Earmarked Funds**

### **Basis of preparation**

These Budgetary Statements include the status of Earmarked Funds; this status is disclosed in Note B5.

This note provides the Earmarked Funds Out-Turn, as well as their execution segregated between the Construction Contracts and other Earmarked Funds covering the Monaco Partnership Arrangement, donations and miscellaneous operations (mainly administrative fees).

‘Earmarked Funds Execution Related to Construction Contracts’ refers to the realization of specific signed Arrangements/MoU between the ITER Organization and the Domestic Agencies. They are not part of the ITER Council-approved ITER Organization’s budget.

‘Other Earmarked Funds Execution’ refers to the donations received, the Monaco Partnership Arrangement as well as miscellaneous operations.

According to the latest version of the approved PRMR, the budget for the Monaco Post-doctoral Fellowship has been excluded from the OPC Cash budget executions, which represents a change to the previous practice and is now managed as an Earmarked Fund. Consequently, the Payment and Commitment Appropriations brought forward from 2020 have all been reduced by EUR 0.63 million in A311 Professional staff salary costs.

Similarly, miscellaneous operations are no longer included in ‘Movements in suspense accounts’ from Note A19 but rather in a dedicated fund. They cover mainly the suspense accounts administrative fees.



*In January, the silver-plated lower cryostat thermal shield is inserted into the pit. Eighteen lift attachments facilitate the centring of the load and ensure perfect balance.*

**Construction contracts with domestic agencies**

The Arrangements/MoU signed between the ITER Organization and the Domestic Agencies are:

Earmarked Fund	Description	EU-DA	CN-DA	IN-DA	JA-DA	KO-DA	RF-DA	US-DA
ADS	Joint Procurement of the ITER Atmosphere Detritiation Systems	●			●			
ANBI	Additional deployment of ANB Inspectors	●						
BOP 4	X-Cryolines installation to the ITER Organization			●				
BOP 5	Installation and commissioning of the items included in Buildings 11 and 74, in accordance with PCR 789						●	
CJBEF	Procurement of T24026LC Cable from Junction Box to Electrical Feedthrough in cryostat					●		
DCC	Procurement of Diagnostic Captive Components for 55.F9 and 55.C4 needed for closing building penetration in building B11 level L1 and level L2						●	
EPCC	Procurement of Electrical Power and Control Cables along with cable termination accessories for cooling water system PBS26 in buildings/area 13, 15, 15 Annex, 16 ,32, 33, 38, 51, 52, 53, 61, 64, 67, 68A, 68B, and 69			●				
MANL	Procurement of Manlift to access the Central Solenoid during assembly							●
PPS	Procurement of Upper & Equatorial Port Plug Structures	●		●	●	●		●
RFPS	On-site installation of the Radio Frequency Power Sources				●			
SSEN	Procurement of the Steady-State Electrical Network High Voltage Substation Structures, the Battery Banks and LV Distribution & Sub-Distribution Panel boards							●
TB 04	Assembly, Installation and related support services in the Tokamak Complex Building	●						
TBM-PT	Contribution to the Test Blanket Module Project Team	●	●		●	●		
TBS	Design and procurement of the Test Blanket System Connection Pipes	●	●	●	●	●		
TCWS	Completion of the final design of the Tokamak Cooling Water System and procurement of the piping for this system, procurement of ESPN TCWS First-Plasma Equipment and support of the US procurements of non-ESPN TCWS First-Plasma Equipment, procurement manufacturing and testing of the TCWS First-Plasma electrical, instrumentation and control components and software for the VV PHTS, draining and drying systems							●
TFCC	Procurement of the Integration Toroidal Field Coil Conductor							●
VAS	Procurement of the Piping for Tokamak Vacuum Auxiliary System							●
VVS	Supply of Sectors #7 and #8 of the Vacuum Vessel	●						



## NOTE B2: MEMBERS' CONTRIBUTIONS

### CASH CONTRIBUTIONS

Amounts in thousands of Euro

	Brought forward from 2020	Requested for 2021	Requested until 2021	Received in 2021	Carry forward to 2022
Members	a	b	c	d	e = a + b - d
Euratom	(116,814)	220,944	1,589,365	291,645	(187,516)
People's Republic of China	(5,477)	44,895	335,438	38,767	651
Republic of India	128,422	52,059	341,009	49,526	130,955
Japan	-	39,514	332,598	39,514	-
Republic of Korea	629	49,513	333,649	47,668	2,474
Russian Federation	(14,740)	53,329	344,086	44,530	(5,940)
United States of America	67,720	71,717	336,341	72,775	66,662
<b>TOTAL</b>	<b>59,741</b>	<b>531,972</b>	<b>3,612,484</b>	<b>584,426</b>	<b>7,286</b>

### SHORT-TERM IN-KIND CONTRIBUTIONS

Amounts in thousands of Euro

	Brought forward from 2020	Requested for 2021	Requested until 2021	Received in 2021	Carry forward to 2022
Members	a	b	c	d	e = a + b - d
Euratom	10,392	(850)	100,844	7,092	2,450
People's Republic of China	-	-	3,415	-	-
Republic of India	539	(340)	4,667	199	-
Japan	-	-	874	-	-
Republic of Korea	-	-	9,821	-	-
Russian Federation	-	-	3,201	-	-
United States of America	(0)	500	29,833	-	500
<b>TOTAL</b>	<b>10,931</b>	<b>(690)</b>	<b>152,655</b>	<b>7,291</b>	<b>2,950</b>

### TOTAL CONTRIBUTIONS

Amounts in thousands of Euro

	Brought forward from 2020	Requested for 2021	Requested until 2021	Received in 2021	Carry forward to 2022
Members	a	b	c	d	e = a + b - d
Euratom	(106,422)	220,094	1,690,208	298,737	(185,066)
People's Republic of China	(5,477)	44,895	338,852	38,767	651
Republic of India	128,961	51,719	345,676	49,725	130,955
Japan	-	39,514	333,471	39,514	-
Republic of Korea	629	49,513	343,470	47,668	2,474
Russian Federation	(14,740)	53,329	347,286	44,530	(5,940)
United States of America	67,720	72,217	366,173	72,775	67,162
<b>TOTAL</b>	<b>70,671</b>	<b>531,282</b>	<b>3,765,138</b>	<b>591,717</b>	<b>10,236</b>

The Members' Cash and Short-Term In-Kind Contributions (including Reserve Fund) have been accounted as Income of the year, in accordance with the budget, regardless of the cash received as shown in Income Execution 2021. Consequently, over and underpayments have been carried forward as cash liabilities to/from these Members in the above statements.

## NOTE B3: RESERVE FUND STATUS

Escalation Status as of 31.12.2021	Amounts in thousands of IUA	Amounts in thousands of Euro
Reserve Fund OPC (EUR 1,050.00 million 2016 based)	621.25766	1,098,561
Total paid or credited by IO	(124.18586)	(215,687)
Unpaid balance (including escalation)	497.07180	882,874

Amounts in thousands of Euro

Budget Status	01.01.2021		2021		31.12.2021	
	Commitments	Payments	Commitments	Payments	Commitments	Payments
Initial Budget	384,714	289,982	40,480	21,670	425,194	311,652
Budget Transfers	(304,393)	(139,091)	(46,863)	(4,829)	(351,256)	(143,920)
Remaining Appropriations	80,321	150,891	(6,383)	16,841	73,938	167,732
Implementation Status	Commitments	Payments	Commitments	Payments	Commitments	Payments
Actuals incurred by IO	342,820	157,886	80,742	45,662	423,562	203,549
Credits granted by IO to be set off against Members' in-kind balance	12,052	12,052	86	86	12,138	12,138
Total Amount Issued by IO	354,872	169,938	80,828	45,748	435,700	215,687

In 2015, the ITER Council approved the creation of the Reserve Fund, and the associated Terms of Reference of the Reserve Fund (leading to the Reserve Fund Management Plan). The purpose of the Reserve Fund is to create a funding mechanism that can be used to implement scope and design changes within the ITER Organization and Domestic Agencies in order to prevent schedule delays or cost overruns. The annual ITER Organization budgets include the contributions to the Reserve Fund. This is a source of funding and not an objective of expenditure.

The ITER Organization has developed three possible payment methods to suit the individual needs of the Domestic Agencies and Members. Cash Payments can be made directly from the ITER Organization's bank account. Alternatively, funds may be deducted from the Member's Cash Contributions to the ITER Organization. For cases in which the Member concerned may not accept cash nor reductions in its contributions, an equivalent amount of credit in IUA may be granted to decrease the Member's overall in-kind contribution to the construction of ITER, and is recognized as deferred contributions in Note A11.

The cumulative Budget and Budget Transfers through 2021 reflect an adjustment in which a Supplementary Budget for the Reserve Fund approved by the ITER Council in 2015 has now been divided between 'Initial Budget' and 'Budget Transfers'.

Cumulative credits granted amount to EUR 12.14 million in Commitments and Payments. These credits will be set off directly against the Members' in-kind balance as part of the Overall Project Cost.

On 31 December 2021, the remaining amount to pay against the Commitments was EUR 220.01 million.



## NOTE B4: STATEMENT OF UNPAID COMMITMENTS

Amounts in thousands of Euro

	Unpaid Total Commitments 1 January 2021	Total Actual Commitments 2021	Total Actual Payments 2021	Unpaid Total Commitments 31 December 2021
Budget Headings	a	b	c	d = a + b - c
Article 111: Direct Investment	782,742	220,645	261,617	741,771
Article 112: Test Blanket Module	2,955	4,629	2,364	5,220
Article 113: Reserve Fund	-	-	-	-
<b>Title I: Direct Investment (Fund)</b>	<b>785,697</b>	<b>225,275</b>	<b>263,981</b>	<b>746,991</b>
Article 211: Research & Development	708	(63)	45	600
<b>Title II: R&amp;D Expenditure</b>	<b>708</b>	<b>(63)</b>	<b>45</b>	<b>600</b>
Article 311: Professional staff salary costs	-	115,204	115,204	-
Article 312: Technical Support staff salary costs	-	27,702	27,702	-
Article 313: Travel and subsistence	816	334	338	813
Article 314: Secondment allowances	-	-	-	-
Article 315: Removal expenses	189	865	816	238
Article 316: Promotions	-	-	-	-
Article 317: Awards	-	1,035	1,035	-
<b>Chapter 31: Staff Expenditure</b>	<b>1,005</b>	<b>145,140</b>	<b>145,095</b>	<b>1,050</b>
Article 321: General services	40,721	24,864	19,369	46,216
Article 322: Administrative services	10,118	11,824	9,944	11,997
Article 323: Equipment	20,814	3,759	11,596	12,977
Article 324: External specialized services	41,767	57,957	49,117	50,608
Article 325: ITER Project Associates	29,115	20,731	20,866	28,980
<b>Chapter 32: Organizational Expenditure</b>	<b>142,536</b>	<b>119,135</b>	<b>110,893</b>	<b>150,778</b>
<b>Title III: Direct Expenditure</b>	<b>143,541</b>	<b>264,275</b>	<b>255,988</b>	<b>151,829</b>
<b>TOTAL EXPENDITURE</b>	<b>929,946</b>	<b>489,487</b>	<b>520,013</b>	<b>899,420</b>

## NOTE B5: EARMARKED FUNDS

### EARMARKED FUNDS OUT-TURN

Amounts in thousands of Euro

	Actuals 2021	Actuals 2020
Total Cash In	50,599	88,615
Total Actual Payments	21,561	42,475
<b>TOTAL EARMARKED FUNDS OUT-TURN</b>	<b>29,038</b>	<b>46,140</b>

• 'Total Cash In' and 'Total Actual Payments' show the sum of Earmarked Funds related to construction contracts and other Earmarked Funds presented in statements below.

### EARMARKED FUNDS EXECUTION RELATED TO CONSTRUCTION CONTRACTS

Amounts in thousands of Euro

Earmarked Funds	01.01.2021		2021			31.12.2021	
	Unpaid Total Commitments	Cash available	Cash In	Total Actual Commitments	Total Actual Payments	Unpaid Total Commitments	Cash available
	a	b	c	d	e	f = a + d - e	g = b + c - e
ADS	-	70,000	12,488	-	-	-	82,488
ANBI	-	428	500	1,169	288	882	640
BOP4	8,873	8,873	-	-	2,203	6,670	6,670
BOP5	1,446	1,446	-	-	1,387	59	59
CJBEF	-	178	-	-	-	-	178
DCC	-	-	208	128	0	128	207
EPCC	-	-	282	-	-	-	282
MANL	-	175	-	-	-	-	175
PPS	6,410	1,526	2,637	548	132	6,826	4,031
RFPS	900	-	-	-	-	900	-
SSEN	-	2,632	-	4	4	-	2,628
TB04	135,361	39,150	20,666	2,191	6,318	131,234	53,498
TBMPT	280	261	-	-	153	127	108
TBS	1,001	2,446	-	108	1,063	45	1,383
TCWS	44,020	74,902	13,180	1,679	8,607	37,092	79,475
TFCC	-	272	-	-	-	-	272
VAS	558	4,691	-	1,672	538	1,691	4,153
VVS	26,948	26,948	-	-	-	26,948	26,948
<b>TOTAL</b>	<b>225,797</b>	<b>233,929</b>	<b>49,961</b>	<b>7,499</b>	<b>20,694</b>	<b>212,602</b>	<b>263,197</b>

### OTHER EARMARKED FUNDS EXECUTION

Amounts in thousands of Euro

Earmarked Funds	01.01.2021		2021			31.12.2021	
	Unpaid Total Commitments	Cash available	Cash In	Total Actual Commitments	Total Actual Payments	Unpaid Total Commitments	Cash available
	a	b	c	d	e	f = a + d - e	g = b + c - e
Donations	-	11	3	-	-	-	15
Miscellaneous	81	453	135	498	464	115	123
Monaco Partnership	-	630	500	402	402	-	728
<b>TOTAL</b>	<b>81</b>	<b>1,094</b>	<b>638</b>	<b>900</b>	<b>867</b>	<b>115</b>	<b>865</b>





A double layer of wound superconductor is enclosed in a mould for vacuum pressure impregnation, a process that confers structural rigidity and electrical insulation.

# ABBREVIATIONS AND ACRONYMS

<b>ADS</b>	Atmosphere Detritiation System	<b>JA-DA</b>	Japanese Domestic Agency
<b>ANBI</b>	Agreed Notified Body Inspectors	<b>KO-DA</b>	Korean Domestic Agency
<b>ASN</b>	Autorité de Sureté Nucléaire (French nuclear authorities)	<b>LTIK</b>	Long-Term In Kind
<b>BOP</b>	Balance Of Plant	<b>MAC</b>	Management Advisory Committee
<b>CEA</b>	Commissariat à l'Énergie Atomique et aux Énergies Alternatives (France)	<b>MANL</b>	Manlift
<b>CFS</b>	Cash Flow Statement	<b>MCP</b>	Monaco Partnership Arrangement
<b>CJBEF</b>	Cable from Junction Box to Electrical Feedthrough	<b>MoU</b>	Memorandum of Understanding
<b>CN-DA</b>	Chinese Domestic Agency	<b>MuC</b>	Machine under Construction
<b>CWIP</b>	Capital Work in Progress	<b>OPC</b>	Overall Project Cost
<b>DA</b>	Domestic Agency	<b>PA</b>	Procurement Arrangement
<b>DCC</b>	Diagnostic Captive Component	<b>PF</b>	Poloidal Field
<b>Eonia®</b>	Euro OverNight Index Average	<b>PLM</b>	Product Life Management System
<b>EPCC</b>	Electrical Power and Control Cables	<b>PPE</b>	Property, Plant and Equipment
<b>EU-DA</b>	European Domestic Agency	<b>PPS</b>	Port Plug Structures
<b>F4E</b>	Fusion for Energy (name of the European Domestic Agency)	<b>PRMR</b>	Project Resource Management Regulations
<b>FAB</b>	Financial Audit Board	<b>RF-DA</b>	Russian Federation Domestic Agency
<b>FOAK</b>	First-of-a-Kind	<b>RFPS</b>	Radio Frequency Power Sources
<b>HI</b>	Home Institutes	<b>SCS-N</b>	Safety Control System - Nuclear
<b>IAEA</b>	International Atomic Energy Agency	<b>SSEN</b>	Steady-State Electrical Network
<b>IC</b>	ITER Council	<b>STIK</b>	Short-Term In Kind
<b>IFAC</b>	International Federation of Accountants	<b>TA</b>	Task Agreement
<b>IN-DA</b>	Indian Domestic Agency	<b>TB</b>	Tokamak Building
<b>IO</b>	ITER Organization	<b>TBM-PT</b>	Test Blanket Module Project Team
<b>IPA</b>	ITER Project Associate	<b>TBS</b>	Test Blanket System
<b>IPSAS (B)</b>	International Public Sector Accounting Standards (Board)	<b>TCWS</b>	Tokamak Cooling Water System
<b>IUA</b>	ITER Unit of Account	<b>TFCC</b>	Toroidal Field Coil Conductor
		<b>US-DA</b>	United States of America Domestic Agency
		<b>VAS</b>	Vacuum Auxiliary System
		<b>VAT</b>	Value Added Tax
		<b>VVS</b>	Vacuum Vessel Sector





The hot and cold cooling water basins, pumps, heat exchangers, and cooling towers of ITER's heat rejection system span a 6,000-square-metre area on the northern corner of the worksite.



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