

587

**Staff**

€1,673  
Million

**Property, Plant & Equipment**

€11  
Million

**Intangible Assets**

€202  
Million

**Cash Contributions received for 2014**

€185  
Million

**In-Kind Contributions**

€78  
Million

**Employee Benefits**

€201  
Million

**Total Commitments**

# ITER ORGANIZATION

## 2014 FINANCIAL REPORT

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In 2014, the project celebrated a number of milestones both at the ITER site in Saint Paul-lez-Durance, France, where the buildings of the ITER installation are rising, and in China, Europe, India, Japan, Korea, Russia and the United States, where component fabrication is underway in the factories of the ITER Members

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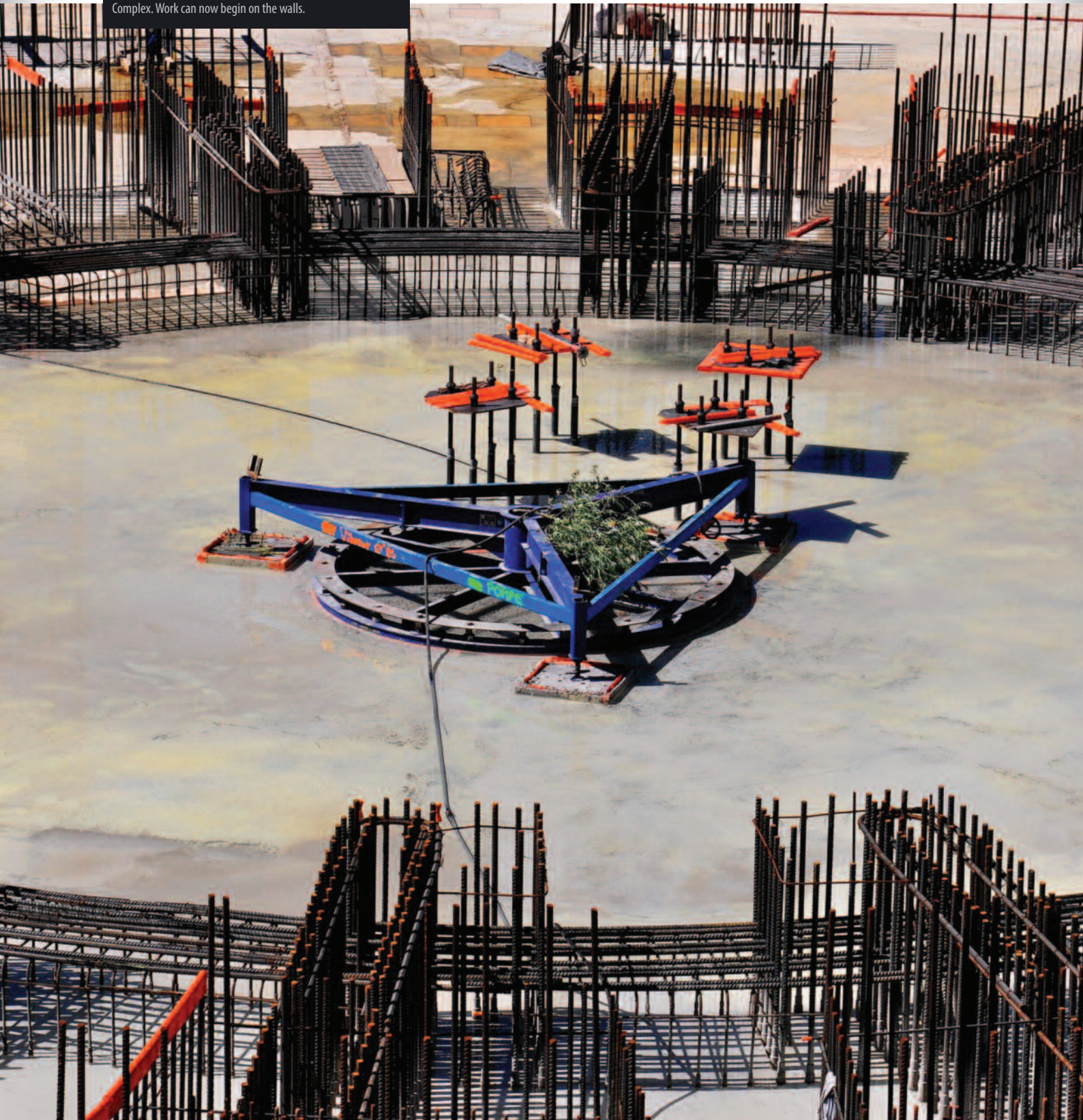
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FOREWORD BY THE  
DIRECTOR-GENERAL

An olive branch for an important milestone: in August 2014 work ends on the B2 basemat slab – the actual floor of the Tokamak Complex. Work can now begin on the walls.





# FOREWORD BY THE DIRECTOR-GENERAL

The ITER Project is one of the most ambitious international science collaborations in the history of mankind. The seven ITER Members represent 35 nations, half the world's population and nearly 85 percent of its gross industrial product. As the newly appointed Director-General of the ITER Organization, I am conscious of the great trust that has been placed in me to lead the project forward to the critical phases of assembly and installation.

Despite being a relatively young organization, formally established in 2007, the ITER Organization has already put in place the tools and the processes for responsible budget management and careful planning. The Financial Statements for the year ending 31 December 2014 presented in the following pages have been drawn up in compliance with the International Public Sector Accounting Standards (IPSAS) and ITER Project Resource Management Regulations, and audited by the experts of the Financial Audit Board. The policy of the ITER Organization in the matter of its finances – as well as in every other sector of its activity – is continuous improvement in project management through the rigorous evaluation of processes, practices and staff training.

In 2014, the project celebrated a number of milestones both at the ITER site in Saint Paul-lez-Durance, France, where the buildings of the ITER installation are rising, and in China, Europe, India, Japan, Korea, Russia and the United States, where component fabrication is underway in the factories of the ITER Members. The first completed components were delivered to the ITER site; the final element of the Tokamak Complex foundations – the B2 basemat slab – was poured; a large on-site workshop for cryostat assembly was finalized; and work began on the metal structure of the Assembly Building and the concrete walls of the Tokamak Complex.

A total of 104 out of 139 Procurement Arrangements have been signed by the ITER Organization for the different work packages of ITER construction, representing 90.5% of the project's total in-kind value; this means that a significant part of ITER activity is now clearly also in the hands of industry. Manufacturing has started on the longest-lead items for ITER (the toroidal field magnets, the cryostat and the vacuum vessel) and the first exceptionally sized components are expected to travel along the ITER Itinerary in 2015.

In the years ahead, the assembly of the ITER machine – with up to one million components – will be one of the most complex engineering endeavours ever undertaken. To meet the challenge, I am convinced that the ITER Organization and the seven ITER Domestic Agencies must act as an integrated team. I am progressively implementing the action plan I proposed to the ITER Council, which was unanimously approved by all partners. This action plan will result in some drastic changes with regard to the organization and the conduct of this project. But implementing new approaches and new procedures is inevitable if we want to succeed.

The energetic potential of fusion, its sustainability, and the fact that the process produces no greenhouse gas emissions or long-lived nuclear waste makes it one of the prime candidates for truly changing the energy horizon for the generations to come. ITER is the key step between today's smaller-scale experimental fusion devices and the demonstration fusion power plants of the future.

Together, the central ITER Organization team and the seven Domestic Agencies are committed to fulfilling the agreed scope of the ITER Project and opening the way to the industrialization of fusion energy.

**Bernard Bigot**

*Saint Paul-lez-Durance, May 2015*



#### CERTIFICATE

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

We hereby certify that, based on the information provided by the Authorizing Officer, we have reasonable assurance that these accounts present a true and fair view of the financial transactions in the year 2014 and of the financial position of the ITER Organization in all material aspects at the end of 2014.

We are not aware of any un-recorded liabilities.



24 February 2015  
**Lionel Rigaux**  
Accounting, Treasury & Systems Section Leader  
Accounting Officer



24 February 2015  
**Kattalai Ramachandran Sriram**  
Director for Finance, Budget  
& Management Systems

#### STATEMENT FROM THE DIRECTOR-GENERAL

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

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



24 February 2015  
**Osamu Motojima**  
The Director-General  
Authorizing Officer



## INDEPENDENT AUDITORS' REPORT



Reference: ICS/2015/OUT/0032 (R4ZPBP)  
Subject: Independent Auditors' Report

To: Chair of the ITER Council  
3 April 2015

Dear Chair of the ITER Council,

We have audited the accompanying financial statements of the ITER International Fusion Energy Organization (here-in-after IO), established under the Agreement on the Establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER Project (here-in-after ITER Agreement) as of and for the year ended 31 December 2014.

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

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

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

The financial statements of the IO as of and for the year ended 31 December 2014 have been examined in accordance with the aforementioned rules, regulations, procedures, and standards. We have obtained all the information and explanations that we required and we certify, as a result of our audit, that in our opinion the financial statements give a true and fair view of the state of affairs of the IO. We have provided a separate Management Letter dated 03rd April 2015 which describes certain issues identified during our audit that warrant the attention of the IO's management.


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

  
**Ms. Yeon-Soo Cho**  
Republic of Korea

  
**Mr. R.A. Rajeev, Chair of FAB**  
Republic of India

  
**Mr. Ciaran Spillane**  
European Union

  
**Mr. Sergei Iugai**  
Russian Federation

  
**Mr. Toshiyuki Kimura**  
Japan

  
**Ms. Susan May**  
United States of America

St. Paul-lez-Durance, France  
CC: Director-General of ITER Organization,  
Chair of the ITER Council Management Advisory Committee (MAC)

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

This section of the ITER Organization's (IO) annual Financial Report presents management's discussion and analysis of the Financial Statements for the year ended 31 December 2014 in accordance with the International Public Sector Accounting Standards (IPSAS) recommended practice guideline 2 Financial Statement Discussion and Analysis, issued on 16 July 2013.

The Financial Statement Discussion and Analysis is not part of the IO's Financial Statements; however it should be read together with the IO's Financial Statements on pages 11 to 53 of this report.

The 2013 Financial Statements were audited and thereafter approved by the ITER Council in June 2014.

### OVERVIEW

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

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

The functional currency used by the IO is the Euro.

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

- Statement of Financial Position which provides information about the:
  - Assets of the Organization (cash; recoverables; prepayments; property, plant and equipment; intangible assets and other financial assets);
  - Liabilities of the Organization (payables; employee benefits liabilities and deferred revenues).
- Statement of Financial Performance presented on an accrual basis of accounting, recognizing revenue in the period it is earned and expenses when they occurred, regardless of when the associated cash is received or paid. In view of the specific nature of the Organization, which has in essence only one objective, i.e. the operation of an experimental facility, all costs shall be considered to be incurred in order to construct and bring the asset to a condition enabling operations to commence ('net costs of IO activities capitalized'). The capitalization of costs/values will cease once these assets are utilized in the Operation Phase. The consequences of this capitalization criterion on the annual results of the



In India, manufacturing activities on the cryostat base progress well in 2014.  
(Pictured: one of the six 60° base segments, tier 2.) Photo: ITER India

IO are inter-related with the accounting policy choice concerning revenue from Members;

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

These Notes comprise a summary of significant accounting policies used:

- Basis of preparation;
- Specific accounting policies;
- Disclosure of the information required by IPSAS that is not presented on the face of the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets/Equity, or Cash Flow Statement.
- Reconciliation between the Cash Flow Statement and the Budget Outturn.

Revenue from the Members constitutes revenue from non-exchange transactions. Contributions from Members which are used to acquire property, plant and equipment and intangible assets are taken back to revenue over the period of the utilization of the related assets and are labelled 'Deferred contributions from Members' in the Statement of Financial Performance.



**ABOUT THE ITER ORGANIZATION**

The ITER Organization provides and promotes cooperation on the ITER Project among its Members, these being the European Union (represented by Euratom), Japan, the People's Republic of China, the Republic of India, 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 would be achieving sustained fusion power generation.

The purpose, functions and other organizational aspects of the IO are set out in the 'Agreement on the Establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER Project' (the 'ITER Agreement', <http://www.iaea.org/Publications/Documents/Infcircs/2007/infcirc702.pdf>). The ITER Agreement was signed by the Members in Paris on 21 November 2006 and has an initial duration of 35 years.

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

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

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

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

Contributions from the Members or their respective Domestic Agency (DA) are provided in cash and in kind. The Procurement Arrangements (PAs) are Contributions/Arrangements in kind, foreseen in the ITER Agreement and signed between the IO and each Member. They are called 'long-term in-kind contributions'. 'Short-term in-kind contributions' are related to Task Agreements (contracts between the IO and the

DAs/Members) and secondments of staff. Both of them are directly recognized in the Statement of Financial Position, upon receipt of their delivered milestones or work performed ('credit request mechanism').

PA milestones recorded as Asset under construction have been split into two categories, either as Advance for milestones related to assets produced without transfer of control/responsibilities and risks from a DA to the IO, or as capital work in progress for milestones related to assets produced with transfer of control/responsibilities and risks from the DA to the IO.

The measurement basis applied for cash transactions is at historical cost. Fixed assets and contributions arising from PAs are measured and accounted at their agreed values (as defined in the ITER Agreement). However, they do not reflect the actual costs incurred by the DAs in relation to their own procurements.

The 'Common Fund' is the initial 'Trust Fund' created by the International Atomic Energy Agency (IAEA) to launch the ITER Project in 2006. These advances of funds 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 Financial Statements show tabulations in thousands of Euro, which could cause minor differences due to rounding.

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

**CONSTRUCTION CONTRACTS AND PARTNERSHIPS**

The Partnership Arrangement with the Principality of Monaco concluded for ten years in 2008 included a contribution of EUR 5.50 million for post-doctorate fellowships and the organization of conferences on scientific and technical subjects related to ITER.

In 2013 work started on two arrangements signed with the US-DA for the completion of the final design of the Tokamak Cooling Water System and the procurement of the piping for this system (TCWS).

In 2014 the IO signed an arrangement with the US-DA for the procurement of the Steady-State Electrical Network High Voltage Substation Structures (SSEN).

Financial resources for the execution of these arrangements are being provided separately by the US-DA to the IO, outside the ITER Council-approved IO budget. These arrangements do not modify the sharing of responsibilities under the Procurement Arrangements signed between the IO and the US-DA.

Revenue received and associated costs incurred by the IO are included in the Statement of Financial Performance in the year of receipt and expenditure. Any excess of revenue over associated costs is shown as payable in Note A9.

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

Details of these construction contracts and partnerships are disclosed on Note A15.

#### FINANCIAL STATEMENTS HIGHLIGHTS

The highlight on the ITER construction site in 2014 was the completion of the Tokamak Complex basemat (B2 slab) in August. This milestone brings to an end four years of work to construct the ground support structure and walls of the Tokamak Complex and opens the way for wall construction to begin.

Also during the year, the 35-metre extension to the ITER Headquarters building was finalized, work ended on the Cryostat Workshop, a second full-scale test of the ITER Itinerary was conducted successfully, and work to erect warehouse facilities for component storage began in four locations on the ITER site.

Some 90.53% of the Project's in-kind value has now been committed through 104 Procurement Arrangements. Manufacturing is underway in all Domestic Agencies and the first arrivals of completed components (for ITER's Steady State Electrical Network) began in September.

Based on recommendations from the 2013 Management Assessment the ITER Organization continues to implement actions to mitigate delay in the schedule, including reduced bureaucracy to support process simplification and acceleration and improvement of ITER Organization-Domestic Agency collaboration at a working level. Close monitoring of monthly schedule performance against the 2014 Annual Work Plan will provide the benchmarking necessary for the development of the project's long-term Realistic Schedule.

#### RISKS AND UNCERTAINTIES

The ITER Organization is now closing its eighth financial year and is still a relatively young organization as well as being an incredibly huge project to build. Systems and procedures that have evolved over a period of time are documented and disseminated. Procedures are in place for imparting mandatory training courses to the new entrants as well as refresher trainings courses.

During the last years several measures were taken to manage risks with an aim to transfer, mitigate, avoid or completely eliminate these risks. The aim of the exercise is to keep them at an acceptable level.

The IO is confronted with the risk of direct or indirect

losses arising from a wide variety of causes associated with its processes, personnel, technology and infrastructure (including site preparation and construction of the experimental asset), and from external factors such as those arising from legal and regulatory requirements, environmental factors and on account of accepted standards of corporate behaviour.

In 2011, the Internal Control Standards were adopted as a means of providing a framework of sufficient assurance on the proper execution of its activities. The standards based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework cover aspects such as ethical values, staff evaluation, objective indicators for performance, organizational structure, management supervision and monitoring and business continuity. Requirements under these aspects are defined and measured periodically. Compliance with the requirements of the internal control standards was assessed to be 96% in 2014.

The process of risk assessment is interwoven with the process of contract awards and all the major contracts awarded invariably have to be accompanied by risk assessment and management documents that are evaluated by the technical responsible officers.

A Risk Register is maintained in the Project Office, which outlines the nature of risk, its likelihood, impact and frequency of occurrence. In addition, each Procurement Arrangement has associated Risk Management Plans, which are updated periodically. Based on an assessment of the nature of risk, and the accompanying factors, necessary mitigating strategies are put in place.

An exercise for the current year has also been carried out to develop risk registers at the micro levels of Sections and Divisions in the critical technical directorates; this aims to capture and manage the emerging risks at the appropriate level of hierarchy. Simultaneously, an IO-DA Risk Task Force has been setup to update the Project Risk Register, in conjunction with the development of the updated Long-Term Schedule.

An organization-wide review of the risk portfolio is carried out annually and based on the risk assessment exercise, mitigating strategies in terms of audit plans are developed for the ensuing period. The Risk Assessment exercise is comprehensive in nature covering major technical, administrative, financial and information technology, and quality assurance processes. The corrective actions as a follow-up to the audits are monitored and reported regularly.

An Ethics Committee comprising officials and staff representatives has been constituted to reinforce ethical standards in conduct; it meets periodically to deliberate and advise on important matters.

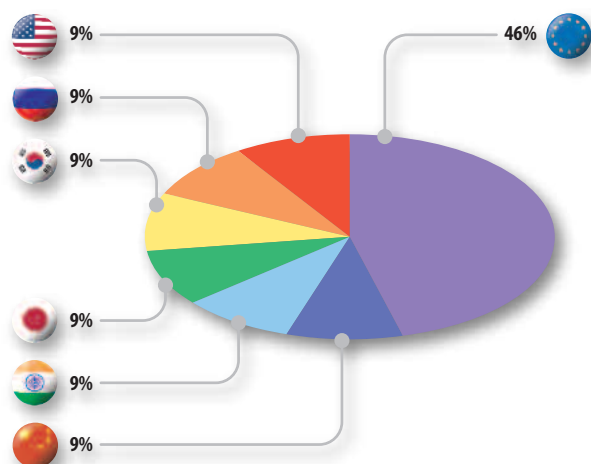


## CUMULATIVE POSITION STATEMENT BY MEMBER ON 31 DECEMBER 2014

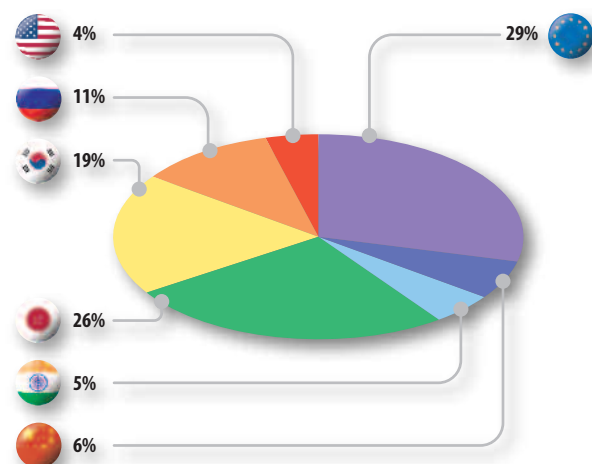
Amounts in thousands of Euro

	Agreed sharing	Contributions in Cash (cash and short-term in kind)		Contributions in Kind (Procurement Arrangements)		Total Contributions	
Euratom (*)	45.46%	525,651	45.47%	143,344	29.16%	668,995	40.61%
People's Republic of China	9.09%	105,413	9.12%	30,317	6.17%	135,730	8.24%
Republic of India	9.09%	104,626	9.05%	25,875	5.27%	130,501	7.92%
Japan (*)	9.09%	105,247	9.10%	128,367	26.13%	233,614	14.18%
Republic of Korea	9.09%	106,739	9.23%	91,519	18.63%	198,258	12.04%
Russian Federation	9.09%	104,554	9.05%	52,796	10.75%	157,350	9.55%
United States of America	9.09%	103,703	8.97%	19,045	3.88%	122,748	7.45%
<b>Total</b>		<b>1,155,933</b>		<b>491,263</b>		<b>1,647,196</b>	

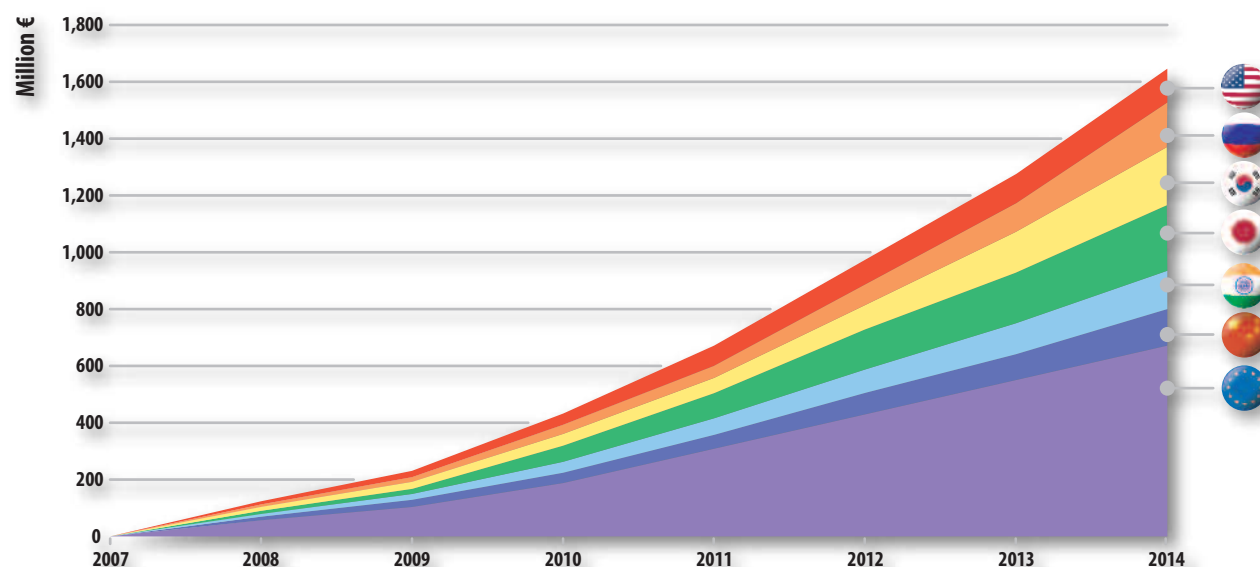
### CONTRIBUTIONS IN CASH (CASH AND SHORT-TERM IN KIND)



### CONTRIBUTIONS IN KIND (PROCUREMENT ARRANGEMENTS)



### CUMULATIVE POSITION BY MEMBER



(\*) Cumulative credits granted to Japan include a contribution from the European Union corresponding to IUA 37,198 amounting to EUR 60.92 million (including IUA 14,919 for deliverables achieved in 2014) for procurements for which the procurement responsibility has been transferred to Japan within the framework of the transferred procurement responsibilities from Euratom to Japan.



On the hill behind the ITER construction site, work is underway on a 10,000 m<sup>2</sup> storage centre and logistics platform – one of four storage facilities planned to house components during the assembly phase.



# FINANCIAL STATEMENTS 2014 OF THE ITER ORGANIZATION





A. FINANCIAL STATEMENTS 2014  
PREPARED ON AN ACCRUAL BASIS

Work begins in September to frame out the Assembly Building. Six thousand tonnes of steel (220 pillar segments) and 85,000 bolts will be integrated into the building's structure.





A. FINANCIAL STATEMENTS 2014  
PREPARED ON AN ACCRUAL BASIS

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A. FINANCIAL STATEMENTS 2014  
PREPARED ON AN ACCRUAL BASIS

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014**

Amounts in thousands of Euro

	Notes	31.12.2014	31.12.2013
<b>ASSETS</b>			
<b>Current assets</b>		<b>200,438</b>	<b>192,853</b>
Cash and cash equivalents	A3	146,558	129,339
Recoverables from non-exchange transactions	A4	34,466	32,534
Receivables from exchange transactions	A5	17,958	29,946
Prepayments	A6	1,457	1,035
<b>Non-current assets</b>		<b>1,668,363</b>	<b>1,308,953</b>
Property, plant and equipment	A7	1,661,118	1,304,659
Intangible assets	A8	7,243	4,290
Other financial assets		2	4
<b>TOTAL ASSETS</b>		<b>1,868,802</b>	<b>1,501,807</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>122,063</b>	<b>142,943</b>
Payables	A9	119,810	140,666
Employee benefits liabilities	A10	2,253	2,277
<b>Non-current liabilities</b>		<b>1,746,738</b>	<b>1,358,864</b>
Deferred revenue	A11	1,746,738	1,358,864
<b>TOTAL LIABILITIES</b>		<b>1,868,802</b>	<b>1,501,807</b>
<b>NET ASSETS / EQUITY</b>			
Brought forward surplus		-	-
Statement of Financial Performance		-	-
<b>TOTAL NET ASSETS / EQUITY</b>		<b>-</b>	<b>-</b>

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2014**

Amounts in thousands of Euro

	Notes	2014	2013
<b>Revenue</b>			
Deferred contributions from Members	A11	3,314	3,770
Construction contracts and partnerships	A12	2,702	651
Other revenue	A12	91	8
<b>Total Revenue</b>		<b>6,107</b>	<b>4,430</b>
<b>Expenses</b>			
Employee benefits	A13	76,632	69,873
Other expenses	A14	20,307	47,273
Depreciation of property, plant and equipment	A7	3,029	3,036
Amortization of intangible assets	A8	285	734
<b>Total Expenses</b>		<b>100,253</b>	<b>120,916</b>
Net costs of ITER Organization activities capitalized	A7	94,145	116,486
<b>Surplus / (deficit) for the period</b>		<b>-</b>	<b>-</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

Amounts in thousands of Euro

	Notes	2014	2013
<b>Cash flow from operating activities</b>			
Surplus / (deficit) for the period		-	-
Depreciation of property, plant and equipment	A7	3,029	3,036
Amortization of intangible assets	A8	285	734
Disposals	A7	-	15
Changes in:			
- other financial assets		3	(0)
- recoverables from non-exchange transactions	A4	(1,932)	107
- receivables from exchange transactions	A5	11,988	(9,838)
- prepayments	A6	(422)	35
- payables	A9	(20,856)	76,216
- employee benefits liabilities	A10	(24)	105
- deferred revenue	A11	199,408	155,910
<b>Net cash flows from operating activities</b>		<b>191,479</b>	<b>226,321</b>
<b>Cash flow from investing activities</b>			
Acquisitions of property, plant and equipment	A7	(171,021)	(180,389)
Acquisitions of intangible assets	A8	(3,239)	(1,627)
<b>Net cash flows from investing activities</b>		<b>(174,260)</b>	<b>(182,016)</b>
<b>Cash flow from financing activities</b>			
Cash flow from financing activities		-	-
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
Net (decrease)/increase in cash and cash equivalents		17,219	44,305
Cash and cash equivalents at 1 January		129,339	85,034
<b>Cash and cash equivalents at 31 December</b>	<b>A3</b>	<b>146,558</b>	<b>129,339</b>

## STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

Amounts in thousands of Euro

	2014	2013
<b>Balance at 1 January</b>	-	-
Surplus/(deficit)	-	-
<b>Net assets / equity at 31 December</b>	<b>-</b>	<b>-</b>



B. BUDGET EXECUTION  
STATEMENT 2014

In the din and heat of the hot rolling mill at Industeel-Le Creusot, in central France, steel ingots are transformed into plates that will be shipped to industries in Korea, India, Russia and Europe. The plant has already booked some 10,000 tonnes of steel plates for ITER.





## B. BUDGET EXECUTION

# STATEMENT 2014

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## B. BUDGET EXECUTION

### STATEMENT 2014

#### BUDGETARY OUTTURN 2014

Amounts in thousands of Euro

	2014	2013
Total Income Execution	207,799	157,234
Total Payments Execution	197,099	192,181
<b>Total Budgetary Outturn</b>	<b>10,701</b>	<b>(34,947)</b>

#### INCOME EXECUTION 2014

Amounts in thousands of Euro

Budget Headings	Initial Total Income Budget 2014 1	Final Total Income Budget 2014 2	Total Income in 2014 3	Total Income in 2013 4	Total Results and Carry Forward to 2015 5 = 3 - 2
Article 711 Contribution from Euratom	100,639	89,977	92,124	70,574	2,146
Article 712 Contribution from the People's Republic of China	20,123	17,991	17,991	14,269	-
Article 713 Contribution from the Republic of India	20,123	17,991	18,229	13,677	237
Article 714 Contribution from Japan	20,123	17,991	17,991	13,836	-
Article 715 Contribution from the Republic of Korea	20,123	17,991	18,658	15,339	667
Article 716 Contribution from the Russian Federation	20,123	17,991	17,991	14,917	-
Article 717 Contribution from the United States of America	20,123	17,991	19,224	16,480	1,232
Chapter 71 Contributions	221,380	197,926	202,209	159,093	4,282
Article 721 Internal Tax from Professional Staff	13,115	11,001	11,919	11,145	918
Article 722 Internal Tax from Technical Staff	3,279	2,900	2,967	2,492	67
Chapter 72 Internal tax	16,394	13,901	14,886	13,637	986
Article 731 Financial interest	750	3,235	1,585	3,235	(1,650)
Article 732 Exchange rate Income	-	-	60	-	60
Chapter 73 Financial Income	750	3,235	1,645	3,235	(1,590)
Article 741 Cancellation of Appropriations from the current year	-	-	-	-	-
Article 742 Cancellation of Appropriations from previous years	-	-	-	-	-
Article 743 Monaco Partnership	550	550	550	350	-
Article 744 Excess Income from previous years	-	-	(11,491)	(19,089)	(11,491)
Article 749 Miscellaneous income	-	8	-	8	(8)
Chapter 74 Other Income	550	558	(10,941)	(18,731)	(11,499)
<b>Title VII Income</b>	<b>239,074</b>	<b>215,620</b>	<b>207,799</b>	<b>157,234</b>	<b>(7,821)</b>
<b>Total Income</b>	<b>239,074</b>	<b>215,620</b>	<b>207,799</b>	<b>157,234</b>	<b>(7,821)</b>



## PAYMENTS EXECUTION 2014

Amounts in thousands of Euro

		Initial Total Payments Budget 2014	Final Total Payments Budget 2014	Unused Total Payment Appropriations brought forward from 2013	Total Payment Appropriations 2014	Total Payments and Credit Notifications 2014	Total Payments and Credit Notifications 2013	Unused Total Payment Appropriations carried forward to 2015
Budget Headings		1	2	3	4 = 2 + 3	5	6	7 = 4 - 5
Article 111	Direct Investment	63,639	46,493	11,290	57,783	49,119	46,681	8,664
Article 112	Test Blanket Module	974	601	792	1,393	782	554	611
Article 113	IO Reserve	10,620	13,229	5,989	19,218	-	-	19,218
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>75,233</b>	<b>60,323</b>	<b>18,071</b>	<b>78,394</b>	<b>49,901</b>	<b>47,235</b>	<b>28,493</b>
Article 211	Research & Development	13,904	13,079	2,470	15,549	10,125	12,794	5,424
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>13,904</b>	<b>13,079</b>	<b>2,470</b>	<b>15,549</b>	<b>10,125</b>	<b>12,794</b>	<b>5,424</b>
Article 311	Professional staff salary costs	63,761	61,013	1,437	62,450	57,304	55,173	5,146
Article 312	Technical Support staff salary costs	20,429	18,678	137	18,815	18,367	15,734	448
Article 313	Travel and subsistence	2,949	3,275	397	3,672	2,266	2,481	1,406
Article 314	Secondment allowances	-	-	-	-	-	-	-
Article 315	Removal expenses	475	576	73	649	561	721	88
Article 316	Promotions	425	678	7	685	498	453	187
Article 317	Awards	425	111	85	196	187	205	10
Chapter 31	Staff Expenditure	88,464	84,330	2,136	86,467	79,182	74,767	7,284
Article 321	General services	8,543	8,659	818	9,477	7,972	7,291	1,504
Article 322	Administrative services	1,810	6,841	931	7,772	5,963	3,200	1,809
Article 323	Equipment	1,514	5,081	368	5,449	4,232	2,707	1,217
Article 324	External specialized services	46,780	32,985	17,696	50,681	39,723	44,188	10,958
Article 325	IO Reserve	2,828	4,322	22,185	26,507	-	-	26,507
Chapter 32	Organizational Expenditure	61,474	57,888	41,999	99,886	57,891	57,385	41,995
<b>Title III</b>	<b>Direct Expenditure</b>	<b>149,938</b>	<b>142,218</b>	<b>44,135</b>	<b>186,353</b>	<b>137,073</b>	<b>132,153</b>	<b>49,279</b>
<b>Total Expenditure</b>		<b>239,074</b>	<b>215,620</b>	<b>64,676</b>	<b>280,296</b>	<b>197,099</b>	<b>192,181</b>	<b>83,197</b>
<b>Total Expenditure (without reserve)</b>		<b>225,626</b>	<b>198,069</b>	<b>36,502</b>	<b>234,570</b>	<b>197,099</b>	<b>192,181</b>	<b>37,472</b>

## COMMITMENTS EXECUTION 2014

Amounts in thousands of Euro

		Initial Total Commitments Budget 2014	Final Total Commitments Budget 2014	Unused Total Commitment Appropriations brought forward from 2013	Available Commitment Appropriations 2014	Decommitments and Transfers of previous years' Total Commitments	Total Commitments 2014	Total Commitments 2013	Unused Commitment Appropriations carried forward to 2015
Budget Headings		1	2	3	4 = 2 + 3	5	6	7	8 = 4 + 5 - 6
Article 111	Direct Investment	66,326	57,292	12,726	70,018	1,146	57,046	62,319	14,118
Article 112	Test Blanket Module	484	315	1,019	1,334	-	662	1,010	672
Article 113	IO Reserve	10,771	6,327	1,211	7,538	-	-	-	7,538
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>77,581</b>	<b>63,934</b>	<b>14,956</b>	<b>78,890</b>	<b>1,146</b>	<b>57,708</b>	<b>63,330</b>	<b>22,328</b>
Article 211	Research & Development	2,686	1,537	5,302	6,840	480	4,976	4,288	2,343
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>2,686</b>	<b>1,537</b>	<b>5,302</b>	<b>6,840</b>	<b>480</b>	<b>4,976</b>	<b>4,288</b>	<b>2,343</b>
Article 311	Professional staff salary costs	63,761	61,013	1,437	62,450	-	57,304	55,173	5,146
Article 312	Technical Support staff salary costs	20,429	18,678	137	18,815	-	18,367	15,734	448
Article 313	Travel and subsistence	2,960	3,015	188	3,203	747	2,960	3,223	990
Article 314	Secondment allowances	-	-	-	-	-	-	-	-
Article 315	Removal expenses	475	541	114	654	12	514	654	152
Article 316	Promotions	425	678	7	685	-	498	453	187
Article 317	Awards	425	111	85	196	-	187	205	10
Chapter 31	Staff Expenditure	88,475	84,035	1,968	86,003	758	79,830	75,442	6,932
Article 321	General services	8,083	6,110	739	6,849	3,168	9,824	6,775	194
Article 322	Administrative services	1,329	9,134	598	9,732	426	9,685	3,003	473
Article 323	Equipment	1,311	3,166	334	3,500	82	3,115	22,405	466
Article 324	External specialized services	41,813	32,418	3,578	35,996	5,743	36,328	52,516	5,411
Article 325	IO Reserve	2,996	2,883	2,676	5,559	-	-	-	5,559
Chapter 32	Organizational Expenditure	55,532	53,711	7,924	61,636	9,419	58,952	84,699	12,103
<b>Title III</b>	<b>Direct Expenditure</b>	<b>144,007</b>	<b>137,746</b>	<b>9,893</b>	<b>147,639</b>	<b>10,178</b>	<b>138,782</b>	<b>160,140</b>	<b>19,035</b>
<b>Total Expenditure</b>		<b>224,274</b>	<b>203,218</b>	<b>30,150</b>	<b>233,369</b>	<b>11,804</b>	<b>201,466</b>	<b>227,758</b>	<b>43,707</b>
<b>Total Expenditure (without reserve)</b>		<b>210,506</b>	<b>194,008</b>	<b>26,264</b>	<b>220,272</b>	<b>11,804</b>	<b>201,466</b>	<b>227,758</b>	<b>30,610</b>

## C. NOTES TO THE 2014 FINANCIAL STATEMENTS

A second ITER Itinerary test convoy event is successfully staged in April to test the global logistics and management of the transport operations that will bring the largest ITER components from their Mediterranean docking point to the ITER site, some 104 km distant. The maritime leg of the journey – four hours of barge transport across inland waterways (pictured) – was also successfully validated.





## C. NOTES TO THE 2014 FINANCIAL STATEMENTS





## C. NOTES TO THE 2014 FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS 2014 PREPARED ON AN ACCRUAL BASIS (A)

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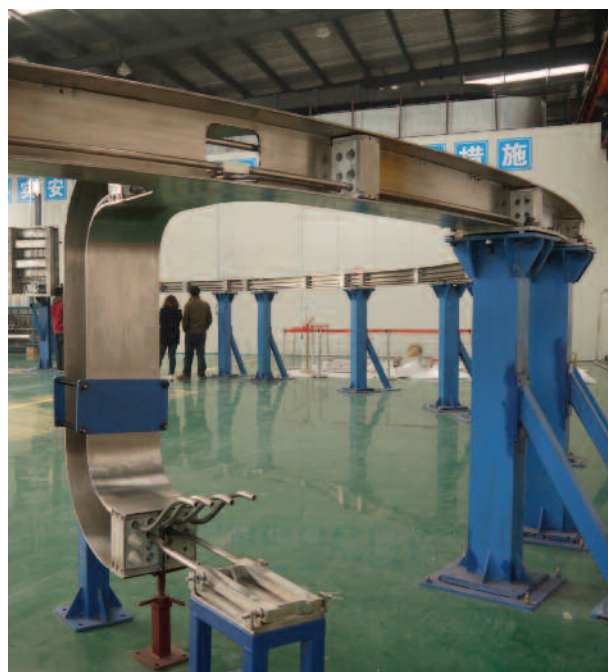
### NOTES TO THE FINANCIAL STATEMENTS 2014 PREPARED ON AN ACCRUAL BASIS (A)

#### NOTE A1 - BASIS OF PREPARATION

The 2014 Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and the ITER Project Resource Management Regulations (PRMR), the former being published by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC).

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

The amount of revenue deferred is directly correlated with the amount of costs capitalized. Specifically, the full cost capitalization approach, adopted by the IO, implies that related Members' contributions are deferred to the same extent and the fixed asset depreciation and write back of the deferred revenue should be equivalent during the operating life of the asset. During the Construction Phase, certain costs like the depreciation and amortization of the activated non-current assets, are expensed to the Statement of Financial Performance and also an equivalent amount of Members' contributions is



A prototype bottom correction coil in-cryostat feeder has been successfully manufactured and qualified in China. This is the biggest component in the magnet feeder system (outer dimensions: 16 m x 8 m x 4 m). Photo: ITER China

shown as revenue recorded in the Statement of Financial Performance. Because of the nature of the IO, the impact of either partial or full cost capitalization is generally without consequences on the net result of the organization during the Construction Phase.

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

Expenditure on property, plant and equipment relating to the construction of the experimental equipment is recognized as an asset on the basis that future economic benefits or service potential associated with the item will flow to the IO and that the cost or fair value of the item has been measured reliably. Such expenditure is incurred in accordance with the IO's objectives and therefore is considered to meet the 'service potential' criteria.

The 'effects of exchange rate changes on the balance of cash held in foreign currencies in 2013' has been removed from the bottom of the Cash Flow Statement for the Year ended 31 December 2013 and is now shown together with the related items (recoverables in Note A4 and payables in Note A9).

The budgetary statements are prepared on a modified cash basis as required by the PRMR and the reconciliation is provided on page 52.

## NOTE A2 - SIGNIFICANT ACCOUNTING POLICIES

### *Foreign Exchange Accounting*

The Financial Statements are presented in thousands of Euro, which is the IO's functional 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/budget/inforeuro/>).

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

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

The applied conversion rate for IUA in 2014 was 1 IUA equals EUR 1,683.39 (versus EUR 1,660.15 in 2013).



In Japan, workers prepare 40- to 100-kg "billets" of niobium-tin alloy that will be transformed into millimetre-thin superconducting strands for ITER's toroidal field or central solenoid coils. Photo: ITER Japan

### *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*

Items of property, plant and equipment (PPE) are recorded at historical cost, after deduction of accumulated depreciation and accumulated impairment losses. PPE includes the costs associated with the construction of the experimental machine together with associated infrastructure costs comprising buildings, fixtures and fittings, IT equipment, furniture and transport equipment necessary to conduct the project.

The cost of a PPE item comprises its purchase price, including import duties, any non-refundable purchase taxes and attributable costs of bringing the asset to working condition for its intended use. Examples of these costs are 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 directly attributable to bringing the asset to a working





Nearly 4,000 tonnes of steel rebar are set into place to reinforce the Tokamak Complex basemat. The central, most technically challenging part of the basemat is poured in nine segments.



condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

PPE related to in-kind contributions from Members are initially recorded at agreed values with Members using the Euro/IUA conversion rate prevailing for the year of the contribution. PA milestones recorded as Asset under construction have been split into two categories, either as Advance for milestones related to assets produced without transfer of control/responsibilities and risks from a Domestic Agency (DA) to the IO, or as Capital Work in Progress (CWIP) for milestones related to assets produced with transfer of control/responsibilities and risks from the DA to the IO. Accrued values at year end are also recorded as PPE under construction at reception of the milestone.

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

Concerning the experimental equipment under construction, and given its technical nature and the intrinsic difficulty in identifying separate useful lives to such costs, related expenditure is capitalized as a single component and depreciated over a uniform period.

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

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

• Buildings	30 years
• Plant and equipment experimental assets	20 years
• Fixtures and fittings	10 - 20 years
• Furniture	8 years
• Transport equipment	4 years
• IT, telecom equipment	2 - 5 years

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

In accordance with the IO's rules, acquisitions of PPE which are individually below 3 IUA are expensed directly to the Statement of Financial Performance. When such expenses are incurred and the aggregate of these costs exceeds 3 IUA, the costs may be capitalized even though some of the individual items/materials are less than 3 IUA.

### Impairment

The carrying values of PPE and intangible assets are reviewed for impairment if events or changes in circumstances indicate that they may be impaired. If

such indication exists, the recoverable service amount of the asset is estimated in order to determine the extent of any impairment loss. Any impairment loss is charged against the Statement of Financial Performance in the year concerned.

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

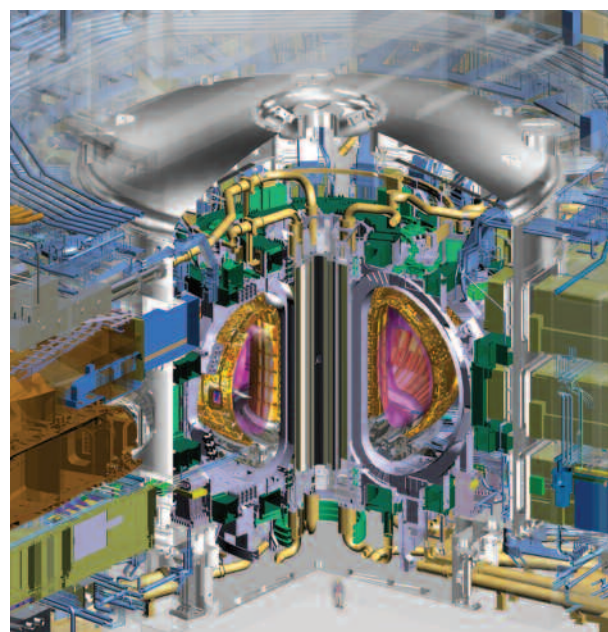
### Intangible Assets

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

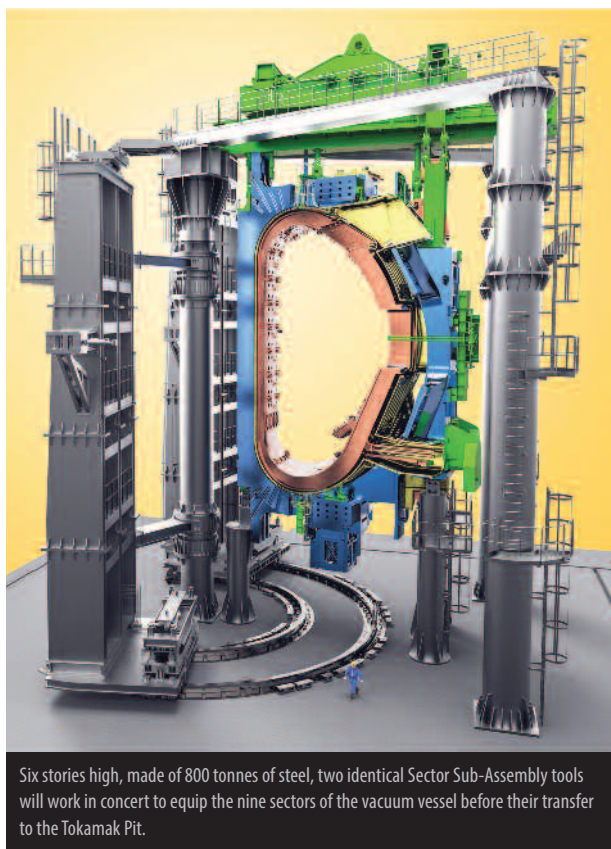
Intangible assets relating to in-kind contributions from Members are initially recorded at values agreed with the Members using the Euro/IUA conversion rate prevailing for the year of the contribution.

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

Intangible assets expenditure is capitalized only



Surrounding the central reaction chamber of the ITER Tokamak are all of the systems that will work together to create a 150-million-degree plasma: magnet, heating and current drive, diagnostic, cryogenic, cooling, fuelling, vacuum and power supply systems.



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:

- Software 2 - 5 years

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

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

#### **Inventories**

Inventories (spares) are measured at the lower of cost and net realizable value except where received in kind from our Members. In such case inventories are measured at their agreed value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. No inventories were recorded at 31 December 2014.

#### **Employee Benefits**

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

- Defined contribution pension plan

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

- Short-term benefits

The IO has contracted out a medical insurance scheme and a life and invalidity insurance scheme. Monthly contributions to these schemes are deducted from the employees' remuneration and supplemented by a contribution from the IO. These employer contributions are expensed in the period when 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 in question. Termination benefits are recognized as an expense upon termination of the employment contract for one of the reasons stipulated in the Staff Regulations.

#### **Revenue Recognition**

IO revenue comprises contributions from the Members, miscellaneous income, internal tax, financial income, revenue from construction contracts, exchange rate gains, donations and the contribution resulting from the Partnership Arrangement with the Principality of Monaco.

- Contributions from the Members

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

Members' Contributions are made in the form of either cash or in-kind contribution. In-kind 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.



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

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

- **Internal Tax**  
An Internal Tax is applied to the basic salary of IO employees and collected monthly by the IO. This revenue is deferred and will be used for salaries, related benefits and infrastructure.
- **Financial Income**  
Financial Income is an income generated by the cash held on secured fixed-term deposits in the banks. This revenue is deferred and will be used whenever required and agreed by the ITER Council.

#### **Construction Contracts**

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

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

#### **Related Parties**

The IO is governed by its seven Members and works closely with their representative DAs. All transactions made between the IO and the DAs are by essence all intended to build ITER's facilities. No material-related party transaction was identified in 2014.

#### **Provisions**

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

- **Asset Decommissioning / Site Restoration**  
In light of the PRMR provisions, Members shall contribute jointly, through the Budget of the IO, to the accumulation of the Decommissioning Fund from the

date of First Plasma throughout the Operation Phase by regular annual payments. Upon achievement of the date of First Plasma, the Decommissioning Fund will be established accordingly.

No such provision had been recorded at 31 December 2014 as the experimental equipment is still at the Construction Phase.

- **Employee Benefits**  
Provisions related to employee benefits are recorded in Note A10.
- **Contingent Liabilities**  
There are cases pending before the Tribunals but it should not represent a liability at this time. In the opinion of the IO Legal Affairs, the final outcome of these claims is not determinable and, accordingly, these items are not recorded in the accounts. Settlements, if any, resulting from the resolution of these claims will be accounted for in the year in which the liability is determined.

#### **Segment Reporting**

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

#### **Financial Instruments**

The IO has very little exposure to financial risks as most of its financial assets are kept in Euro. Cash balances on deposits are held in secure interest-bearing bank accounts or short fixed-term deposits. The Japanese Yen and US Dollar bank accounts are valued in Euro using official year-end exchange rates prevailing on the reporting date. Term deposits are all held to maturity (maximum two weeks).

#### **Events After the Reporting Date**

No favourable or unfavourable event occurred after the reporting date.



Work is underway in Korea on full-scale prototypes of the vacuum vessel thermal shield.  
Photo: ITER Korea

### NOTE A3 - CASH AND CASH EQUIVALENTS

Amounts in thousands of Euro

	31.12.2014	31.12.2013
<b>Cash at bank - Euro accounts</b>	<b>32,453</b>	<b>21,073</b>
HSBC France	32,433	21,053
BNP Paribas France	20	20
<b>Cash at bank - JP Yen account</b>	<b>198</b>	<b>236</b>
HSBC France	198	236
<b>Cash at bank - US Dollar accounts</b>	<b>167</b>	<b>166</b>
HSBC France	25	23
HSBC USA	155	174
HSBC USA, Cheques issued and not yet disbursed	(14)	(30)
<b>Fixed term deposits with banks - Euro accounts</b>	<b>113,740</b>	<b>107,864</b>
BNP Paribas France	51,154	89,283
Crédit Mutuel France	62,586	18,582
<b>Total Cash and Cash Equivalents</b>	<b>146,558</b>	<b>129,339</b>

The IO's cash and cash equivalent balances arise from Members' contributions, financial income and other income including the annual contribution from the Partnership Arrangement with the Principality of Monaco and revenue from the other arrangements.

The high level of cash at year end takes into account the EUR 75.35 million received in advance from the Members (detailed in Note A9).

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 year-end exchange rates prevailing on 31 December 2014.

In 2014 Financial Income of EUR 1.58 million was realized by the IO. This amount represents an average rate of return of 1.18% of the average daily available cash balance (invested). In comparison, the average 2014 Eonia® (Euro OverNight Index Average) index was 0.10%.

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



#### NOTE A4 – RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS

Amounts in thousands of Euro

	31.12.2014	31.12.2013
<b>Members' cash contributions yet to be received</b>	<b>12,517</b>	<b>-</b>
Euratom	-	-
People's Republic of China	-	-
Republic of India	12,517	-
Japan	-	-
Republic of Korea	-	-
Russian Federation	-	-
United States of America	-	-
<b>Accrued Members' in-kind contributions</b>	<b>8,219</b>	<b>21,027</b>
Euratom	3,762	10,793
People's Republic of China	202	-
Republic of India	1,136	210
Japan	2,567	-
Republic of Korea	-	6,475
Russian Federation	-	818
United States of America	551	2,730
<b>Other recoverables from non-exchange transactions</b>	<b>13,730</b>	<b>11,507</b>
EU Domestic Agency	387	675
CN Domestic Agency	-	-
IN Domestic Agency	137	4
JA Domestic Agency	-	-
KO Domestic Agency	-	-
RF Domestic Agency	-	4
US Domestic Agency	653	755
Personnel - Advances	-	19
VAT receivable	12,529	9,957
Other	24	92
<b>Total Recoverables from Non-Exchange Transactions</b>	<b>34,466</b>	<b>32,534</b>

'Accrued Members' in-kind contributions' corresponds to short-term (EUR 4.31 million) and/or long-term (EUR 3.91 million) in-kind deliverables received by the IO but not formally credited at the reporting date. The counterpart is accrued in payables and shown in Note A9.

Other recoverables have been recorded mainly for suspense accounts payments for EU-DA (EUR 387 thousand), IN-DA (EUR 137 thousand) and US-DA (EUR 653 thousand).

The IO is exempted from taxes (corporate income, business licence and Value-Added Tax (VAT)). VAT invoiced by French suppliers for purchasing goods and services is recovered by requesting the reimbursement from the French Ministry of Foreign Affairs (the amount already requested at reporting date was EUR 6.14 million, the amount to be requested was EUR 5.49 million and the VAT on accruals was EUR 0.91 million).

#### NOTE A5 - RECEIVABLES FROM EXCHANGE TRANSACTIONS

Amounts in thousands of Euro

	31.12.2014	31.12.2013
Down payment to suppliers	17,958	19,046
Accrued interest	0	2
Construction contracts	-	10,897
<b>Total Receivables from Exchange Transactions</b>	<b>17,958</b>	<b>29,946</b>

'Down payment to suppliers' is showing the open amount paid to suppliers to mainly finance their long-lead procurement items (Cryostat, Vacuum Vessel, etc.). Where material, these amounts are covered by bank guarantees.

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

#### NOTE A6 - PREPAYMENTS

Amounts in thousands of Euro

	31.12.2014	31.12.2013
Maintenance licences	745	80
Licence fees	408	412
Subscriptions	154	191
Maintenance and repair	94	307
Insurance	24	23
Communication	9	5
Training provider	6	1
Other	18	15
<b>Total Prepayments</b>	<b>1,457</b>	<b>1,035</b>

Prepayments correspond to expenditures incurred in 2014 for which the acquired services relate to 2015 or beyond.



## NOTE A7 - PROPERTY, PLANT AND EQUIPMENT

Amounts in thousands of Euro

	Land and buildings	Fixtures and fittings	Vehicles, IT telecom, office equipment, furniture	'Machine' under construction				Total
				Activities costs capitalized	Direct investment	Advances	Capital work in progress	
<b>Cost</b>								
<b>Balance 31.12.2012</b>	<b>32,493</b>	<b>485</b>	<b>7,393</b>	<b>624,311</b>	<b>58,491</b>	<b>154,272</b>	<b>101,513</b>	<b>978,960</b>
Additions	48	73	272	116,486	63,510	73,854	80,641	334,884
Disposals	-	(6)	(37)	-	-	-	-	(43)
Transfers	21,333	-	-	-	-	-	(21,333)	-
<b>Balance 31.12.2013</b>	<b>53,874</b>	<b>552</b>	<b>7,628</b>	<b>740,798</b>	<b>122,001</b>	<b>228,127</b>	<b>160,821</b>	<b>1,313,801</b>
Additions	63	25	533	94,145	76,255	111,644	76,822	359,488
Disposals	-	-	-	-	-	-	-	-
Transfers	8,431	-	-	-	(8,010)	-	(421)	-
<b>Balance 31.12.2014</b>	<b>62,368</b>	<b>577</b>	<b>8,161</b>	<b>834,943</b>	<b>190,246</b>	<b>339,771</b>	<b>237,223</b>	<b>1,673,289</b>
<b>Accumulated Depreciation</b>								
<b>Balance 31.12.2012</b>	<b>(2,175)</b>	<b>(127)</b>	<b>(3,831)</b>					<b>(6,133)</b>
Depreciation of the year	(1,677)	(39)	(1,320)					(3,036)
Write back (disposals)	-	2	27					28
<b>Balance 31.12.2013</b>	<b>(3,852)</b>	<b>(165)</b>	<b>(5,125)</b>					<b>(9,142)</b>
Depreciation of the year	(1,890)	(46)	(1,094)					(3,029)
Write back (disposals)	-	-	-					-
<b>Balance 31.12.2014</b>	<b>(5,742)</b>	<b>(210)</b>	<b>(6,218)</b>					<b>(12,170)</b>
<b>Net Carrying Amount</b>								
<b>Balance 31.12.2013</b>	<b>50,022</b>	<b>387</b>	<b>2,503</b>	<b>740,798</b>	<b>122,001</b>	<b>228,127</b>	<b>160,821</b>	<b>1,304,659</b>
Net variation	6,604	(21)	(561)	94,145	68,245	111,644	76,401	356,459
<b>Balance 31.12.2014</b>	<b>56,626</b>	<b>367</b>	<b>1,943</b>	<b>834,943</b>	<b>190,246</b>	<b>339,771</b>	<b>237,223</b>	<b>1,661,118</b>

The PPE transferred during the reporting period from 'Direct investment' and 'Capital work in progress' to buildings is the Headquarters extension.

The former column 'Direct investment in kind' has been split into 'Capital work in progress' and 'Advances' in order to better reflect the evolution and deliveries of the Procurement Arrangements and Task Agreements.

## NOTE A8 - INTANGIBLE ASSETS

Amounts in thousands of Euro

	Computer software	Intangible assets under development (computer software)	Total
<b>Cost</b>			
<b>Balance 31.12.2012</b>	<b>4,155</b>	<b>2,464</b>	<b>6,619</b>
Additions	341	1,287	1,627
Disposals	-	-	-
Transfers	-	-	-
<b>Balance 31.12.2013</b>	<b>4,495</b>	<b>3,751</b>	<b>8,246</b>
Additions	279	2,960	3,239
Disposals	-	-	-
Transfers	-	-	-
<b>Balance 31.12.2014</b>	<b>4,774</b>	<b>6,710</b>	<b>11,485</b>
<b>Accumulated amortization</b>			
<b>Balance 31.12.2012</b>	<b>(3,222)</b>		<b>(3,222)</b>
Amortization of the year	(734)		(734)
Write back (disposals)	-		-
<b>Balance 31.12.2013</b>	<b>(3,956)</b>		<b>(3,956)</b>
Amortization of the year	(285)		(285)
Write back (disposals)	-		-
<b>Balance 31.12.2014</b>	<b>(4,241)</b>		<b>(4,241)</b>
<b>Net carrying amount</b>			
<b>Balance 31.12.2013</b>	<b>539</b>	<b>3,751</b>	<b>4,290</b>
Net variation	(6)	2,960	2,954
<b>Balance 31.12.2014</b>	<b>533</b>	<b>6,710</b>	<b>7,243</b>



In December, prototype fast discharge resistor modules are successfully tested in Russia. These modules are designed to rapidly discharge the energy stored in the magnet system in the case of a sudden loss of superconductivity. Photo: ITER Russia



**NOTE A9 - PAYABLES***Amounts in thousands of Euro*

	31.12.2014	31.12.2013
<b>Advance Payments on Members' Contributions</b>	<b>75,349</b>	<b>74,944</b>
Euratom	42,733	18,059
People's Republic of China	9,185	9,330
Republic of India	-	3,128
Japan	2,132	3,746
Republic of Korea	2,069	18,283
Russian Federation	17,464	17,986
United States of America	1,767	4,411
<b>Other Payables</b>	<b>44,462</b>	<b>65,722</b>
Creditors (suppliers and accrued charges)	15,825	22,415
Task Agreements (accruals)	4,313	14,232
Procurement Arrangements (accruals)	3,905	6,795
Construction contracts and partnerships	20,078	21,836
Personnel - travel costs	247	346
Other	94	97
<b>Total Payables</b>	<b>119,810</b>	<b>140,666</b>

'Advance Payments on Members' Contributions' corresponds to cash received by the IO exceeding the requested amount due at reporting date.

'Creditors (suppliers and accrued charges)' is the cost recognized in the 2014 Financial Statements but not yet paid as at 31 December 2014.

'Task Agreements (accruals)' and 'Procurement Arrangements (accruals)' represent the values recognized in the 2014 Financial Statements but not yet formally credited as at 31 December 2014. The counterpart is shown under in Note A4.

'Construction contracts and partnerships' 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 IO. Open balances on the reporting date were EUR 179 thousand for the Monaco Partnership Arrangement, EUR 19.90 million for the US-DA Arrangements.

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

'Other' relates to administrative management agreements. In 2013, they were reported under 'Partnerships and Agreements' and 'Unrealized losses / foreign currency exchange rate'.

**NOTE A10 - EMPLOYEE BENEFITS LIABILITIES***Amounts in thousands of Euro*

	31.12.2014	31.12.2013
Accrued untaken leave	1,386	1,382
Social benefits	867	894
<b>Total Employee Benefits Liabilities</b>	<b>2,253</b>	<b>2,277</b>

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

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

**NOTE A11 - DEFERRED REVENUE AT 31 DECEMBER 2014**

*Amounts in thousands of Euro*

	Cash			Short-term in kind		
	End of 2013	2014	End of 2014	End of 2013	2014	End of 2014
<b>Deferred contributions</b>						
Euratom (*)	373,165	79,337	452,502	67,394	5,755	73,149
People's Republic of China	84,006	17,991	101,998	3,415	-	3,415
Republic of India	81,988	18,216	100,204	4,455	(32)	4,422
Japan (*)	86,382	17,991	104,373	874	-	874
Republic of Korea	80,189	17,195	97,384	8,556	800	9,356
Russian Federation	83,362	17,991	101,353	3,201	-	3,201
United States of America	63,012	17,530	80,542	23,646	(485)	23,161
<b>Deferred contributions</b>	<b>852,103</b>	<b>186,253</b>	<b>1,038,356</b>	<b>111,540</b>	<b>6,037</b>	<b>117,577</b>
<b>Other deferred revenue</b>						
Internal tax	69,828	14,886	84,714			
Donations	22,400	-	22,400			
Financial income	7,285	1,583	8,868			
<b>Other deferred revenue</b>	<b>99,513</b>	<b>16,469</b>	<b>115,982</b>			
Write back to revenue						
<b>Total deferred revenue</b>	<b>951,616</b>	<b>202,722</b>	<b>1,154,338</b>	<b>111,540</b>	<b>6,037</b>	<b>117,577</b>

(\*) Cumulative credits granted to Japan include a contribution from the European Union corresponding to IUA 37,198 amounting to EUR 60,92 million (including IUA 14,949 for deliverables achieved in 2014) for procurements for which the procurement responsibility has been transferred to Japan within the framework of the transferred procurement responsibilities from Euratom to Japan.

Total cash			Long-term in kind			Total		
including cash, seconded staff and Task Agreements			Procurement Arrangements					
End of 2013	2014	End of 2014	End of 2013	2014	End of 2014	End of 2013	2014	End of 2014
440,559	85,092	525,651	110,779	32,565	143,344	551,338	117,657	668,995
87,421	17,991	105,413	6,103	24,214	30,317	93,524	42,206	135,730
86,442	18,184	104,626	19,015	6,860	25,875	105,457	25,044	130,501
87,255	17,991	105,247	93,750	34,617	128,367	181,005	52,609	233,614
88,745	17,994	106,739	49,583	41,936	91,519	138,328	59,930	198,258
86,563	17,991	104,554	16,248	36,548	52,796	102,811	54,539	157,350
86,658	17,045	103,703	13,356	5,690	19,045	100,013	22,735	122,748
<b>963,643</b>	<b>192,290</b>	<b>1,155,933</b>	<b>308,834</b>	<b>182,429</b>	<b>491,263</b>	<b>1,272,477</b>	<b>374,719</b>	<b>1,647,196</b>
69,828	14,886	84,714				69,828	14,886	84,714
22,400	-	22,400				22,400	-	22,400
7,285	1,583	8,868				7,285	1,583	8,868
<b>99,513</b>	<b>16,469</b>	<b>115,982</b>				<b>99,513</b>	<b>16,469</b>	<b>115,982</b>
						(13,126)	(3,314)	(16,440)
<b>1,063,156</b>	<b>208,759</b>	<b>1,271,915</b>	<b>308,834</b>	<b>182,429</b>	<b>491,263</b>	<b>1,358,864</b>	<b>387,875</b>	<b>1,746,738</b>



## NOTE A12 - OTHER REVENUE

Amounts in thousands of Euro

	2014	2013
Exchange rate gains	91	-
Fixed asset sales proceeds	-	8
Construction contracts and partnerships	2,702	651
<b>Total Other Revenue</b>	<b>2,793</b>	<b>659</b>

'Exchange rate gains' is generated by realized exchange rate transactions and shown in this Note whereas the losses are in Note A14.

'Construction contracts and partnerships' is the revenue dedicated to specific projects, construction contracts (TCWS and SSEN) and the Monaco Partnership Arrangement (MCP). Details can be found in Note A15.

## NOTE A13 - EMPLOYEE BENEFITS

Amounts in thousands of Euro

The personnel costs are detailed in the table below:

	Professional staff		Technical support staff		Total	
	2014	2013	2014	2013	2014	2013
Wages and salaries	43,380	40,296	14,000	11,842	57,379	52,138
Pension funds	6,075	5,643	1,979	1,660	8,054	7,303
Medical care insurance	1,085	1,008	353	296	1,438	1,304
Life and invalidity insurances	434	403	141	119	575	522
Other employee benefits	5,961	5,851	2,350	2,031	8,311	7,882
Accrued untaken leave	(3)	35	7	(20)	4	14
Awards	128	128	65	78	193	205
Indemnities for loss of job	25	73	-	-	25	73
On call duty indemnity			48	-	48	-
Seconded staff	1,824	2,093	45		1,868	2,093
Bonus for temporary assignment	0	18			0	18
Trainees					86	28
Occupational medicine / infirmary					218	123
Social activities					74	43
Other (canteen)					227	220
<b>Total</b>	<b>58,908</b>	<b>55,546</b>	<b>18,987</b>	<b>16,005</b>	<b>78,500</b>	<b>71,965</b>
<b>Total excluding seconded staff</b>	<b>57,084</b>	<b>53,453</b>	<b>18,943</b>	<b>16,005</b>	<b>76,632</b>	<b>69,873</b>

An internal tax is applied to basic salary costs including overtime and night work. This tax is collected by the IO 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. Amounts withheld are/will be used for salaries, related benefits and infrastructure of the IO. 'Employee benefits' presents the gross costs including the corresponding internal tax.

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

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

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

The aggregate gross remuneration of the Director-General and the three Directors of Department was EUR 1.14 million (EUR 1.13 million in 2013).

On 31 December 2014 the IO had a total of 587 staff members in the following categories:

	Professional staff		Technical support staff		Total	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
ITER Organization staff	337	313	238	188	575	501
Seconded staff	11	14	1		12	14
<b>Sub-total within cap(*)</b>	<b>348</b>	<b>327</b>	<b>239</b>	<b>188</b>	<b>587</b>	<b>515</b>
Others (postdoctoral and IO staff recruited for work on TCWS Arrangements)	13	5	9	-	22	5
<b>Total</b>	<b>361</b>	<b>332</b>	<b>248</b>	<b>188</b>	<b>609</b>	<b>520</b>

(\*) The cap for the number of staff is 565 plus a temporary increase of 54 posts (36 posts for three years and 18 posts for five years).

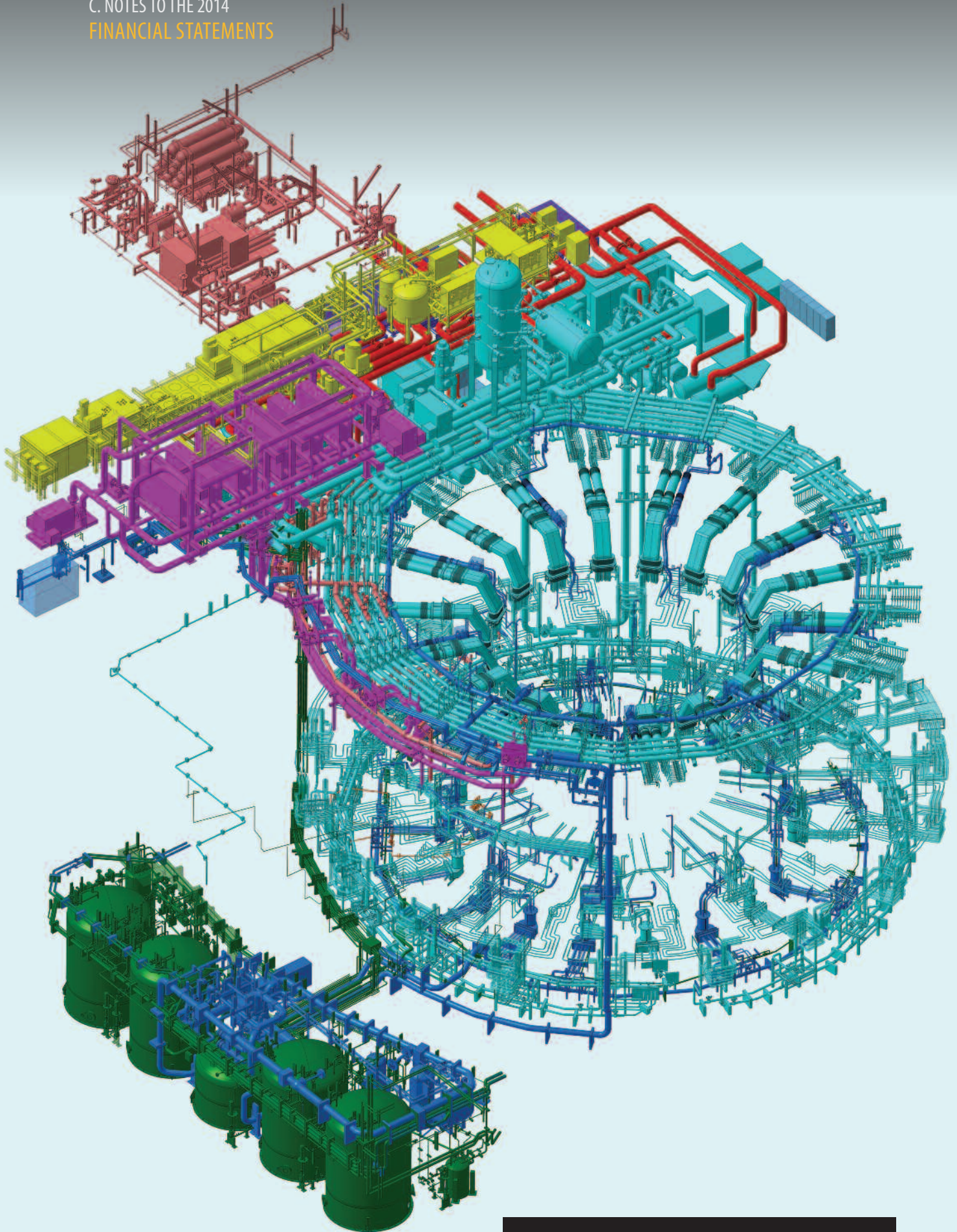
#### NOTE A14 – OTHER EXPENSES

Amounts in thousands of Euro

	2014	2013
Electricity	663	604
Furniture and equipment	467	279
Telecom and IT equipment	278	153
Small fitting-out premises	149	100
Office supplies	137	101
Water	107	126
Software	90	115
Other	15	22
<b>Total supplies and consumables</b>	<b>1,906</b>	<b>1,502</b>
External services	9,039	34,985
Maintenance and repairs	2,586	2,199
Travel and related costs (staff)	2,566	3,003
Licence yearly fees	872	737
Documentation and seminar expenses (conferences)	713	821
Temporary staff / other personnel	649	1,032
Removal expenses	578	825
Travel and related costs (external)	377	646
Post and telecommunication	352	301
Rental of equipment and buildings	171	243
Communication costs	166	217
Receptions and representation costs	155	249
Insurance	95	153
Exchange rate losses	31	55
Transport of goods	22	36
Bank charges	2	3
Other	25	266
<b>Total external services and other expenses</b>	<b>18,401</b>	<b>45,772</b>
<b>Total Other Expenses</b>	<b>20,307</b>	<b>47,273</b>

The decrease in the External services is mainly due to the recruitment of new staff but also to an improved deliverable based contract policy.





The Tokamak Cooling Water System includes major components such as pressurizers, heat exchangers, pumps, tanks and drying equipment, plus 33 kilometres of piping.

## NOTE A15 – CONSTRUCTION CONTRACTS AND PARTNERSHIPS

Amounts in thousands of Euro

	Construction Contracts		Partnership
	TCWS	SSEN	MCP
<b>Total amounts of revenue agreed in the arrangements</b>	<b>95 598</b>	<b>393</b>	<b>5 500</b>
At 01.01.2013			
Revenue recognized to date			2,006
Costs incurred to date			(2,006)
Advances requested to date			2,350
Advances received to date			(2,350)
Gross amount due to date			-
At 31.12.2013			
Employee benefits recognized in the period	-		(403)
Other expenses recognized in the period	-		(249)
<b>Costs incurred in the period</b>	<b>-</b>		<b>(651)</b>
<b>Revenue recognized in the period</b>	<b>-</b>		<b>651</b>
<b>Costs incurred to date</b>	<b>-</b>		<b>(2,658)</b>
<b>Revenue recognized to date</b>	<b>-</b>		<b>2,658</b>
Surplus (or deficit) recognized to date	-		-
Advances requested in the period	21,794		350
Advances received in the period	(10,897)		(350)
Gross amount due	10,897		-
<b>Unused at 31.12.2013</b>	<b>21,794</b>		<b>42</b>
At 31.12.2014			
Employee benefits recognized in the period	(1,669)	-	(415)
Other expenses recognized in the period	(619)	-	1
<b>Costs incurred in the period</b>	<b>(2,288)</b>	<b>-</b>	<b>(414)</b>
<b>Revenue recognized in the period</b>	<b>2,288</b>	<b>-</b>	<b>414</b>
<b>Costs incurred to date</b>	<b>(2,288)</b>	<b>-</b>	<b>(3,071)</b>
<b>Revenue recognized to date</b>	<b>2,288</b>	<b>-</b>	<b>3,071</b>
Surplus (or deficit) recognized to date	-		-
Advances requested in the period	-	393	550
Advances received in the period	(10,897)	(393)	(550)
Gross amount due	-	-	-
<b>Unused at 31.12.2014</b>	<b>19,506</b>	<b>393</b>	<b>179</b>
Advances requested to date	21,794	393	3,250
Advances received to date	(21,794)	(393)	(3,250)
<b>Not requested to date</b>	<b>73,804</b>	<b>-</b>	<b>2,250</b>

'TCWS' relates to the two arrangements signed with the US-DA for the completion of the final design of the Tokamak Cooling Water System and the procurement of the piping for this system, 'SSEN' relates to arrangement with the US-DA for the procurement of the Steady-State Electrical Network High Voltage Substation Structures and 'MCP' relates to the Partnership Arrangement with the Principality of Monaco.

Revenues have been recognized only to the extent of contract costs incurred in the period. There are no recognized surpluses or losses estimated to date. All costs and revenues are directly allocated to their related Arrangement.



## NOTES TO THE BUDGET EXECUTION STATEMENT 2014 (B)

### NOTE B1 - BUDGET EXECUTION

The Project Resource Management Regulations of the ITER Organization (PRMR) and its Implementing Measures require the preparation of certain schedules and notes for inclusion in the Financial Statements. The primary budgetary schedules following the requirements from the PRMR are shown from pages 17 to 19, reflecting the Budget Outturn, Income, Payments and Commitments Executions against their respective budgets. Supplementary information required under the PRMR is provided in Notes B1 to B8.

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

At its thirteenth meeting in November 2013, the ITER Council adopted Commitments, Income and Payments Budgets for 2014, at the level of EUR 224.27 million for Commitments and EUR 239.07 million for Payments and Income. The Commitments, Payments and Income Budgets and the financial schedules are subdivided into Titles, Chapters and Articles.

Throughout 2014, the Director-General approved several budgetary transfers within the limits of his mandate.

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

#### *Income*

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

There has been a shortfall in the total Income 2014 coming from the carry forward of the Excess Income from previous years of EUR 11.49 million, effectively reducing the total Income Budget Execution for the year leaving a negative result of EUR 7.82 million to carry forward to 2015. This negative balance corresponds to a negative result of EUR 6.10 million for the Short-Term In-Kind Income together with a negative result of EUR 1.72 million for the Cash Income.

#### *Payments*

Considering a final Payments Budget in 2014 of EUR 215.62 million and Unused Payment Appropriations brought forward from 2013 of EUR 64.68 million, the

available Payment Appropriations for 2014 were EUR 280.30 million. This included EUR 45.73 million in the IO Reserve that was set aside to address project risks that may materialize during construction.

The 2014 Payments Execution shows a total payments execution of EUR 197.10 million which includes Cash Payments of EUR 181.14 million and Short-Term In-Kind Payments, via credit notifications, of EUR 15.96 million.

Excluding the IO Reserve, which is not part of the planned budgets, the underrun in Payments for 2014 was EUR 37.47 million or 15.97% of the related Payments Appropriations. This was due to delays in the preparation and execution of contracts for the Tritium Plant, Machine Assembly, and the In-Vessel Coils. Progress in some Task Agreements signed with the DAs was slower than expected, resulting in delays in issuing the corresponding credit notifications. Furthermore, underruns occurred in staffing-related budgets due to staff turnover, unfilled staff positions, delays in recruitment of the CAD Core Team, and lower-than-expected travel expenditures.

#### *Commitments*

Considering a final Commitments Budget in 2014 of EUR 203.22 million and Unused Commitment Appropriations brought forward from 2013 of EUR 30.15 million, the available Commitment Appropriations for 2014 were EUR 233.37 million. This included EUR 13.10 million of remaining funds in the IO Reserve that was earmarked for addressing project risks that may occur during construction.

In 2014, there were decommitments against previous years' commitments, constituting a reduction of the value of contracts signed between 2007 and 2013 due to contracts being either settled at a lower value than agreed or cancelled. The total amount of these decommitments equals EUR 11.80 million.

In provision of Article 78b B. – Title IX of the Implementing Measures of the PRMR it is confirmed that no other liabilities existed to pay the open commitments as at the end of the financial years 2010 to 2013.

When combined with decommitments, the total commitments execution for 2014 equals EUR 189.66 million.

Excluding the IO Reserve, which is not part of the planned budgets, an uncommitted balance of EUR 30.61 million or 13.90% of the related Commitment Appropriation was due to delays in the preparation of contracts in Magnets, Vacuum Vessel, Cryogenics, and Machine Assembly. In addition, underruns on staff-related costs resulted from staff turnover, unfilled staff positions, delays in the recruitment of the CAD Core Team, and lower-than-expected travel expenditures.

## NOTE B2 - MEMBERS' CONTRIBUTIONS

### Cash Contributions

Amounts in thousands of Euro

Members	Brought forward from 2013 1	Requested for 2014 2	Received in 2014 3	Carry forward to 2015 4 = 1 - 2 + 3
Euratom	18,059	79,337	104,011	42,733
People's Republic of China	9,330	17,991	17,846	9,185
Republic of India	3,128	18,216	2,572	(12,517)
Japan	3,746	17,991	16,377	2,132
Republic of Korea	18,283	17,195	980	2,069
Russian Federation	17,986	17,991	17,469	17,464
United States of America	4,411	17,530	14,885	1,767
<b>Total</b>	<b>74,944</b>	<b>186,253</b>	<b>174,141</b>	<b>62,832</b>

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

### Short-Term In-Kind Contributions

Amounts in thousands of Euro

Members	Brought forward from 2013 1	Requested for 2014 2	Received in 2014 3	Carry forward to 2015 4 = 1 - 2 + 3
Euratom	(6,612)	10,640	12,786	(4,465)
People's Republic of China	166	-	-	166
Republic of India	(857)	(225)	12	(620)
Japan	-	-	-	-
Republic of Korea	826	797	1,464	1,493
Russian Federation	(692)	-	-	(692)
United States of America	(3,327)	461	1,694	(2,095)
<b>Total</b>	<b>(10,497)</b>	<b>11,673</b>	<b>15,956</b>	<b>(6,215)</b>

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

### Total Contributions

Amounts in thousands of Euro

Members	Brought forward from 2013 1	Requested for 2014 2	Received in 2014 3	Carry forward to 2015 4 = 1 - 2 + 3
Euratom	11,447	89,977	116,797	38,267
People's Republic of China	9,496	17,991	17,846	9,351
Republic of India	2,270	17,991	2,584	(13,137)
Japan	3,746	17,991	16,377	2,132
Republic of Korea	19,109	17,991	2,444	3,561
Russian Federation	17,294	17,991	17,469	16,772
United States of America	1,084	17,991	16,579	(328)
<b>Total</b>	<b>64,447</b>	<b>197,926</b>	<b>190,096</b>	<b>56,617</b>



**NOTE B3 - CASH BREAKDOWN**

*Amounts in thousands of Euro*

<b>Cash balance at 31 December 2013</b>	<b>129,369</b>
Cheques issued in 2013 and not yet disbursed at 31 December 2013	(30)
<b>Cash and cash equivalent at 31 December 2013</b>	<b>129,339</b>
2014 Contributions from the Members	99,880
Advances on 2015 contributions	74,260
Earmarked Funds contributions	22,187
Monaco Partnership	550
Internal tax	14,886
Interest from bank	1,585
Miscellaneous Income	-
Exchange rate income	60
<b>Total cash Income</b>	<b>213,409</b>
Payments against budget	181,143
Payments against Earmarked Funds	2,175
Movements in Suspense Accounts	12,889
<b>Total disbursement</b>	<b>196,207</b>
Cash balance at 1 January 2014	129,369
Total cash Income	213,409
Total disbursement	196,207
<b>Balance in cash</b>	<b>146,572</b>
<b>Cash balance at 31 December 2014</b>	<b>146,572</b>
Cheques issued in 2014 and not yet disbursed at 31 December 2014	(14)
<b>Cash and cash equivalents at 31 December 2014</b>	<b>146,558</b>

**NOTE B4 – SUSPENSE ACCOUNTS***Amounts in thousands of Euro*

<b>Third Party</b>	<b>Situation at 1 January 2014</b>	<b>Movements in 2014</b>	<b>Situation at 31 December 2014</b>
EU Domestic Agency	(705)	242	(463)
IN Domestic Agency	(4)	(132)	(136)
RF Domestic Agency	(4)	4	-
US Domestic Agency	10,172	(10,749)	(578)
<b>Total Domestic Agencies</b>	<b>9,458</b>	<b>(10,635)</b>	<b>(1,176)</b>
Administrative fees	79	31	110
VAT to be reimbursed	(9,048)	(2,576)	(11,624)
ITER Organization Staff	(19)	19	-
Sickness Insurances and Pension Funds	894	(25)	869
Others	(29)	297	269
<b>Total Other</b>	<b>(8,121)</b>	<b>(2,254)</b>	<b>(10,376)</b>
<b>Total</b>	<b>1,337</b>	<b>(12,889)</b>	<b>(11,552)</b>

The EU-DA suspense account shows a final balance of EUR 463 thousand from which the main part corresponds to the amounts paid by the IO and not yet recovered at the end of 2014 further to the 'Agreement on site cooperation' and the 'Agreement to make available offices for Fusion for Energy staff and its contractors'.

The IN-DA suspense account shows a final balance of EUR 136 thousand corresponding to the amounts paid by the IO and not yet recovered at the end of 2014 further to the 'Agreement on the Health, Safety and Environmental Coordination of the IN-DA Worksite Area' and the 'Agreement on the provision of areas of the ITER Site to ITER - India'.

The US-DA suspense account shows a final balance of EUR 578 thousand of US tax paid in advance by the IO on behalf of the US staff. The movement of EUR 10.75 million is mainly due to the transfer, from the Suspense Accounts to an Earmarked Fund, of the amounts received in relation to the Arrangements for the Tokamak Cooling Water System (TCWS).

'Sickness Insurances and Pension Funds' shows a final balance of EUR 869 thousand including EUR 495 thousand related to the sickness insurance and pension scheme of the IO staff, and a negative amount of EUR 1.36 million related to the IO seconded staff social contributions (sickness and pension).

**NOTE B5 - STATEMENT OF UNPAID COMMITMENTS**

*Amounts in thousands of Euro*

		Unpaid Total Commitments 1 January 2014	Total Commitments 2014	Decommitments and Transfers of previous years' Total Commitments	Total Payments 2014	Unpaid Total Commitments 31 December 2014 5 = 1 + 2 - 3 - 4
<b>Budget Headings</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	
Article 111	Direct Investment	146,392	57,046	1,146	49,119	153,174
Article 112	Test Blanket Module	757	662	-	782	636
Article 113	IO Reserve	-	-	-	-	-
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>147,149</b>	<b>57,708</b>	<b>1,146</b>	<b>49,901</b>	<b>153,810</b>
Article 211	Research & Development	20,093	4,976	480	10,125	14,464
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>20,093</b>	<b>4,976</b>	<b>480</b>	<b>10,125</b>	<b>14,464</b>
Article 311	Professional staff salary costs	-	57,304	-	57,304	-
Article 312	Technical Support staff salary costs	-	18,367	-	18,367	-
Article 313	Travel and subsistence	977	2,960	747	2,266	924
Article 314	Secondment allowances	-	-	-	-	-
Article 315	Removal expenses	185	514	12	561	127
Article 316	Promotions	-	498	-	498	-
Article 317	Awards	-	187	-	187	-
Chapter 31	Staff Expenditure	1,162	79,830	758	79,182	1,051
Article 321	General services	8,460	9,824	3,168	7,972	7,142
Article 322	Administrative services	1,798	9,685	426	5,963	5,094
Article 323	Equipment	20,695	3,115	82	4,232	19,496
Article 324	External specialized services	48,671	36,328	5,743	39,723	39,532
Article 325	IO Reserve	-	-	-	-	-
Chapter 32	Organizational Expenditure	79,623	58,952	9,419	57,891	71,265
<b>Title III</b>	<b>Direct Expenditure</b>	<b>80,785</b>	<b>138,782</b>	<b>10,178</b>	<b>137,073</b>	<b>72,316</b>
<b>Total Expenditure</b>		<b>248,027</b>	<b>201,466</b>	<b>11,804</b>	<b>197,099</b>	<b>240,590</b>



**NOTE B6 – LONG-TERM IN KIND / PROCUREMENT ARRANGEMENTS**

Members	2007 - 2013 Procurement Arrangements		
	Commitments	Notifications	
	IUA	IUA	KEUR
Euratom	932,814	68,550	110,779
People's Republic of China	269,879	3,735	6,103
Republic of India	260,653	11,543	18,849
Japan	443,058	58,464	93,750
Republic of Korea	254,898	26,490	43,773
Russian Federation	213,012	9,355	15,429
United States of America	186,518	8,350	13,356
<b>Total</b>	<b>2,560,832</b>	<b>186,487</b>	<b>302,039</b>

Members	2014 Procurement Arrangements		
	Commitments	Notifications	
	IUA	IUA	KEUR(*)
Euratom	10,053	19,417	32,565
People's Republic of China	739	14,264	24,012
Republic of India	(1,215)	3,500	5,890
Japan	(571)	19,045	32,050
Republic of Korea	(811)	28,411	47,746
Russian Federation	45,060	22,224	37,366
United States of America	(125)	3,380	5,690
<b>Total</b>	<b>53,129</b>	<b>110,241</b>	<b>185,319</b>

(\*) based on actual completion date

Members	Cumulative Procurement Arrangements		
	Commitments	Notifications	
	IUA	IUA	KEUR
Euratom	942,867	87,967	143,344
People's Republic of China	270,617	17,999	30,115
Republic of India	259,437	15,043	24,739
Japan	442,487	77,509	125,800
Republic of Korea	254,087	54,901	91,519
Russian Federation	258,072	31,579	52,796
United States of America	186,393	11,730	19,045
<b>Total</b>	<b>2,613,960</b>	<b>296,729</b>	<b>487,358</b>

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

IUA Exchange rates		
Periods		1 IUA =
2014		EUR 1,683.39
2013		EUR 1,660.15
January 1989		USD 1,000.00





When opened, the heat treatment furnace at the General Atomics plant in Poway, California (US) is 12 metres tall and can hold one central solenoid module at a time. Heat treatment at 650 degrees Celsius makes the niobium-tin and copper conductor superconducting. Photo: US ITER



## NOTE B7 - CUMULATIVE BUDGETS AND EXECUTIONS

### Income

Amounts in thousands of Euro

Budget Headings		Cumulative Total Income Budgets up to End 2014 1	Cumulative Total Income Executions up to End 2014 2
Article 711	Contribution from Euratom	524,613	520,148
Article 712	Contribution from the People's Republic of China	104,898	105,064
Article 713	Contribution from the Republic of India	104,898	104,278
Article 714	Contribution from Japan	104,898	104,898
Article 715	Contribution from the Republic of Korea	104,898	106,391
Article 716	Contribution from the Russian Federation	104,898	104,206
Article 717	Contribution from the United States of America	104,898	102,803
Chapter 71	Contributions	1,154,004	1,147,789
Article 721	Internal Tax from Professional Staff	70,438	69,957
Article 722	Internal Tax from Technical Staff	20,081	14,757
Chapter 72	Internal tax	90,519	84,714
Article 731	Financial interest	7,785	8,868
Article 732	Exchange rate Income	200	1,081
Chapter 73	Financial Income	7,985	9,948
Article 741	Cancellation of Appropriations from the current year	800	1,111
Article 742	Cancellation of Appropriations from previous years	3,746	6,135
Article 743	Monaco Partnership	3,250	3,250
Article 744	Excess Income from previous years	-	(67,118)
Article 745	Shortfall Income from previous years	(73)	-
Article 749	Miscellaneous income	3,839	3,898
Chapter 74	Other Income	11,561	(52,724)
<b>Title VII</b>	<b>Income</b>	<b>1,264,069</b>	<b>1,189,727</b>
<b>Total Income</b>		<b>1,264,069</b>	<b>1,189,727</b>



## C. NOTES TO THE 2014 FINANCIAL STATEMENTS

### Payments

Amounts in thousands of Euro

		Cumulative Total Payments Budgets up to End 2014	Cumulative Total Payments Executions up to End 2014
Budget Headings		1	2
Article 111	Direct Investment	179,777	171,013
Article 112	Test Blanket Module	3,004	2,393
Article 113	IO Reserve	19,218	-
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>201,999</b>	<b>173,406</b>
Article 211	Research & Development	110,596	103,216
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>110,596</b>	<b>103,216</b>
Article 311	Professional staff salary costs	368,997	363,841
Article 312	Technical Support staff salary costs	93,586	93,128
Article 313	Travel and subsistence	19,963	18,324
Article 314	Secondment allowances	692	692
Article 315	Removal expenses	3,683	3,565
Article 316	Promotions	2,527	2,340
Article 317	Awards	891	881
Chapter 31	Staff Expenditure	490,340	482,771
Article 321	General services	46,312	43,788
Article 322	Administrative services	28,250	25,781
Article 323	Equipment	32,170	30,509
Article 324	External specialized services	327,895	314,751
Article 325	IO Reserve	26,507	-
Chapter 32	Organizational Expenditure	461,134	414,829
<b>Title III</b>	<b>Direct Expenditure</b>	<b>951,474</b>	<b>897,601</b>
<b>Total Expenditure</b>		<b>1,264,069</b>	<b>1,174,223</b>

## Commitments

Amounts in thousands of Euro

		Cumulative Total Commitments Budgets up to End 2014	Cumulative Total Commitments Executions up to End 2014
Budget Headings		1	2
Article 111	Direct Investment	338,304	324,186
Article 112	Test Blanket Module	3,702	3,030
Article 113	IO Reserve	7,538	-
<b>Title I</b>	<b>Direct Investment (Fund)</b>	<b>349,544</b>	<b>327,216</b>
Article 211	Research & Development	120,086	117,743
<b>Title II</b>	<b>R&amp;D Expenditure</b>	<b>120,086</b>	<b>117,743</b>
Article 311	Professional staff salary costs	368,986	363,841
Article 312	Technical Support staff salary costs	93,576	93,128
Article 313	Travel and subsistence	20,253	19,263
Article 314	Secondment allowances	692	692
Article 315	Removal expenses	3,845	3,693
Article 316	Promotions	2,527	2,340
Article 317	Awards	891	881
Chapter 31	Staff Expenditure	490,770	483,838
Article 321	General services	52,121	51,927
Article 322	Administrative services	31,345	30,872
Article 323	Equipment	50,446	49,980
Article 324	External specialized services	358,649	353,238
Article 325	IO Reserve	5,559	-
Chapter 32	Organizational Expenditure	498,120	486,016
<b>Title III</b>	<b>Direct Expenditure</b>	<b>988,889</b>	<b>969,854</b>
<b>Total Expenditure</b>		<b>1,458,520</b>	<b>1,414,813</b>

## NOTE B8 – EARMARKED FUNDS

### Budgetary Outturn 2014

Amounts in thousands of Euro

	2014	2013
Total Income Execution	22,187	-
Total Payments Execution	2,175	-
<b>Total Budgetary Outturn</b>	<b>20,012</b>	<b>-</b>

### Income Execution 2014

Amounts in thousands of Euro

Budget Headings	Initial Total Income Budget 2014 1	Final Total Income Budget 2014 2	Total Income in 2014 3	Total Income in 2013 4	Total Results and Carry Forward to 2015 5 = 3 - 2
Article 711 Contribution from Euratom	-	-	-	-	-
Article 712 Contribution from the People's Republic of China	-	-	-	-	-
Article 713 Contribution from the Republic of India	-	-	-	-	-
Article 714 Contribution from Japan	-	-	-	-	-
Article 715 Contribution from the Republic of Korea	-	-	-	-	-
Article 716 Contribution from the Russian Federation	-	-	-	-	-
Article 717 Contribution from the United States of America	22,187	22,187	22,187	-	-
<b>Total Income</b>	<b>22,187</b>	<b>22,187</b>	<b>22,187</b>	<b>-</b>	<b>-</b>

### Payments Execution 2014

Amounts in thousands of Euro

Budget Headings	Initial Total Payments Budget 2014 1	Final Total Payments Budget 2014 2	Unused Total Payment Appropriations brought forward from 2013 3	Total Payment Appropriations 2014 4 = 2 + 3	Total Payments 2014 5	Total Payments 2013 6	Unused Total Payment Appropriations carried forward to 2015 7 = 4 - 5
Article 111 Direct Investment	1,665	38	-	38	-	-	38
Article 112 Test Blanket Module	-	-	-	-	-	-	-
Article 113 IO Reserve	577	26	-	26	-	-	26
<b>Title I Direct Investment (Fund)</b>	<b>2,242</b>	<b>64</b>	<b>-</b>	<b>64</b>	<b>-</b>	<b>-</b>	<b>64</b>
Article 211 Research & Development	-	-	-	-	-	-	-
<b>Title II R&amp;D Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Article 311 Professional staff salary costs	696	1,560	-	1,560	1,197	-	362
Article 312 Technical Support staff salary costs	701	538	-	538	417	-	121
Article 313 Travel and subsistence	30	30	-	30	30	-	-
Article 314 Secondment allowances	-	-	-	-	-	-	-
Article 315 Removal expenses	68	52	-	52	52	-	-
Article 316 Promotions	7	3	-	3	3	-	-
Article 317 Awards	7	6	-	6	6	-	-
Chapter 31 Staff Expenditure	1,508	2,189	-	2,189	1,705	-	483
Article 321 General services	-	5	-	5	5	-	-
Article 322 Administrative services	-	63	-	63	63	-	-
Article 323 Equipment	334	351	-	351	17	-	334
Article 324 External specialized services	155	385	-	385	385	-	-
Article 325 IO Reserve	-	470	-	470	-	-	470
Chapter 32 Organizational Expenditure	489	1,274	-	1,274	470	-	804
<b>Title III Direct Expenditure</b>	<b>1,998</b>	<b>3,463</b>	<b>-</b>	<b>3,463</b>	<b>2,175</b>	<b>-</b>	<b>1,288</b>
<b>Total Expenditure</b>	<b>4,239</b>	<b>3,526</b>	<b>-</b>	<b>3,526</b>	<b>2,175</b>	<b>-</b>	<b>1,351</b>
<b>Total Expenditure (without reserve)</b>	<b>3,662</b>	<b>3,031</b>	<b>-</b>	<b>3,031</b>	<b>2,175</b>	<b>-</b>	<b>856</b>



### Commitments Execution 2014

Amounts in thousands of Euro

Budget Headings	Initial Total Commitments Budget 2014	Final Total Commitments Budget 2014	Unused Total Commitment Appropriations brought forward from 2013	Available Commitment Appropriations 2014	Decommitments and Transfers of previous years' Total Commitments	Total Commitments 2014	Total Commitments 2013	Unused Commitment Appropriations carried forward to 2015
	1	2	3	4 = 2 + 3	5	6	7	8 = 4 + 5 - 6
Article 111 Direct Investment	3,145	-	-	-	-	-	-	-
Article 112 Test Blanket Module	-	-	-	-	-	-	-	-
Article 113 IO Reserve	577	19	-	19	-	-	-	19
<b>Title I Direct Investment (Fund)</b>	<b>3,722</b>	<b>19</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>
Article 211 Research & Development	-	-	-	-	-	-	-	-
<b>Title II R&amp;D Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Article 311 Professional staff salary costs	696	1,560	-	1,560	-	1,197	-	362
Article 312 Technical Support staff salary costs	701	538	-	538	-	417	-	121
Article 313 Travel and subsistence	30	32	-	32	-	32	-	-
Article 314 Secondment allowances	-	-	-	-	-	-	-	-
Article 315 Removal expenses	68	72	-	72	-	72	-	-
Article 316 Promotions	7	3	-	3	-	3	-	-
Article 317 Awards	7	6	-	6	-	6	-	-
Chapter 31 Staff Expenditure	1,508	2,211	-	2,211	-	1,727	-	483
Article 321 General services	-	5	-	5	-	5	-	-
Article 322 Administrative services	-	102	-	102	-	102	-	-
Article 323 Equipment	334	354	-	354	-	20	-	334
Article 324 External specialized services	155	748	-	748	-	748	-	-
Article 325 IO Reserve	-	135	-	135	-	-	-	135
Chapter 32 Organizational Expenditure	489	1,344	-	1,344	-	875	-	469
<b>Title III Direct Expenditure</b>	<b>1,998</b>	<b>3,555</b>	<b>-</b>	<b>3,555</b>	<b>-</b>	<b>2,602</b>	<b>-</b>	<b>952</b>
<b>Total Expenditure</b>	<b>5,719</b>	<b>3,573</b>	<b>-</b>	<b>3,573</b>	<b>-</b>	<b>2,602</b>	<b>-</b>	<b>971</b>
<b>Total Expenditure (without reserve)</b>	<b>5,142</b>	<b>3,420</b>	<b>-</b>	<b>3,420</b>	<b>-</b>	<b>2,602</b>	<b>-</b>	<b>818</b>

'Earmarked Funds' is dedicated to the realization of specific signed Arrangements between the ITER Organization and the United States of America ITER Project Office:

- Arrangement for Procurement of the Piping Systems for the Tokamak Cooling Water System (TCWS);
  - Arrangement for Completion of the Final Design for the TCWS;
  - Arrangement for Procurement of the Steady-State Electrical Network High Voltage Substation Structures (SSEN).
- They are not part of the ITER Council-approved IO budget.

In 2014, the TCWS Income amounted to EUR 21.79 million and the SSEN Income amounted to EUR 393 thousand. The 2014 Earmarked Funds Execution shows a Payments Execution of EUR 2.17 million and a Commitments Execution of EUR 2.60 million which includes TCWS Commitments and Payments only.

# RECONCILIATION: CASH FLOW STATEMENT - BUDGET OUTTURN

In the 2014 Financial Statements, the schedules prepared in accordance with the IPSAS and its Statement of Financial Performance particularly take into account accruals whereas the schedules prepared in accordance with the PRMR and its Budget Result Statement do not. The differences between the two statements are shown in the Basis differences of the Reconciliation below.

‘Entity difference’ comes from the variation of the revenue received and associated costs incurred by the IO for the Budget Earmarked Funds. These costs and revenue are included in the Statement of Financial Performance but outside the ITER Council-approved IO budget.

Amounts in thousands of Euro

	Notes Page 18	2014 10,701	2013 (34,947)
<b>Budget Outturn</b>			
<b>Basis differences</b>		<b>(13,494)</b>	<b>79,252</b>
Cash contributions requested	B2	(186,253)	(144,480)
Cash contributions received	B3	99,880	116,267
Advance contributions received	B3	74,260	74,944
Cheques N-1 paid in N	B3	30	88
Cheques N unpaid at 31.12.N	B3	(14)	(30)
Movements in suspense accounts	B3	(12,889)	13,375
Excess Income from Previous Years	B7 (art744)	11,491	19,089
<b>Entity differences</b>		<b>20,012</b>	-
Budget Outturn Earmarked Funds	B8	20,012	-
<b>Total</b>		<b>17,219</b>	<b>44,305</b>
Net (decrease)/increase in cash and cash equivalents	Page 15	17,219	44,305

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

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

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

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

‘Cheques N unpaid at 31.12.N’ corresponds to the cheques issued in the current year and not disbursed yet at the end of the current year.

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

‘Excess Income from previous years’ corresponds to the unrealized income budget carried forward from the previous year.

‘Budget Outturn Earmarked Funds’ corresponds to the balance between income execution and payment execution for Earmarked Funds for the current year.

The Cryostat Workshop is equipped with a gantry crane and officially inaugurated in November. In this 100-metre-long manufacturing facility, the Indian Domestic Agency will begin assembling and welding the ITER cryostat sections in 2015.





