



ITER Organization 2023 Financial Report



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The financial report contains 65 pages

Foreword from the Director-General

Last month at the 34th Meeting of the ITER Council I presented a new baseline for the ITER Project. Representing many months of resolute coordination by the ITER Organization and Domestic Agency teams, this proposal fulfils a commitment I made to the Members when I took over the position of Director-General in late 2022. At the time, the project publicly acknowledged that the plan that had been used by the project as a reference since 2016 was no longer feasible, practical, or optimal. We have now taken an unvarnished look at the difficulties the project was facing—including accumulated delays in the assembly of the machine, challenges in the context of the ITER safety demonstration, and the need for repairs on critical components—and reimaged the way forward to completing ITER construction and operating the ITER machine.

The new baseline prioritizes a more consequential start to scientific exploitation that allows us to make up for some past delays. It lays out an expedited path to the realization of our key objectives—integrating the systems for industrial-scale fusion operation and achieving a burning plasma with 500 megawatts of fusion power. And it lowers technical and operational risks through a nuclear safety demonstration and associated licensing roadmap constructed block by block from actual findings from experimentation. I am sure that this is the right thing to do for the ITER Project and we are proceeding on this basis while the ITER Council pursues its evaluation of our proposal.

The ambitious plans laid out in the updated baseline should be understood in the context of broader, structural changes that were made in 2023 in the way we work; indeed, without the transformations initiated inside our organizations our plans for the future would not be attainable.

- We have nearly completed a major structural reorganization of the ITER Organization and the project, creating the foundations for a more efficient and agile team centred around project delivery.
- We have substantially improved our relationship with the French Nuclear Authority ASN through a commitment to transparent communication.
- We are in the process of restructuring the management of engineering data for simpler and more centralized access.
- We have introduced a more efficient process for the preparation and management of cost and annual budget.
- We have reformulated machine and plant assembly contracts with fixed scope and firm cost at milestones.
- We have introduced new policies for whistleblowing and for the management of potential conflicts of interest, and a new mechanism for process improvement suggestions.
- We are making a major push to improve the technical quality culture in the project.

Progress in manufacturing and delivery has also been steady. One of the longest-lead procurement efforts of the ITER program—superconducting magnets—is coming to an end as five toroidal field coils, two poloidal field coils, and two central solenoid modules were delivered in 2023. All 19 toroidal field coils are now on site—an outstanding achievement that was aptly celebrated just a few weeks ago by all stakeholders. We expect the delivery of the first European vacuum vessel sector later this year; in parallel, the campaign initiated to repair defects discovered on key machine components is progressing as planned and we are on track to recommence vacuum vessel assembly in 2025. Progress continues in the assembly of the central solenoid stack, in the creation of highly technical feeder joints, and in ITER plant assembly and commissioning, to name just some of the many areas of accomplishment.

In summary, it was a year of steady progress, but also a year of transition and re-setting in the way we do business across the project. I would like to express my sincere gratitude for the important results achieved as a team in 2023 and in the first months of 2024. We have all the elements in place to continue this positive trend.

Pietro Barabaschi
St. Paul-lez-Durance
July 2024

Certificate

The Financial Statements of the ITER Organization have been prepared in accordance with the ITER Organization Project Resource Management Regulations approved by the ITER Council (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 2023 and of the financial position of the ITER Organization in all material aspects at the end of 2023.

We are not aware of any unrecorded liabilities.



29 February 2024

Lionel Rigaux

Accounting Officer

Accounting, Treasury & Systems
Section Leader



29 February 2024

Laetitia Grammatico

Finance & Project Control
Division Head, acting

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.



29 February 2024

Pietro Barabaschi

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 2023, which comprise the Statement of Financial Position, the Statement of Financial Performance, the Statement of Changes in Net Assets/Equity, the Cash Flow Statement, the Comparison of Budget and Actual Amounts, and Notes to the Financial Statements, including a summary of significant accounting policies and the Budgetary Statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the IO as at 31 December 2023, 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 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 2023 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.

Auditors' 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 auditors' 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 the management, as well as that of the overall presentation of the financial statements and of the budget execution statements.

Mr. KOYANAGI Daisaku
Chair of the Financial Audit Board
JAPAN

Ms. Shanshan LU
PEOPLE'S REPUBLIC OF
CHINA

Mr. Ciaran SPILLANE
EUROPEAN UNION

Mr. Sandeep T. UKE
REPUBLIC OF INDIA

Mr. SeungMin SHIN
REPUBLIC OF KOREA

Mr. Alexander ZAGORNOV
RUSSIAN FEDERATION

Mr. James Robert GOTCHIE
UNITED STATES OF
AMERICA

3 May 2024

Financial Statement Discussion and Analysis

This section of the annual Financial Report of the ITER Organization (IO) presents the management's Discussion and Analysis of the Financial Statements for the year ended 31 December 2023.

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 15 to 49 of this report.

The 2022 Financial Statements were audited and thereafter approved by the ITER Council at its Thirty-Second Meeting in June 2023.

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 shall prepare and submit to the ITER Council the annual Financial Statements by the end of February of the year following the last day of the reporting period.

The functional currency used by the ITER Organization is the Euro. The Financial Statements show tabulations in thousands of Euro, which could cause minor differences due to rounding.

The Financial Statements presented on an accrual basis show the following:

- 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 the ITER 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 ITER 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 seven Members, these being the People's Republic of China, the European Atomic Energy Community 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 the 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/Infocircs/2007/infocirc702.pdf>).

The ITER Agreement was signed by the ITER Parties 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 Organization 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 facilities will be financed by the ITER Members and carried out by the Host State, France.

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'Energie Atomique et aux Energies Alternatives* (CEA) for the duration of the ITER Project by a notarial deed (initially foreseen to end in October 2042).

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) created by the Members. The conversion rate from IUA to Euro, based on the updated EUROSTAT Harmonised Index of Consumer Prices (as decided during the first meeting of the ITER Council), is revised annually by the Director-General and reported to the ITER Council Management Advisory Committee (MAC) thereon.

IUA Exchange Rates	
Period	1 IUA =
2023	EUR 1,975.41
2022	EUR 1,822.33
January 1989	USD 1,000.00

Contributions from the ITER 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/ITER Members) and secondments of staff. They are recognized in the Statement of Financial Performance of the year to which they relate.

Procurement Arrangements (PA) are contributions in kind foreseen in the ITER Agreement and signed between the ITER Organization and each Domestic Agency of each ITER 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' was 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 to assign individuals or a group of IPAs. They take into account the Member/Country specificities and financial aspects.

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

The ITER Organization has signed Arrangements 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 budget).

Similarly, the ITER Organization also signed Arrangements/Partnerships with the Principality of Monaco and the Korean Domestic Agency to finance Post-Doctoral Fellowship Programs as detailed in Note A17.

Revenue from the Construction Contracts that result from these Arrangements and the Post-Doctoral Fellowship Programs is recognized only to the extent of contract costs incurred that can probably 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.

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 so doing, the IAS takes into consideration the input provided by the Financial Audit Board (FAB) and the ITER Organization's Quality Management Division (QMD).

In 2023, management made good progress in taking action on the IAS Recommendations resulting from the IAS audit reports. Where relevant, pending action plans shall be implemented following organizational restructuring.

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, geopolitical issues, 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, and later outbreaks, 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. Decisions on the handling of significant risks are reviewed regularly 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.

While the large components continue to experience transportation delays due to secondary COVID-19 impacts, continuing physical progress is observed both onsite and in ITER-Member facilities. Continuously identifying opportunities to compensate for unknown risks and emerging first-of-a-kind (FOAK) risks remains a key activity. Opportunities are a valuable source of savings to free up contingencies for the ITER Project.

At its thirty-first meeting (IC-31) in November 2022, the ITER Council accepted the Director-General's recommendation to establish an updated project baseline after a comprehensive assessment and development of a corrective plan. Since then, the ITER Organization and Domestic Agencies have been advancing their collaboration toward the development of an optimized, reliable cost and schedule baseline, updating the project baseline.

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.

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

The ITER Organization worked closely with the Domestic Agencies and external experts in early 2023 to define and validate the repair strategy for the ITER thermal shield and vacuum vessel sectors. After repair/re-manufacturing contractors were selected mid-year, the ITER teams prepared the components for handoff to the companies. Sector Module #6 was lifted out of the Tokamak Pit and returned to tooling in the Assembly Hall, four toroidal field coils were detached from Sectors Modules #6 and #7, and “downended” to storage, and the thermal shield sets were removed and surveyed. The repair lifecycle plans—from the start of repair work to the completion of repairs and the resumption of machine assembly—will be closely tracked by a dedicated task force.

During this pause in vacuum vessel assembly, the ITER Organization and Domestic Agencies are re-baselining the project’s scope, schedule and cost. The plan under elaboration seeks to minimize the impact of repairs on the schedule and to provide a more robust path to nuclear licencing and the demonstration of ITER’s programmatic $Q=10$ goal. The redefinition of the ITER Research Plan—including proposing an incremental path to ITER’s nuclear safety demonstration; the reconsideration of the vacuum vessel welding sequence to control deformations; the testing at 4 Kelvin of some toroidal and poloidal field coils; and the change of first-wall material from beryllium to tungsten are all part of the new approach to ITER construction and operation. The overall objective of the Updated Baseline, which will be submitted to the ITER Council in June 2024, is to propose the fastest path to the start of fusion operation based on a realistic plan that includes risk mitigation.

A 2023 workshop on improving technical quality culture resulted in eight priority recommendations that will be promulgated across the project. The project is also implementing changes for a more agile organizational structure on site and better integration with the Domestic Agencies. The rollout of a new matrix organizational structure in 2023, creating ten programs and a Project Control Office within the ITER Construction Project, has created clearer lines of accountability and an incentive structure that is better aligned with the needs of the assembly phase of the project. Management is also developing pathways for Domestic Agency staff to work on site through secondment and promoting the gradual merger of data and processes particularly in the areas of project control (schedule) and central integration (configuration management).

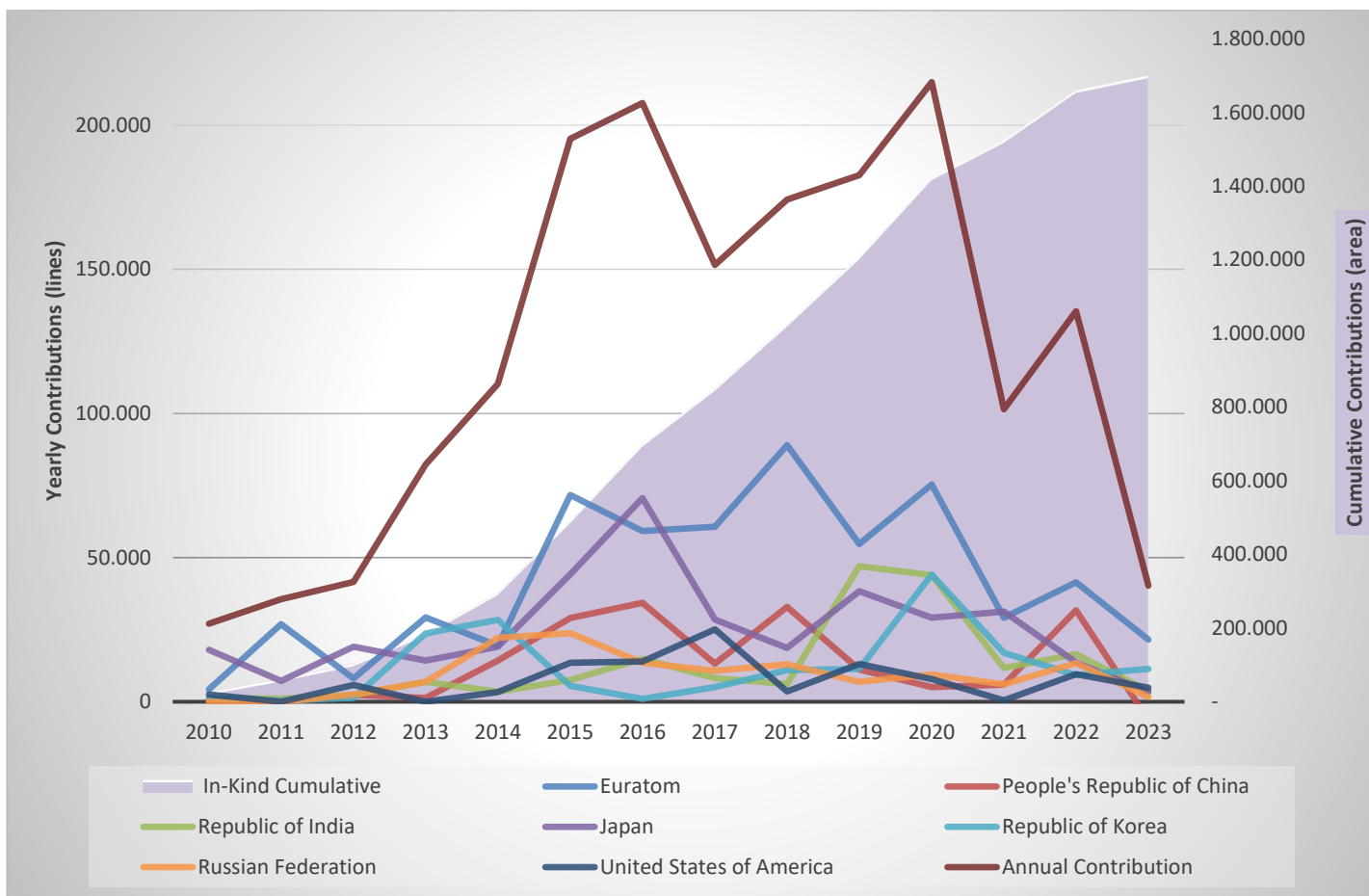
One of the longest-lead procurement programs of the ITER Project, superconducting magnets, is coming to an end as five toroidal field coils, two poloidal field coils, and two central solenoid modules were delivered during the year. All 19 toroidal field coils are now on site; only one poloidal field coil and three central solenoid modules remain to be delivered. The fabrication of other major components and systems—divertor cassettes, blanket shield blocks, magnet feeders, equipment for the tokamak cooling water system, torus and cryostat cryopumps, early diagnostics, heating systems—is also progressing at the ITER Domestic Agencies.

The largest construction contract on site—Europe’s TB03 contract for the construction of the Tokamak Complex and eight auxiliary buildings—was officially closed out in September with the completion of civil engineering on the Tokamak Building. Construction of the neutral beam power supply area, the Tritium Building, electrical distribution and site infrastructure continues to progress. Outside of the Tokamak Complex, the bulk of the auxiliary plant has been installed and commissioning is progressing. Going forward, the schedule will be driven by the timely delivery of the remaining components, ongoing repair works, the pace of machine assembly after repair, and installation works in the Tokamak Complex.

Statement of In-Kind Contributions by the ITER Members

Amounts in IUA	Cumulative 01.01.2022		Notified in 2022	Accruals* (net)	Cumulative 31.12.2022		Notified in 2023	Accruals* (net)	Cumulative 31.12.2023	
Euratom	527,666	34.62%	51,258	(9,824)	569,100	34.29%	35,365	(13,861)	590,605	34.74%
People's Republic of China	149,541	9.81%	10,720	20,948	181,208	10.92%	8,208	(14,503)	174,913	10.29%
Republic of India	154,566	10.14%	14,208	2,320	171,094	10.31%	6,780	(3,040)	174,834	10.28%
Japan	338,322	22.20%	13,778	(179)	351,921	21.20%	3,720	(319)	355,322	20.90%
Republic of Korea	149,866	9.83%	7,236	1,988	159,091	9.58%	15,063	(3,649)	170,505	10.03%
Russian Federation	115,060	7.55%	11,980	1,497	128,536	7.74%	4,865	(3,213)	130,188	7.66%
United States of America	89,288	5.86%	4,949	4,627	98,864	5.96%	5,190	(366)	103,688	6.10%
Total	1,524,309		114,128	21,377	1,659,814		79,191	(38,950)	1,700,055	

(* In this table, 'Accruals (net)' includes the reverse of the previous year's accruals



ITER Organization
2023 Financial Statements

Statement of Financial Position as at 31 December 2023

<i>Amounts in thousands of Euro</i>	Note	31.12.2023	31.12.2022
ASSETS			
Current assets		885,687	958,492
Cash and Cash Equivalents	A3	809,138	784,923
Recoverables from Non-Exchange Transactions	A4	22,710	128,270
Receivables from Exchange Transactions	A5	47,097	41,426
Prepayments	A6	6,742	3,874
Non-current assets		7,660,161	7,007,105
Property, Plant and Equipment	A7	7,658,537	7,003,678
Intangible Assets	A8	1,623	3,426
Financial Assets		2	2
TOTAL ASSETS		8,545,849	7,965,597
LIABILITIES			
Current liabilities		426,619	520,191
Payables	A9	402,397	505,066
Employee Benefits Liabilities	A10	4,309	3,969
Provisions	A20	19,913	11,156
Non-current liabilities		8,119,230	7,445,406
Deferred Revenue	A11	8,119,230	7,445,406
TOTAL LIABILITIES		8,545,849	7,965,597
NET ASSETS/EQUITY			
Brought forward surplus		-	-
TOTAL NET ASSETS/EQUITY		-	-

Statement of Financial Performance for the Year ended 31 December 2023

<i>Amounts in thousands of Euro</i>	Note	2023	2022
Revenue			
Operational Revenue	A12	8,153	8,290
Construction Contracts	A16	36,207	36,716
Post-Doctoral Fellowship Programs	A17	705	475
Other Revenue	A13	11,552	7,361
Total Revenue		56,618	52,842

Expenses			
Employee Benefits Expenses	A14	179,377	157,028
Other Expenses: small equipment and consumables	A15	86,084	19,062
Other Expenses: support services	A15	224,735	69,429
Other Expenses: external services	A15	51,397	31,925
Depreciation of property, plant and equipment	A7	6,319	6,152
Amortization of intangible assets	A8	1,833	2,137
Provisions	A20	8,757	10,610
Total Expenses		558,503	296,343
Activity costs capitalized for the machine under construction	A7	501,885	243,501
Surplus / (deficit) for the period		-	-

Statement of Changes in Net Assets/Equity for the Year ended 31 December 2023

<i>Amounts in thousands of Euro</i>	2023	2022
Balance at 1 January	-	-
Surplus / (deficit)	-	-
Net assets/equity at 31 December	-	-

Cash Flow Statement for the Year ended 31 December 2023

<i>Amounts in thousands of Euro</i>	2023	2022
Cash flows from operating activities		
Receipts		
Contributions from Members	572,278	607,649
Construction Contracts	2,842	28,721
Post-Doctoral Fellowship Programs	769	762
Administrative agreements	8,755	12,597
Interest received	11,013	3,648
VAT reimbursement	5,117	2,550
Payments		
Construction Contracts	(32,783)	(42,234)
Post-Doctoral Fellowship Programs	(700)	(454)
Administrative agreements	(2,937)	(3,482)
Other	(4,363)	(4,010)
Net cash flows from operating activities	559,992	605,747
Cash flows from investing activities		
Receipts		
VAT reimbursement	59,485	53,264
Other	9,512	2,448
Payments		
Capital expenditure	(604,252)	(623,104)
Net cash flows from investing activities	(535,255)	(567,392)
Net (decrease)/increase in cash and cash equivalents	24,737	38,355
Effects of exchange rate changes on the balance of cash held in foreign currencies	(521)	249
Cash and cash equivalents at 1 January	784,923	746,319
Cash and cash equivalents at 31 December	809,138	784,923

**Comparison of Budget and Actual Amounts
for the Year ended 31 December 2023**

Overall Project Cost Cash (OPC Cash)

<i>Amounts in thousands of Euro</i>	Chapter	Initial budget 2023	Final budget 2023	Actual amounts 2023	Actual amounts 2022
Income					
Contributions from ITER Members	71	540,880	540,880	540,880	598,794
Internal Tax	72	33,470	33,470	33,622	29,628
Financial Income	73	650	650	10,826	3,503
Total Income	(a)	575,000	575,000	585,327	631,925
Payments					
Direct Investment (Fund)	11	284,327	282,882	279,633	315,785
R&D Expenditure	21	(1,351)	(1,508)	-	413
Staff Expenditure	31	166,966	168,969	177,400	154,699
Organizational Expenditure	32	125,058	124,657	114,414	117,637
Total Payments	(b)	575,000	575,000	571,447	588,535
Budgetary Out-Turn	(a)-(b)	-	-	13,880	43,390

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Note A1 - Basis of Preparation

The 2023 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 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.

Even though neither the accounting method nor the accounting policies were changed during the period, some management decisions implemented in 2023 by ITER Organization (Vertical Project Costs Management) slightly impacted the way some costs are presented.

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

Seven new IPSAS standards are not yet effective for the year ended 31 December 2023 and have not been implemented for the preparation of these Financial Statements.

- **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 still reviewing the standard to determine the best approach to apply it.

- **IPSAS 44 Non-Current Assets Held for Sale and Discontinued Operations**

IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value.

The ITER Organization plans to adopt IPSAS 44 starting on 1 January 2025. From then on, when preparing the Financial Statements it will consider whether there are any non-current assets being held for sale or discontinued operations, and will report on them in accordance with IPSAS 44.

- **IPSAS 45 Property, Plant and Equipment**

IPSAS 45 includes additional general measurement guidance and options when accounting for assets within its scope, characteristics to identify heritage and infrastructure assets, and additional guidance on how heritage and infrastructure assets should be recognized and measured. As the ITER Organization does not hold any heritage or infrastructure assets, it does not anticipate any impact regarding these assets. IPSAS 45 also provides guidance to entities that elect to measure their property, plant and equipment using the current value model but the ITER Organization does not apply the current value model and therefore this change will not affect ITER's Financial Statements.

IPSAS 45 is effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

- **IPSAS 46 Measurement**

IPSAS 46 defines measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. This standard identifies approaches under those measurement bases to be applied through individual IPSAS. IPSAS 46 provides guidance on implementation of measurement bases such as current operational value, cost of fulfilment and fair value, and the circumstances under which they should be used.

IPSAS 46 is effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

As ITER Organization is applying the historical cost model this new IPSAS will not affect the ITER's Financial Statements.

- **IPSAS 47 Revenue**

IPSAS 47 establishes the principles that an entity shall apply to report useful information to users of Financial Statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue transactions. This standard requires an entity to consider the terms of the transaction, and all relevant facts and circumstances, to determine the type of revenue transaction, and sets out the accounting requirements to account for the revenue transaction. IPSAS 47 replaces IPSAS 9 Revenue from Exchange Transactions, IPSAS 11 (Construction Contracts), and IPSAS 23 (Revenue from None-Exchange Transactions (Taxes and Transfers)). IPSAS 47 is likely to affect the ITER Financial Statements significantly. The ITER Organization is assessing its impacts and considers that there will be sufficient time for implementation.

IPSAS 47 is effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

- **IPSAS 48 Transfer Expenses**

IPSAS 48 establishes the principles that a transfer provider shall apply to report on the nature, amount, timing, and uncertainty of expenses and cash flows arising from transfer expense transactions. This standard requires an entity to consider the terms of the transaction and all relevant facts and circumstances to determine the type of transfer expense transaction and sets out the accounting requirements for the transfer expense transaction. A transfer provider is an entity that provides a good, service, or other asset to another entity without directly receiving any good, service or other asset in return. As the ITER Organization rarely acts as a transfer provider, it expects IPSAS 48 to have a minimal impact on its Financial Statements.

IPSAS 48 is effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

- **IPSAS 49 Retirement Benefit Plans**

IPSAS 49 guides the accounting and reporting by a retirement benefit plan to improve the transparency and accountability of those plans. As the ITER Organization is not a retirement benefit plan, this standard does not affect its Financial Statements.

IPSAS 49 is effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

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).

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 the ITER 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).

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:

- ITER Organization Activity costs capitalized - for all other costs needed to support the construction of the ITER Machine;
- ITER Organization 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 Arrangements are transferred from 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 its 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
Tools	5 years
IT and 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 lowest 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. When determinable, 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 that 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. 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, each of which is 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, additional cash compensation, internal tax, financial revenue, revenue from construction contracts, exchange rate gains, insurance claim reimbursements, liquidated damages, donations, sponsorships, the contribution resulting from the Post-Doctoral Fellowship Programs 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 that 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 the 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.

- Additional cash compensation

Additional cash compensation is a revenue from the Members in compensation to 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.

- 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.

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, seconded staff and Task Agreements (short-term in-kind contributions) and Procurement Arrangements (long-term in-kind contributions). 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 the ITER Organization expects to be able to recover all costs on all construction contracts, no such losses are recognized during work in progress.

The 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). 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

<i>Amounts in thousands of Euro</i>	31.12.2023	31.12.2022
Cash at bank - Euro accounts	30,288	71,981
Arkea, France	-	4
BNP Paribas, France	29,971	43,549
Crédit Agricole PCA, France	316	-
Caisse d'Epargne, France	1	890
Crédit Mutuel, France	-	27,538
Cash at bank - JP Yen account	4,039	2,416
BNP Paribas, France	4,039	2,416
Cash at bank - US Dollar accounts	750	537
BNP Paribas, France	48	51
BMO, USA	747	520
Cheques issued and not yet disbursed	(46)	(34)
Saving/Deposits with banks - Euro accounts	774,062	705,506
Arkea, France	111,635	120,105
Bank of China, Luxemburg	60,000	50,000
Bank of Communications, Luxemburg	-	60,000
BNP Paribas, France	35,532	10,082
Caisse d'Epargne, France	155,000	135,000
Crédit Agricole PCA, France	191,569	175,000
Crédit Mutuel, France	220,326	155,319
Saving/Deposits with bank – JP Yen account	-	4,482
BNP Paribas, France	-	4,482
Total Cash and Cash Equivalents	809,138	784,923

The balance of the ITER Organization's cash and cash equivalents arises from the ITER Members' contributions and other cash receipts including those related to Construction Contracts, Post-Doctoral Fellowship Programs and Donations, the financial revenue and the other arrangements.

At year-end, the balance includes EUR 45.22 million received in advance from the ITER Members toward their 2024 cash contributions, EUR 220.94 million for Construction Contracts, Post-Doctoral Fellowship Programs and Donations, EUR 30.40 million of financial income, and the balance mainly represents the unused contributions received from the ITER Members.

As the ITER Organization is financed through public funding, the investments (96% of the Cash and Cash Equivalents at year-end) are limited to low-risk opportunities (only secured deposits/investments are allowed as indicated in the Investment Procedure approved by the Director-General).

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 2023.

In 2023, Financial Revenue of EUR 25.33 million was earned by the ITER Organization. This amount represents an average rate of return of 3.09% of the average daily available cash balance (invested). In comparison, the average 2023 €STR (Euro Short-Term Rate) index was 3.21%.

Note A4 - Recoverables from Non-Exchange Transactions

<i>Amounts in thousands of Euro</i>	31.12.2023	31.12.2022
Members' cash contributions yet to be received	8,498	107,922
Republic of India	-	106,984
Russian Federation	8,498	-
United States of America	-	938
Other recoverables from non-exchange transactions	14,213	20,348
Taxes – United States of America	414	634
Taxes – France	13,798	19,705
Other	1	9
Total Recoverables from Non-Exchange Transactions	22,710	128,270

The EUR 8.50 million in Cash Contributions yet to be paid by the ITER Members has been due for less than a 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 12 months).

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

Note A5 - Receivables from Exchange Transactions

<i>Amounts in thousands of Euro</i>	31.12.2023	31.12.2022
Down payments to suppliers	26,088	34,273
Accrued interest	17,133	2,814
Construction Contracts	1,039	1,097
EU Domestic Agency	1,972	1,663
CN Domestic Agency	194	700
IN Domestic Agency	-	94
JA Domestic Agency	11	11
KO Domestic Agency	-	278
US Domestic Agency	-	25
Other	658	470
Total Receivables from Exchange Transactions	47,097	41,426

‘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).

‘Construction Contracts’ relates to the amounts due from the Domestic Agencies 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 Note A16.

‘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’ represents outstanding receivables that are under tight scrutiny.

Note A6 – Prepayments

<i>Amounts in thousands of Euro</i>	31.12.2023	31.12.2022
License fees	2,478	1,951
Cooling water	1,830	1,220
Insurance	1,124	234
Maintenance licenses	641	137
Maintenance and repair	571	205
Subscriptions	84	35
Rent warehouse	7	87
Other	7	5
Total Prepayments	6,742	3,874

Prepayments corresponds to payments made in 2023 for which the acquired goods/services relate to 2024 or beyond (deferred charges).

‘Cooling water’ corresponds to the amount advanced to finance the extension of the canal by the local provider (until 2024). Once built, the ITER Organization will have the opportunity to offset the amount already paid out of the cooling water actually consumed.

‘Insurance’ includes the premium for the erection all risk construction policy (CEAR) for EUR 0.88 million.

Note A7 - Property, Plant and Equipment (PPE)

<i>Amounts in thousands of Euro</i>	Buildings	Fixtures and fittings	Furniture, tools, IT, telecom, transport equipment	'Machine' under Construction (MuC)				Total MuC	Total
				Activity costs capitalized	Direct investment	PA advance	PA Capital work in progress		
Cost									
Balance 01.01.2022	118,014	2,616	15,016	1,889,185	1,605,362	1,372,570	1,180,071	6,047,188	6,182,834
Additions	1,542	-	697	243,501	381,017	58,844	183,347	866,708	868,947
Transfers	-	-	(30)	-	-	-	-	-	(30)
Transfers to Intangible Assets	3,183	-	-	-	(3,183)	-	-	(3,183)	-
Balance 31.12.2022	122,739	2,616	15,683	2,132,686	1,983,195	1,431,414	1,363,417	6,910,713	7,051,751
Additions	2,306	571	1,373	501,885	72,917	194,121	(111,986)	656,937	661,188
Transfers within PPE	111	474	-	-	(585)	-	-	(585)	-
Transfers to Intangible Assets	-	-	-	-	(10)	-	-	(10)	(10)
Balance 31.12.2023	125,155	3,662	17,057	2,634,571	2,055,518	1,625,535	1,251,431	7,567,055	7,712,929
Accumulated depreciation									
Balance 01.01.2022	(28,645)	(1,202)	(12,104)						(41,950)
Depreciation of the year	(4,651)	(237)	(1,264)						(6,152)
Write-back	-	-	30						30
Balance 31.12.2022	(33,296)	(1,439)	(13,338)						(48,073)
Depreciation of the year	(4,757)	(278)	(1,285)						(6,319)
Balance 31.12.2023	(38,052)	(1,716)	(14,624)						(54,392)
Net carrying amount									
Balance 31.12.2022	89,443	1,177	2,345	2,132,686	1,983,195	1,431,414	1,363,417	6,910,713	7,003,678
Net variation	(2,340)	768	88	501,885	72,322	194,121	(111,986)	656,342	654,859
Balance 31.12.2023	87,103	1,945	2,433	2,634,571	2,055,518	1,625,535	1,251,431	7,567,055	7,658,537

'PA advance' and 'PA capital work in progress (CWIP)' 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 B73.4 Lightweight Storage Shelter, B73.5 Lightweighted Storage Shelter, B55.4 PF Coil Storage Shelter, Door and partition walls in B55 PF Coil; Reinforcement of the ITER Site boundary fence and some additional works on several existing buildings.

'Additions and Transfers' under 'Fixtures and Fittings' corresponds to the Dark Fibre Connectivity installation (EUR 0.45 million), the CCTV System upgrade -Closed-Circuit Television- (EUR 0.25 million) and other works in B56 (window creation), B06 (ACS CCTV Installation), B72 (HVAC and improvement to the ITER Council Meeting Room), B82 (partition walls).

'Additions' under 'Furniture, tools, IT, telecom, transport equipment' corresponds mainly to the purchase of five vehicles (EUR 0.18 million), and IT servers (EUR 1 million).

Note A8 - Intangible Assets

<i>Amounts in thousands of Euro</i>	Computer software	Intangible assets under development (computer software)	Total
Cost			
Balance 01.01.2022	26,861	-	26,861
Additions	1,192	-	1,192
Balance 31.12.2022	28,053	-	28,053
Additions	21	-	21
Transfers from PPE	10	-	10
Balance 31.12.2023	28,083	-	28,083
Accumulated amortization			
Balance 01.01.2022	(22,489)		(22,489)
Amortization of the year	(2,137)		(2,137)
Balance 31.12.2022	(24,627)		(24,627)
Amortization of the year	(1,833)		(1,833)
Balance 31.12.2023	(26,460)		(26,460)
Net carrying amount			
Balance 31.12.2022	3,426	-	3,426
Net variation	(1,803)	-	(1,803)
Balance 31.12.2023	1,623	-	1,623

‘Additions’ and ‘Transfers from PPE’ correspond to the implementation of a PDF generating tool in Product Lifecycle Management (PLM) system.

Note A9 – Payables

<i>Amounts in thousands of Euro</i>	31.12.2023	31.12.2022
Advance Received on Members' Contributions	44,518	110,479
Euratom	29,596	97,939
People's Republic of China	10,166	5,368
Republic of India	13	-
Republic of Korea	4,096	1,231
Russian Federation	-	5,940
United States of America	647	-
Other Payables	357,880	394,587
Construction Contracts	225,064	258,689
Creditors (suppliers and accrued charges)	124,653	129,997
Retention from Suppliers	6,827	4,742
Post-Doctoral Fellowship Programs	1,064	1,000
Personnel	272	104
Other	-	55
Total Payables	402,397	505,066

'Advance Received on Members' Contributions' corresponds to cash received by the ITER Organization exceeding the requested amount due at the reporting date.

'Construction Contracts' relates 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 Note A16.

'Creditors (suppliers and accrued charges)' is the liability recognized in the 2023 Financial Statements but not yet paid as at 31 December 2023 (mainly accruals).

'Retention from Suppliers' corresponds to an amount withheld as a temporary guarantee.

'Post-Doctoral Fellowship Programs' relates 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 Note A17.

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

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

Note A10 - Employee Benefits Liabilities

<i>Amounts in thousands of Euro</i>	31.12.2023	31.12.2022
Accrued untaken leave	4,306	3,967
Other	2	2
Total Employee Benefits Liabilities	4,309	3,969

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

The accrued untaken leave liability is net of EUR 0.02 million arising from excessive leave taken during the reporting period. The accrued untaken leave liability is computed on a gross basis and includes EUR 0.83 million internal tax.

Note A11 - Deferred Revenue as at 31 December 2023

<i>Amounts in thousands of Euro</i>	31.12.2023	31.12.2022
Deferred Revenue from Contributions		
Euratom (*)	3,187,426	2,919,542
People's Republic of China	732,607	698,574
Republic of India	760,253	699,900
Japan (*)	1,022,090	976,695
Republic of Korea	746,575	672,446
Russian Federation	682,338	625,791
United States of America	697,344	612,670
Total Deferred Revenue from Contributions	7,828,633	7,205,618
Other Deferred Revenue		
Internal tax	303,083	269,461
Grants and donations	23,309	23,302
Financial revenue	45,931	20,598
Total Other Deferred Revenue	372,322	313,361
Write back from Deferred Revenue (during the Construction Phase, write back to revenue equals the depreciation and amortization costs)	(81,726)	(73,573)
Total Deferred Revenue	8,119,230	7,445,406

(*) Cumulative credits granted to Japan include a contribution from the European Union corresponding to IUA 188,691.66 amounting to EUR 332.04 million (including IUA 591.16 for deliverables achieved in 2023) 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).

'Other Deferred Revenue' mainly includes internal tax, grants and donations and financial revenue that will contribute to financing the construction. It also includes additional grants and donations received to support the Project.

Note A12 - Operational Revenue

<i>Amounts in thousands of Euro</i>	2023	2022
Calls for Cash Contributions		
Euratom	224,377	256,554
People's Republic of China	45,035	49,773
Republic of India	52,570	57,545
Japan	38,660	44,370
Republic of Korea	51,695	54,560
Russian Federation	53,355	58,247
United States of America	75,189	77,745
Total Calls for Cash Contributions	540,880	598,794
Contributions in Kind		
Euratom	43,507	74,951
People's Republic of China	(11,002)	55,079
Republic of India	7,783	29,140
Japan	6,735	24,625
Republic of Korea	22,435	16,712
Russian Federation	3,192	24,464
United States of America	9,485	17,218
Total Contributions in Kind	82,135	242,190
Other		
Internal tax	33,622	29,628
Grants and donations	7	4
Financial revenue	25,333	3,601
Write-back to revenue	8,153	8,290
Total Other	67,114	41,523
Total	690,129	882,507
Deferred revenue	(681,976)	(874,218)
Total Revenue	8,153	8,290

‘Calls for Cash Contributions’ represents the amounts each Member is requested by the ITER Organization to pay as their respective Contribution for the year. It includes Cash, Reserve Fund and Short-Term In Kind. Cash Contributions include an “In-kind adjustment” corresponding to differences between the value of In-kind Contributions for each ITER Member and the approved Cost-Sharing Ratio for Construction.

‘Contributions in Kind’ represents the equivalent in Euro of the in-kind deliveries on Procurement Arrangements by each ITER Member during the period. The negative amount of EUR 11.00 million is the net revenue recognized during the period for the People's Republic of China. It includes the reversal of the accrued revenue computed at the end of 2022 (-EUR 46.381 million), the credit/revenue performed in 2023 (EUR 14.07 million) and the new accruals made at the end of 2023 (EUR 21.31 million). Therefore, the excess of revenue recorded in 2022 was EUR 32.31 million is negatively impacting the 2023 revenue.”

‘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).

Note A13 - Other Revenue

<i>Amounts in thousands of Euro</i>	2023	2022
Investment subsidy	5,452	-
Service support	1,833	1,883
Insurance claim reimbursements	1,716	96
Additional cash compensation	857	4,678
Exchange rate gains	445	493
Administrative fees	303	184
Fixed assets sales proceeds	-	3
Other	946	24
Total Other Revenue	11,552	7,361

‘Investment subsidy’ represents the subsidy received to support the financial cost of energy saving installations.

‘Service support’ is the revenue generated by IT or logistical support services provided on the premises of the ITER Organization.

‘Additional cash compensation’ corresponds to the difference between the estimated cost of the scope transferred from an ITER Member to the ITER Organization and the transferred credit value in IUA converted into Euro for that same scope.

‘Exchange rate gains’ is shown in this Note whereas the exchange rate losses can be found in Note A15.

‘Administrative fees’ represents the revenue requested by the ITER Organization from the Domestic Agencies 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.

‘Other’ relates to fees for a conference hosted by the ITER Organization in September 2023 (MT28 International Conference on Magnet Technology).

Note A14 - Employee Benefits Expenses

<i>Amounts in thousands of Euro</i>	Professional Staff		Technical Support Staff		Total Staff	
	2023	2022	2023	2022	2023	2022
Wages and salaries	111,905	96,280	20,155	20,498	132,060	116,779
Pension funds	15,747	13,506	2,862	2,900	18,608	16,406
Medical care insurance	2,812	2,412	511	518	3,323	2,930
Life and invalidity insurances	1,125	965	204	207	1,329	1,172
Other employee benefits	15,426	13,198	3,731	3,688	19,158	16,886
Accrued untaken leave	362	10	(22)	(15)	340	(5)
Awards	1,139	1,084	274	254	1,413	1,338
Indemnities for loss of job	1,693	115	-		1,693	115
On-call duty indemnity			183	172	183	172
Bonus for temporary assignment	21	4	0	-	21	4
Trainees					221	229
Occupational medicine / infirmary					544	408
Social activities					145	142
Other (canteen)					340	453
Total Employee Benefits Expenses	150,228	127,573	27,899	28,222	179,377	157,028
Seconded Staff	706	718	107	107	813	824
Total Employee Benefits Expenses and Seconded Staff	150,934	128,291	28,006	28,329	180,190	157,852

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 Note A7 (see 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 2023, the ITER Organization had the following number of staff, per category:

Number of staff	Professional staff		Technical support staff		Total number of staff	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
ITER Organization staff * (Directly Employed Staff)	822	774	237	257	1,059	1,031
Seconded staff by Members or Domestic Agencies to the ITER Organization **	6	5	1	1	7	6
Other staff ** (post-doctoral and IO staff recruited for work on Construction Contracts)	31	26	5	6	36	32
Total number of staff	859	805	243	264	1,102	1,069

(*) The target for the number of directly employed decided by the Director-General for 2023 was 1137.

(**) In addition to the target positions for directly employed, 43 other positions were allocated as at 31 December 2023 as follows: 15 for the Tokamak Cooling Water System (TCWS), 3 for the Vacuum Auxiliary System (VAS), 17 for the Post-Doctoral Fellowship Programs, 7 secondees and 1 for the Safety Control System - Nuclear (SCS-N).

Note A15 - Other Expenses

<i>Amounts in thousands of Euro</i>	2023	2022
Material	71,695	7,102
Energy (Electricity and gas)	5,773	7,301
Small fitting-out premises	2,869	160
Telecom and IT equipment	2,699	1,690
Furniture and equipment	1,929	1,263
Water	620	524
IT licenses and software	216	170
Gas (Ar, He,...)	171	720
Office supplies	107	129
Other	5	4
Total Small Equipment and Consumables	86,084	19,062
External support services	200,636	43,355
ITER Project Associates	20,082	22,334
Temporary staff	3,733	3,508
Travel and related costs (non-IO staff)	285	232
Total Support Services	224,735	69,429
Maintenance and repairs	27,158	11,061
Rental of equipment and buildings	8,444	9,588
Yearly license fees	6,280	4,951
Travel and related costs (IO staff)	2,124	1,177
Insurance	2,088	1,105
Communication	1,992	841
Exchange rate losses	1,204	246
Removal expenses	878	873
Documentation and seminar expenses (conferences)	545	434
Transport of goods	260	1,070
Post and telecommunication	217	227
Membership fees	114	120
Reception and representation	66	50
Bank charges	27	183
Other	-	-
Total External Services	51,397	31,925
Total Other Expenses	362,216	120,416

‘Material’ represents mainly the raw materials and equipment purchased for the Machine Under Construction (EUR 62.91 million) and for the Construction Contracts (EUR 8.78 million including EUR 7.99 million for the Tokamak Cooling Water System).

‘ITER Project Associates’ represents the overall cost related to the IPAs provided by the Home Institutes (204 as at 31 December 2023 - 231 as at 31 December 2022).

Note A16 - Construction Contracts

<i>Amounts in thousands of Euro</i>	01.01.2022	Net 2022	31.12.2022	2023	Completed contract	Net 2023	31.12.2023
Statement of Financial Position Data							
Advances/payments on account received	440,470	28,282	468,752	2,387	(1,678)	709	469,460
Construction contracts in progress - assets	-	1,097	1,097	(58)	-	(58)	1,039
Construction contracts in progress - liabilities	(295,003)	34,938	(260,064)	33,835	-	33,835	(226,229)
Construction Contracts in progress - net	(295,003)	36,036	(258,967)	33,778	-	33,778	(225,190)
Total revenue and expenses to date recognized on contracts in progress							
Costs incurred to date	174,545	36,616	211,160	36,207	(1,678)	34,529	245,689
Less invoices issued	(469,548)	(580)	(470,128)	(2,430)	1,678	(751)	(470,879)
Construction Contracts in progress - net	(295,003)	36,036	(258,967)	33,778	-	33,778	(225,190)

‘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 1.42 million (EUR 1.38 million in 2022) of advance billing not received by the ITER Organization by the reporting date (in line with the progress of the work). These advance billings are related to the following contracts: EUR 0.70 million for the Diagnostic First Plasma Components (EUR 0.68 million in 2022), EUR 0.45 million for the Port Plug Structures (EUR 0.45 million in 2022), EUR 0.24 for the Radio Frequency Power Sources (EUR 0.24 million in 2022) and EUR 0.02 for Welding Filler Materials.

‘Costs incurred to date’ represents the aggregate amount of costs incurred to date. The balance between the positions as at 31 December 2022 and 31 December 2023 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 Toroidal Field Coil Conductor 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 - Post-Doctoral Fellowship Programs

<i>Amounts in thousands of Euro</i>		01.01.2022	2022	31.12.2022	2023	31.12.2023
Partnership Arrangement with Monaco	Contribution requested and received	2,021	500	2,521	500	3,021
	Post-Doctoral fellowship costs	(1,308)	(380)	(1,687)	(357)	(2,045)
	Unused revenue / deferred revenue	713	120	834	143	976
Arrangement with KODA	Contribution requested and received	-	262	262	269	531
	Post-Doctoral fellowship costs	-	(96)	(96)	(348)	(444)
	Unused revenue / deferred revenue	-	167	167	(79)	87
Total Post-Doctoral fellowship costs			(475)		(705)	
Total unused revenue for Post-Doctoral Fellowship Programs		713	287	1,000	64	1,064

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 Fellowship Program 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 2019, 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 Fellowship Program. The unspent Contribution (EUR 21,024) received from the first Partnership Arrangement is included in the current one.

In 2022, a five-year Agreement for the Post-Doctoral Research Fellowship Program was signed with the Domestic Agency of the Republic of Korea for Korean post-doctoral researchers. In principle, up to three post-doctoral researchers will be selected every year and given two-year research fellowship.

Post-Doctoral Fellowship revenue has been recognized to the extent of contract costs (including fees) incurred in the period (EUR 0.71 million in 2023 and EUR 0.48 million in 2022). There are no recognized surpluses or losses estimated to date.

Note A18 - Leases

<i>Amounts in thousands of Euro</i>	2023	2022
Lease Payments	2,143	2,169

<i>Amounts in thousands of Euro</i>	31.12.2023	31.12.2022
No later than one year	2,305	2,046
Later than one year and no later than five years	3,038	389
Later than five years	-	-
Future Operating Lease payments	5,342	2,435

No significant operating leases were signed in 2023.

The “Fos warehouse facility” lease (signed in 2020) was transferred at the end of 2023. It will be in force from January 2024 until December 2026 for a total of EUR 4.4 million. 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;
- “Self-propelled modular transporter (SPMT)” (signed in 2022) 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;
- “Algeco Building” which remains in force until august 2024.

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	2023			2022		
		Operating activities	Investing activities	Total	Operating activities	Investing activities	Total
Budgetary Out-Turn	Page 52	13,880		13,880	43,390		43,390
Total contributions requested	B2	(540,880)		(540,880)	(598,794)		(598,794)
Total contributions received	B2	574,343		574,343	611,587		611,587
Bank checks N-1 paid in N	A3	(34)		(34)	(62)		(62)
Bank checks N unpaid at 31.12.N	A3	46		46	34		34
Movements in suspense accounts		6,938		6,938	(3,579)		(3,579)
Basis differences		40,413		40,413	9,186		9,186
Earmarked Funds Out-Turn	B5	(29,557)		(29,557)	(14,221)		(14,221)
Entity differences		(29,557)		(29,557)	(14,221)		(14,221)
Presentation differences	CFS	535,255	(535,255)	-	567,392	(567,392)	-
Net Cash Flow	CFS	559,992	(535,255)	24,797	605,747	(567,392)	38,355

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

- ‘Total contributions requested’ corresponds to the amount of cash contributions (including short-term in-kind and 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 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;
- ‘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 0.29 million related to transactions for/on behalf of the Domestic Agencies (such as the Host Agreement for Fusion of Energy Staff and its Contractors, the On-Site Cooperation Agreement and the US Tax Reimbursement Agreement);
- EUR 5.90 million related to the tax reimbursement mechanism with the French State and;
- EUR 0.75 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

- Litigation claims:

<i>Amounts in thousands of Euro</i>	2023	2022
At 01.01.N	11,156	546
Additional provision in the year	10,123	11,156
Utilisation of provision	(894)	(544)
Unused amounts reversed	(472)	(2)
At 31.12.N	19,913	11,156
Variation of the year	8,757	10,610

A provision of EUR 19.91 million was recorded as at 31 December 2023 to reflect the claims (risk exposure from contractors) that had been assessed as being probable to soon become due.

- Asset Decommissioning/ Site Restoration:

No such provision was recorded as at 31 December 2023 as the experimental equipment is still in the Construction Phase.

Note A21 – Impairment Loss

Due to the full capitalisation and agreed values (rather than current values) accounting policies adopted by the ITER Organization, an impairment loss on the first-of-a-kind components (Thermal Shield Cooling Pipe and Vacuum Vessel Field Joint) delivered through three Procurement Arrangements (for a total value of IUA 53,920) is not reliably measurable and is therefore not recognized. Contracts have been placed for the repair works, including options for the potential repair or re-manufacturing of some of these components. The final decisions for each component are planned to be taken throughout 2024, which will allow the ITER Organization to have a final estimate of the repair costs.

Note A22 - Contingent Liabilities

The analysis of the concerns related to First-of-a-Kind components highlights the need for corrective/remedial actions on the Thermal Shield Cooling Pipe Stress Corrosion and Vacuum Vessel Field Joint. At its thirty-first meeting held in November 2022 (IC-31), the ITER Council requested the Director-General to finalize the related schedule and cost impact assessment, and to commence the necessary repair work.

As at 31 December 2023, these impacts are not recorded as liability in these accounts. Settlements, if any, resulting from the resolution of these issues will be accounted for in the year in which the liability is determined.

Note A23 - Spare Parts

No spare parts/inventories were recorded as at 31 December 2023.

Note A24 - Related Party Disclosures

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

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

The key management personnel are the Director-General and the four Deputy Directors-General. The aggregate gross remuneration of EUR 1.31 million (EUR 1.54 million in 2022) includes their gross salaries and allowances. In addition, EUR 0.17 million (EUR 0.23 million in 2022) is also recognized as employer's pension and social insurance contributions.

No other material related party transaction was identified in 2023.

Note A25 - Events after the Reporting Date

The ITER Organization's reporting date is 31 December 2023. The Financial Statements were authorized for issue and submission to the Financial Audit Board by the Director-General on 29 February 2024. No material events, favourable or unfavourable, had taken place between the reporting date and the date when the Financial Statements were authorized for issue that could have impacted these Financial Statements.

2023 Budgetary Statements

Overview

The 2023 Budgetary Statements have been prepared in accordance with the Project Resource Management Regulations of the ITER Organization (PRMR) as approved by the ITER Council at its thirty-second meeting in June 2023.

These Budgetary Statements disclose the following information for the OPC Cash. The OPC Cash gathers Cash, Reserve Fund, Reserve Fund Short-Term In-Kind (covering Task Agreements) and Short-Term In-Kind (covering Task Agreements and Seconded Staff) resources:

- 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;
- 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 or for special purposes (such as Post-Doctoral Fellowship Programs, 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 Executions.

Budgetary Out-Turn 2023

<i>Amounts in thousands of Euro</i>		
	2023	2022
Total Actual Income	585,327	631,925
Total Actual Payments	571,447	588,535
Total Budgetary Out-Turn	13,880	43,390

Income Budget Execution 2023

<i>Amounts in thousands of Euro</i>								
Budget Headings	Unrealized Total Income Appropriations brought forward from 2022	Initial Total Income Budget 2023	Cumulative Income Transfers and Budget Adjustments 2023	Final Total Income Budget 2023	Total Income Appropriations 2023	Total Actual Income 2023	Total Actual Income 2022	Unrealized Total Income Appropriations carried forward to 2024
	a	b	c	d = b + c	e = a + d	f	g	h = e - f
Article 711: Contribution from Euratom	-	224,377	-	224,377	224,377	224,377	256,554	-
Article 712: Contribution from the People's Republic of China	-	45,035	-	45,035	45,035	45,035	49,773	-
Article 713: Contribution from the Republic of India	-	52,570	-	52,570	52,570	52,570	57,545	-
Article 714: Contribution from Japan	-	38,660	-	38,660	38,660	38,660	44,370	-
Article 715: Contribution from the Republic of Korea	-	51,695	-	51,695	51,695	51,695	54,560	-
Article 716: Contribution from the Russian Federation	-	53,355	-	53,355	53,355	53,355	58,247	-
Article 717: Contribution from the United States of America	-	75,189	-	75,189	75,189	75,189	77,745	-
Chapter 71: Contributions	-	540,880	-	540,880	540,880	540,880	598,794	-
Article 721: Internal Tax from Professional Staff	1,056	28,092	-	28,092	29,148	29,311	25,262	(163)
Article 722: Internal Tax from Technical Staff	231	5,378	-	5,378	5,609	4,311	4,366	1,298
Chapter 72: Internal Tax	1,287	33,470	-	33,470	34,757	33,622	29,628	1,135
Article 731: Financial interest and fees	(942)	650	-	650	(292)	10,974	3,479	(11,265)
Article 732: Exchange rate Income	95	-	-	-	95	(148)	25	243
Chapter 73: Financial Income	(846)	650	-	650	(196)	10,826	3,503	(11,022)
Article 741: Cancellation of Appropriations from the current year	-	-	-	-	-	-	-	-
Article 742: Cancellation of Appropriations from previous year(s)	-	-	-	-	-	-	-	-
Article 743: Monaco Partnership	-	-	-	-	-	-	-	-
Article 744: Excess Income from previous years	-	-	-	-	-	-	-	-
Article 745: Shortfall Income Budget of the current year	-	-	-	-	-	-	-	-
Article 749: Miscellaneous income	-	-	-	-	-	-	-	-
Chapter 74: Other Income	-	-	-	-	-	-	-	-
Title VII: Income	440	575,000	-	575,000	575,440	585,327	631,925	(9,887)
TOTAL INCOME	440	575,000	-	575,000	575,440	585,327	631,925	(9,887)

Payments Budget Execution 2023

Amounts in thousands of Euro

Budget Headings	Unused Total Payments Appropriations brought forward from 2022	Initial Total Payments Budget 2023	Cumulative Payments Transfers and Budget Adjustments 2023	Final Total Payments Budget 2023	Total Payments Appropriations 2023	Total Actual Payments 2023	Total Actual Payments 2022	Unused Total Payments Appropriations carried forward to 2024
	a	b	c	d = b + c	e = a + d	f	g	h = e - f
Article 111: Direct Investment	270,355	283,434	24,825	308,258	578,613	277,747	313,406	300,866
Article 112: Test Blanket Module	178	894	1,220	2,114	2,291	1,886	2,380	406
Article 113: Reserve Fund	132,003	-	(27,490)	(27,490)	104,513	-	-	104,513
Title I: Direct Investment (Fund)	402,536	284,327	(1,445)	282,882	685,418	279,633	315,785	405,785
Article 211: Research & Development	1,508	(1,351)	(157)	(1,508)	-	-	413	-
Title II: R&D Expenditure	1,508	(1,351)	(157)	(1,508)	-	-	413	-
Article 311: Professional staff salary costs	5,210	138,197	2,745	140,941	146,151	145,942	123,952	210
Article 312: Technical Support staff salary costs	676	28,302	(1,334)	26,968	27,644	27,644	27,954	-
Article 313: Travel and subsistence	2,412	(642)	(467)	(1,109)	1,303	1,227	665	76
Article 314: Secondment allowances	-	-	-	-	-	-	-	-
Article 315: Removal expenses	446	261	514	775	1,221	1,198	808	24
Article 316: Promotions	-	-	-	-	-	-	-	-
Article 317: Awards	9	849	545	1,394	1,403	1,390	1,320	12
Chapter 31: Staff Expenditure	8,752	166,966	2,003	168,969	177,721	177,400	154,699	321
Article 321: General services	29,446	94,856	(10,173)	84,683	114,129	36,551	24,932	77,578
Article 322: Administrative services	9,478	24,964	(3,907)	21,058	30,536	14,586	14,102	15,950
Article 323: Equipment	10,765	3,241	5,676	8,917	19,682	11,224	12,669	8,458
Article 324: External specialized services	71,095	(12,136)	8,183	(3,953)	67,143	32,108	45,214	35,035
Article 325: ITER Project Associates	19,926	14,131	(180)	13,951	33,877	19,946	20,720	13,931
Chapter 32: Organizational Expenditure	140,711	125,058	(401)	124,657	265,367	114,414	117,637	150,953
Title III: Direct Expenditure	149,463	292,024	1,602	293,626	443,089	291,814	272,337	151,275
TOTAL EXPENDITURE	553,507	575,000	-	575,000	1,128,507	571,447	588,535	557,060

Commitments Budget Execution 2023

<i>Amounts in thousands of Euro</i>	Unused Total Commitments Appropriations brought forward from 2022	Initial Total Commitments Budget 2023	Cumulative Commitments Transfers and Budget Adjustments 2023	Final Total Commitments Budget 2023	Total Commitments Appropriations 2023	Total Actual Commitments 2023	Total Actual Commitments 2022	Unused Commitments Appropriations carried forward to 2024
Budget Headings	a	b	c	d = b + c	e = a + d	f	g	h = e - f
Article 111: Direct Investment	307,303	49,737	72,704	122,441	429,743	357,566	305,478	72,177
Article 112: Test Blanket Module	499	1,702	3,269	4,971	5,470	3,938	979	1,532
Article 113: Reserve Fund	6,114	86,826	(77,473)	9,353	15,467	-	-	15,467
Title I: Direct Investment (Fund)	313,916	138,265	(1,501)	136,764	450,680	361,504	306,457	89,176
Article 211: Research & Development	1,319	(1,319)	-	(1,319)	-	(440)	370	440
Title II: R&D Expenditure	1,319	(1,319)	-	(1,319)	-	(440)	370	440
Article 311: Professional staff salary costs	5,210	138,197	2,745	140,941	146,151	145,942	123,952	210
Article 312: Technical Support staff salary costs	679	28,298	(1,330)	26,968	27,647	27,647	27,951	-
Article 313: Travel and subsistence	2,596	(84)	(284)	(368)	2,228	1,201	456	1,027
Article 314: Secondment allowances	-	-	-	-	-	-	-	-
Article 315: Removal expenses	323	384	324	707	1,031	1,012	902	19
Article 316: Promotions	-	-	-	-	-	-	-	-
Article 317: Awards	9	849	545	1,394	1,403	1,390	1,320	12
Chapter 31: Staff Expenditure	8,817	167,644	1,999	169,642	178,459	177,192	154,581	1,268
Article 321: General services	12,736	39,330	9,467	48,797	61,533	47,972	56,783	13,561
Article 322: Administrative services	5,039	25,958	(12,574)	13,385	18,424	9,390	21,116	9,034
Article 323: Equipment	7,269	62	14,267	14,329	21,598	16,519	11,794	5,080
Article 324: External specialized services	37,348	18,248	(13,987)	4,260	41,608	24,903	36,254	16,705
Article 325: ITER Project Associates	16,895	12,476	2,329	14,805	31,700	19,780	14,961	11,920
Chapter 32: Organizational Expenditure	79,287	96,074	(498)	95,576	174,863	118,564	140,907	56,300
Title III: Direct Expenditure	88,104	263,718	1,501	265,218	353,322	295,755	295,488	57,567
TOTAL EXPENDITURE	403,339	400,664	-	400,664	804,003	656,820	602,315	147,183

Notes to the 2023 Budgetary Statements

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Note B1 - Basis of Preparation and Budget Execution

The PRMR requires the preparation of Budgetary Statements to be contained in the Annual Financial Report. The establishment of these schedules is governed by the basic principles of equilibrium, specification, annuality, budget accuracy, Unit of Account, universality, sound financial management and transparency.

a) Budgetary Statements for the OPC Cash

- Basis of Preparation

The primary budgetary schedules following the requirements from the PRMR are shown from pages 52 to 54, 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.

In order to ensure full traceability, all schedules are shown in the format approved by the ITER Council, including the subdivision into Titles, Chapters, and Articles. Moreover, they are divided between the planned budget with an approved scope and un-allocated budget, including Reserve Fund and Anticipated Budget, that are distributed to the ITER Organization and/or Domestic Agencies (for Reserve Fund only) based on need.

Members' Contributions are taken into account in the Budget for the year to which they relate, and as specified on the debit note sent by the ITER Organization. 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 as defined for use by the ITER Organization is called "Modified Cash Basis".

- Budget Execution

The ITER Council at its thirty-first meeting (IC-31) in November 2022, approved in the interim Provisional Budgets 2023 and requested the Director-General to submit the final proposal for the Draft Budgets 2023 in early 2023. In March 2023, the ITER Council adopted the 2023 Budgets through Written Procedure at a level of EUR 400.67 million for Commitments, EUR 575.00 million for Payments, and EUR 575.00 million for Income. Throughout 2023, the Director-General approved several budgetary transfers within the limits of his mandate.

- Actuals' Summary

<i>Amounts in thousands of Euro</i>	Actual Income 2023	Actual Payments 2023	Actual Commitments 2023
Funds			
Cash	562,557	494,137	549,658
Reserve Fund	22,770	77,309	107,162
TOTAL	585,327	571,447	656,820

- Income

Considering a final Income Budget for 2023 of EUR 575.00 million and Unrealized Income Appropriations of EUR 0.44 million from 2022, the total Income Appropriations for 2023 were EUR 575.44 million. During the year, the ITER Organization recognized Income of EUR 585.33 million, resulting in an excess of EUR 9.89 million to be carried forward to 2024.

- Payments

The final Payments Budget for 2023 was EUR 575.00 million. In addition, unused Payments Appropriations of EUR 553.51 million were brought forward from 2022, including unallocated funding for the Reserve Fund and Anticipated Budget, resulting in total Payments Appropriations for 2023 of EUR 1,128.51 million.

During 2023, the ITER Organization executed Payments of EUR 571.45 million, or EUR 494.14 million in Cash for contracts and staff expenditures, and EUR 77.31 million for Reserve Fund. The remaining amount of EUR 557.06 million reflected the year-end balances of EUR 104.51 million in the Reserve Fund, EUR 75.54 million in the Anticipated Budget and EUR 41.48 million for the FOAK insurance scheme. Considering the budget distributed to the Departments, an underrun of EUR 335.53 million, or 37%, resulted from various project delays and strategy changes that occurred during the year. These included delays in the execution of Construction Contracts such as Tokamak Complex Contract 2 (TCC2), Vacuum Vessel Welding and Repair Works for Vacuum Vessel Bevels and Thermal Shields, as well as an incentive paid by EDF to reward the energy saving systems implemented by the IO (heat recovery from cryoplant compressors).

During 2023, EUR 27.49 million were transferred from Article A113 Reserve Fund to other Budget Articles. The payments corresponding to approved allocations from the Reserve Fund are then recorded against those Articles.

- Commitments

The final Commitments Budget for 2023 was EUR 400.66 million. In addition, unused Commitments Appropriations of EUR 403.34 million were brought forward from 2022, including unallocated funding for the Reserve Fund and Anticipated Budget, resulting in total Commitments Appropriations of EUR 804.00 million.

Throughout the year, the ITER Organization committed a total of EUR 656.82 million net of de-commitments from previous years' commitments. This amount included EUR 549.66 million in Cash for contracts and staff expenditures and EUR 107.16 million for Reserve Fund. The remaining amount of EUR 147.18 million included the year-end balances of EUR 15.47 million in the Reserve Fund, EUR 37.87 million in the Anticipated Budget and EUR 41.48 million for the FOAK insurance scheme. Considering the budget allocated to the Departments, an underrun of EUR 52.37 million, or 7%, was mainly driven by delays in placing contracts such as Warehousing and Logistics Services, Power Supply System for the Magnet Cold Test Facility and Manufacturing of In-Vessel Diagnostics, as well as de-commitment on the Electricity supply contract and a commercial incentive from EDF rewarding the IO for installing energy saving systems.

For 2023, EUR 77.47 million were transferred from Article A113 Reserve Fund to other Budget Articles. Commitments implementing the Director-General's decisions to allocate money from the Reserve Fund are then registered against those Budget Articles.

b) Budgetary Statements for Earmarked Funds

- Basis of Preparation

These Budgetary Statements provide the Earmarked Funds Out-Turn, as well as their execution segregated between the Construction Contracts and other Earmarked Funds. Details are provided in Note B5.

- Construction Contracts with Domestic Agencies

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

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

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						•	
CATIA	Procurement of CATIA License						•	
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						•	
DCS-LEVI	Procurement of the Diagnostic Ceiling Support Structures for 55.C6, 55.C2 and 55.E4 in Building 11				•			
DFPC	Development and manufacturing of Diagnostic First Plasma Components of 55.F9 needed for installation inside the vacuum vessel and 55.E2 needed for installation inside equatorial port plugs 11 & 12						•	
DPT	Divertor Parts Transportation				•			
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			•				
ICC	I&C components required for the manufacture of electron cyclotron radio-Frequency power sources						•	
LEVI	Prototyping, qualification testing and procurement of Loom Electrical Vacuum Interface Components						•	
LFSR	Design and procurement of diagnostic ceiling support structures for 55.F2 low-field-side reflectometry							•
MANL	Procurement of Manlift to access the Central Solenoid during assembly							•
PFP	Procurement of Passive Fire Protection for 55.F1.AI/BI/DI needed for captive ceiling supports in Building B11 level L1			•				
PPS	Procurement of Upper & Equatorial Port Plug Structures	•		•	•	•		•

Fund	Description	EU-DA	CN-DA	IN-DA	JA-DA	KO-DA	RF-DA	US-DA
PPTF	Procurement of conformity assessment services from a notified body for port plug test facility							•
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							•
TPFC1	Transport of the PF Coil #1 from the quay of Fos-sur-Mer to the ITER site						•	
VAS	Procurement of the Piping for Tokamak Vacuum Auxiliary System							•
VNC	Procurement of diamond sensors needed for the vertical neutron camera							•
VV8TC	Vacuum Vessel Sector #8 Transport Cost					•		
VVS	Supply of Vacuum Vessel Sectors #7 and #8	•						
WFM	Welding Filler Material Solid Wire RFDA							•

- Other Earmarked Funds

‘Other Earmarked Funds Execution’ refers to the Post-Doctoral Fellowship Programs (Monaco and Korea), donations received, as well as miscellaneous operations that cover mainly transactions for/on behalf of the Domestic Agencies.

Note B2 - Members' Contributions

<i>Amounts in thousands of Euro</i>					
Members	Brought forward from 2022	Requested for 2023	Requested until 2023	Received in 2023	Carry forward to 2024
	a	b	c	d	e = a + b - d
Euratom	(97,939)	224,377	2,171,139	156,033	(29,596)
People's Republic of China	(5,368)	45,035	433,660	49,833	(10,166)
Republic of India	106,984	52,570	455,791	159,567	(13)
Japan	-	38,660	416,501	38,660	-
Republic of Korea	(1,231)	51,695	449,725	54,559	(4,096)
Russian Federation	(5,940)	53,355	458,889	38,917	8,498
United States of America	938	75,189	519,107	76,774	(647)
TOTAL	(2,557)	540,880	4,904,812	574,343	(36,020)

The Members' Contributions (cash payments, secondments, in-kind Task Agreements, and 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 2023. Consequently, over and underpayments have been carried forward as cash liabilities to/from these Members in the above statements.

In line with the PRMR and from 2023, Cash Contributions and Short-Term In-Kind Contributions are referred as Members' Contributions, indifferently from the method chosen to pay these contributions.

Note B3 - Reserve Fund Status

Escalation Status as of 31.12.2023	Amounts in thousands of IUA	Amounts in thousands of Euro
Reserve Fund OPC (EUR 1,050.00 million 2016 based)	621.25766	1,188,345
Total paid or credited by IO	(223.82672)	(403,256)
Unpaid balance (including escalation)	397.43094	785,089

<i>Amounts in thousands of Euro</i>						
Budget Status	01.01.2023		2023		31.12.2023	
	Commitments	Payments	Commitments	Payments	Commitments	Payments
Initial Budget	483,188	363,289	86,826	-	570,014	363,289
Budget Transfers	(477,074)	(231,286)	(77,473)	(27,490)	(554,547)	(258,776)
Remaining Appropriations	6,114	132,003	9,353	(27,490)	15,467	104,513
Implementation Status	Commitments	Payments	Commitments	Payments	Commitments	Payments
Actuals incurred by IO	553,306	313,809	107,162	77,309	660,468	391,118
Credits granted by IO to be set off against Members' in-kind balance	12,138	12,138	-	-	12,138	12,138
Total Amount Issued by IO	565,444	325,947	107,162	77,309	672,606	403,256

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 contributions to the Reserve Fund. This is a source of funding and not a type of expenditure.

The ITER Organization has developed three possible payment methods to suit the individual needs of the Domestic Agencies and ITER Members. Cash Payments can be made directly from the ITER Organization's bank account. Alternatively, funds may be deducted from the ITER Member's Cash Contributions to the ITER Organization. For cases in which the ITER 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.

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 2023, the remaining amount to pay against the Commitments was EUR 269.35 million.

Note B4 - Statement of Unpaid Commitments

Amounts in thousands of Euro

Budget Headings	Unpaid Total Commitments 1 January 2023 a	Total Actual Commitments 2023 b	Total Actual Payments 2023 c	Unpaid Total Commitments 31 December 2023 d = a + b - c
Article 111: Direct Investment	733,843	357,566	277,747	813,662
Article 112: Test Blanket Module	3,820	3,938	1,886	5,872
Article 113: Reserve Fund	-	-	-	-
Title I: Direct Investment (Fund)	737,663	361,504	279,633	819,535
Article 211: Research & Development	558	(440)	-	118
Title II: R&D Expenditure	558	(440)	-	118
Article 311: Professional staff salary costs	-	145,942	145,942	-
Article 312: Technical Support staff salary costs	(3)	27,647	27,644	-
Article 313: Travel and subsistence	604	1,201	1,227	579
Article 314: Secondment allowances	-	-	-	-
Article 315: Removal expenses	331	1,012	1,198	145
Article 316: Promotions	-	-	-	-
Article 317: Awards	-	1,390	1,390	-
Chapter 31: Staff Expenditure	932	177,192	177,400	723
Article 321: General services	78,067	47,972	36,551	89,488
Article 322: Administrative services	19,011	9,390	14,586	13,816
Article 323: Equipment	12,102	16,519	11,224	17,397
Article 324: External specialized services	41,647	24,903	32,108	34,443
Article 325: ITER Project Associates	23,221	19,780	19,946	23,054
Chapter 32: Organizational Expenditure	174,048	118,564	114,414	178,198
Title III: Direct Expenditure	174,980	295,755	291,814	178,921
TOTAL EXPENDITURE	913,201	656,820	571,447	998,574

Note B5 - Earmarked Funds

Earmarked Funds Out-Turn

Amounts in thousands of Euro

	Actuals 2023	Actuals 2022
Total Cash In	3,917	29,373
Total Actual Payments	33,474	43,594
Total Earmarked Funds Out-Turn	(29,557)	(14,221)

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

Earmarked Funds Execution related to Construction Contracts

Amounts in thousands of Euro

Funds	01.01.2023		2023			31.12.2023	
	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 Atmosphere Detritiation Systems	-	82,488	-	-	-	-	82,488
ANBI ANB Inspectors	87	145	549	867	536	418	158
BOP4 X-Cryolines installation	4,614	4,614	-	-	1,578	3,036	3,036
BOP5 Installation and commissioning of the items included in Buildings 11 and 74	53	53	-	-	-	53	53
CATIA Procurement of CATIA License	-	-	67	67	67	-	-
DCC Diagnostic Captive Components	128	207	-	8	130	5	77
DCS-LEVI Diagnostic Ceiling Support Structures	-	418	-	163	4	159	414
DFPC Diagnostic First Plasma Components	1,814	544	1,039	419	637	1,596	946
DPT Divertor Parts Transportation	-	-	49	45	44	2	5
EPCC Electrical Power and Control Cables	-	282	-	-	-	-	282
ICC I&C components	-	-	13	1	1	-	12
LEVI Loom Electrical Vacuum Interface Components	326	283	427	50	81	295	629
LFSR Diagnostic ceiling support structures for 55.F2 low-field-side reflectometry	-	-	131	9	9	-	122
MANL Manlift to access the Central Solenoid during assembly	172	175	-	-	-	172	175
PFP Passive Fire Protection	-	30	-	-	-	-	30
PPS Upper & Equatorial Port Plug Structures	6,511	4,596	-	66	66	6,511	4,530
PPTF Conformity assessment services for port plug test facility	-	-	120	100	19	81	101
RFPS Radio Frequency Power Sources	845	(55)	290	-	15	830	220
SSEN Steady-State Electrical Network High Voltage Substation Structures	-	2,515	-	2,119	646	1,473	1,869
TB04 Assembly, Installation and related support services in the Tokamak Complex Building	28,405	40,947	-	40,884	12,072	57,216	28,874
TBMPT Test Blanket Module Project Team	-	315	-	315	50	265	265
TBS Test Blanket System Connection Pipes	70	842	-	158	32	195	810
TCWS Tokamak Cooling Water System	48,133	94,039	-	6,125	15,004	39,254	79,035
TFCC Toroidal Field Coil Conductor	-	272	-	272	272	-	-
TPFC1 Transport of the PF Coil #1	-	-	53	53	47	6	6
VAS Tokamak Vacuum Auxiliary System	970	2,918	-	185	477	678	2,442
VNC Vertical neutron camera	-	-	104	229	5	224	99
VV8TC Vacuum Vessel sector 8 Transport Cost	-	(1,039)	-	-	-	-	(1,039)
VVS Supply of Sectors #7 and #8 of the Vacuum Vessel	13,948	13,948	-	-	-	13,948	13,948
WFM Welding Filler Material Solid Wire RFDA	-	-	-	18	-	18	-
TOTAL	106,075	248,537	2,842	52,152	31,793	126,434	219,586

Six new Earmarked Funds related to Construction Contracts were created in 2023: Procurement of Computer Aided Three-Dimensional Interactive Application License (CATIA), Divertor Parts Transportation (DPT), Instrumentation and Control Components (ICC), Port Plug Test Facility (PPTF), Vertical Neutron Camera (VNC) and Welding Filler Material (WFM).

The Toroidal Field Coil Conductor (TFCC) Earmarked Fund was closed in 2023.

The Vacuum Vessel Sector #8 Transportation Cost (VV8TC) Earmarked Fund negative cash position is expected to be recovered by the second quarter of 2025 as formally agreed between the parties.

Other Earmarked Funds Execution

Amounts in thousands of Euro	01.01.2023		2023			31.12.2023	
	Unpaid Total Commitments	Cash available	Cash In	Total Actual Commitments	Total Actual Payments	Unpaid Total Commitments	Cash available
Funds	a	b	c	d	e	f = a + d - e	g = b + c - e
Donations	-	19	7	-	-	-	26
Post-Doctoral Fellowship - Korea	2	167	269	340	342	-	94
Post-Doctoral Fellowship - Monaco	-	843	500	358	358	-	985
Other	65	275	299	3,935	981	3,019	(407)
TOTAL	67	1,304	1,075	4,633	1,681	3,019	698

‘Other’ refers to commitments covering mainly transactions for/on behalf of the Domestic Agencies such as the Host Agreement for Fusion for Energy Staff and its Contractors, the On Site Cooperation Agreement, and the management fees related to the Global Transportation Program.

‘Other’ negative cash position at 31 December 2023 is due to the delay between the payments performed by the ITER Organization to suppliers and the reimbursements from third parties.

Abbreviations and Acronyms

ADS	Atmosphere Detritiation System
ANBI	Agreed Notified Body Inspectors
ASN	Autorité de Sureté Nucléaire (French Nuclear Safety Authority)
BOP	Balance of Plant
CATIA	Computer Aided Three-Dimensional Interactive Application
CFS	Cash Flow Statement
CJBEF	Cable from Junction Box to Electrical Feedthrough
CN-DA	Chinese Domestic Agency
CWIP	Capital Work in Progress
DA	Domestic Agency
DCC	Diagnostic Captive Component
DCS	Diagnostic Ceiling Support Structures
DFPC	Diagnostic First Plasma Components
DPT	Divertor Parts Transportation
EPC	Electrical Power and Control Cables
EU-DA	European Domestic Agency
F4E	Fusion for Energy (name of the European Domestic Agency)
FAB	Financial Audit Board
FOAK	First-of-a-Kind
IC	ITER Council
ICC	Instrumentation and Control Components
IFAC	International Federation of Accountants
IN-DA	Indian Domestic Agency
IO	ITER Organization
IPA	ITER Project Associate
IPSAS (B)	International Public Sector Accounting Standards (Board)
IUA	ITER Unit of Account
JA-DA	Japanese Domestic Agency
KO-DA	Korean Domestic Agency
LEVI	Loom Electrical Vacuum Interface
LTIK	Long-Term In Kind
MAC	Management Advisory Committee
MANL	Manlift
MoU	Memorandum of Understanding
MuC	Machine under Construction
OPC	Overall Project Cost
PA	Procurement Arrangement
PF	Poloidal Field
PFP	Passive Fire Protection
PLM	Product Lifecycle Management System
PPE	Property, Plant and Equipment
PPS	Port Plug Structures
PRMR	Project Resource Management Regulations
RF-DA	Russian Federation Domestic Agency
RFPS	Radio Frequency Power Sources
SSEN	Steady-State Electrical Network
STIK	Short-Term In Kind
TA	Task Agreement
TB	Tokamak Building
TBM-PT	Test Blanket Module Project Team
TBS	Test Blanket System
TCWS	Tokamak Cooling Water System
TFCC	Toroidal Field Coil Conductor
TPFC1	Transport PF Coil 1
US-DA	United States of America Domestic Agency
VAS	Vacuum Auxiliary System
VAT	Value Added Tax
VNC	Vertical Neutron Camera
VVS	Vacuum Vessel Sector
VV8TC	Vacuum Vessel Sector #8 Transportation Cost
WFM	Welding Filler Materials