



FINANCIAL REPORT 2022

—
ITER ORGANIZATION



FINANCE AT A GLANCE



china eu india japan korea russia usa

1,037
STAFF

€242
MILLION
IN-KIND
CONTRIBUTIONS

€7.05
BILLION
PROPERTY, PLANT
& EQUIPMENT

€158
MILLION
EMPLOYEE
BENEFITS

€28
MILLION
INTANGIBLE
ASSETS

€602
MILLION
TOTAL
COMMITMENTS

€599
MILLION
CASH CONTRIBUTIONS
RECEIVED 2022



2022

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In February, assembly contractors prepare to lift the first module of the central solenoid from its transport frame and deliver it to the central solenoid assembly area at the far end of the hall.



FOREWORD

FROM THE DIRECTOR-GENERAL

As the new Director-General of the ITER Organization, appointed in September 2022, I would like to begin this short introduction to the 2022 Financial Report by recognizing the work of all those who have come before me. ITER is a project of extraordinary complexity, and without the deep and dedicated investment over the years of the project team at every level—Directors-General, Heads of Domestic Agencies, managers, staff—its realization would not be possible. To have so many people from so many cultures collaborating on one objective is a wonderful example for the world and, collectively, we have a very important responsibility to succeed.

I take up my duties in a challenging context. The vacuum vessel sector non-conformities as well as the detection of thermal shield cooling pipe issues in 2022 kicked off an intense cycle of inspection and testing to identify the causes of the defects and to explore different strategies for repair. Vacuum vessel assembly has been halted and substantial repair works are now planned—including the replacement of all thermal shield cooling pipes and the repair of dimensional non-conformities in three vacuum vessel sectors.

During this pause in vacuum vessel assembly, while other worksite activities are continuing, the ITER Organization and the Domestic Agencies will be working together to re-baseline project cost and schedule, as the project Baseline established in 2016 has been rendered increasingly inaccurate over time. The Updated Baseline, expected to be presented to the ITER Council for review in 2024, will reflect how we plan to recover from the technical setbacks and will propose a revised path forward. In effect, I am convinced that by reconsidering some of our assumptions we can make transformative changes within the project that strengthen our collaboration and our activities, and place us in the best position to achieve our goals.

For example, redefining the phases of ITER to provide a clear, stepwise approach to the start of nuclear operation will facilitate the ITER Organization's capacity to provide the required safety demonstration to the French Nuclear Regulator. Improving the technical quality culture across the project will increase the likelihood that technical issues are flagged early in the production process. Choosing to test a significant number of toroidal field coils at cryogenic temperatures (4K) prior to installation will mitigate an important first-of-a-kind project risk. And proposing a change to the plasma-facing "first-wall" material from beryllium to tungsten, the likely candidate for next-step devices, will reinforce ITER's role as precursor machine.

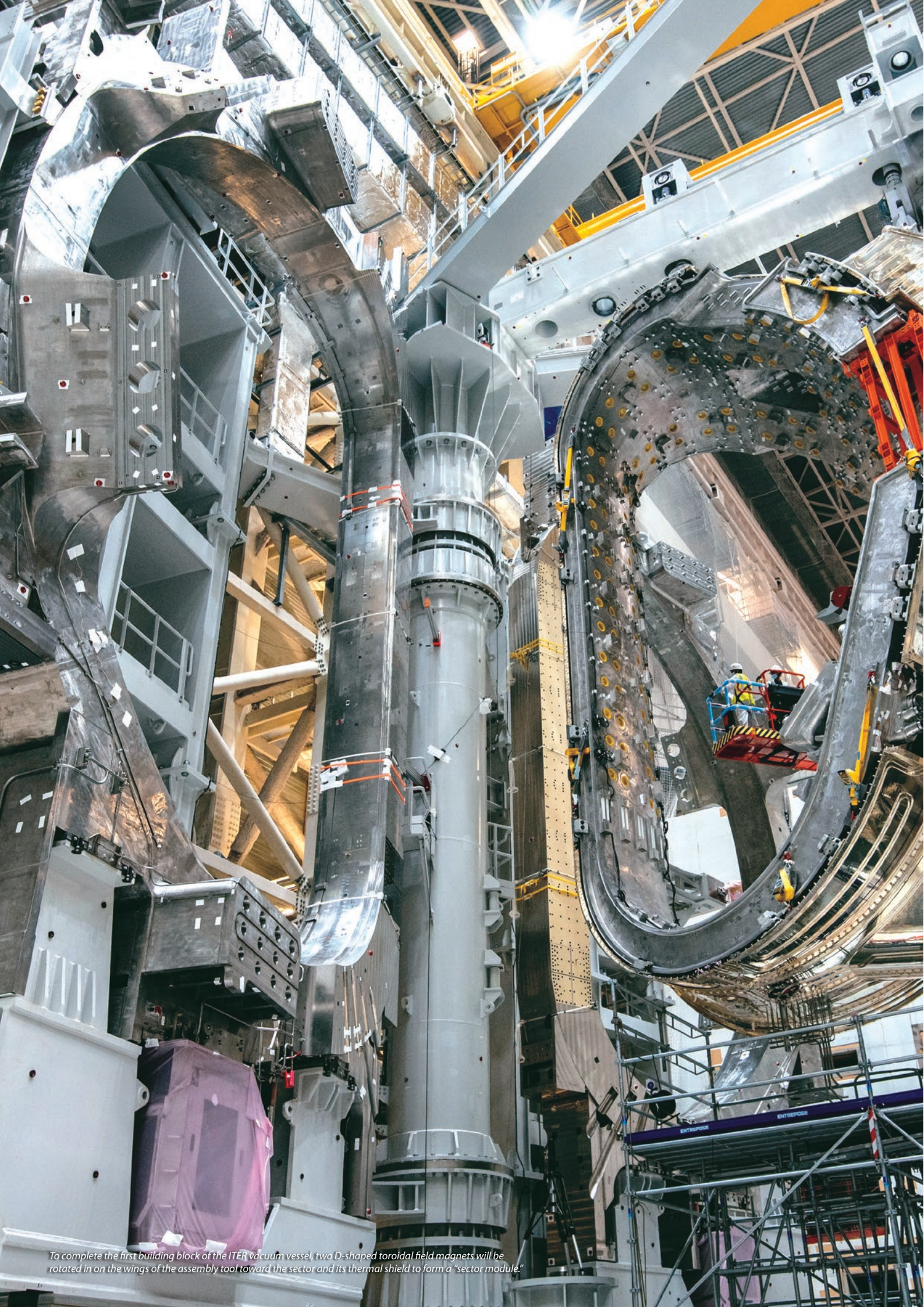
These are all ambitious transformations. Many of them require additional study and all of them will take some time to complete, but I am pleased that through open and transparent communication with stakeholders there is agreement on the way forward. Inside the ITER Organization, we are working to increase efficiency by instituting a project culture defined by responsibility and accountability for cost, schedule, performance and safety, and within which individuals are empowered to use their imagination to solve technical problems. Project-wide, we are working to create a more integrated project team, where expertise from the Domestic Agencies is more easily seconded to the ITER site and, together, we focus on deliverables. Integrity and transparency will be the key words going forward, whether in our daily interactions with one another, or in communicating with our Member stakeholders.

It is in ITER's nature and mission, as a unique and ambitious research infrastructure, to navigate a range of challenges and setbacks during construction. The knowhow we are acquiring with fusion technology and science will serve the fusion community as a whole, and it is therefore our task and duty to be as open and transparent as we are able going forward. This is my engagement as Director-General.

Pietro BARABASCHI

St. Paul-lez-Durance

July 2023



To complete the first building block of the ITER vacuum vessel, two D-shaped toroidal field magnets will be rotated in on the wings of the assembly tool toward the sector and its thermal shield to form a "sector module."

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 2022 and of the financial position of the ITER Organization in all material aspects at the end of 2022.

We are not aware of any unrecorded liabilities.



28 February 2023

Lionel RIGAUX
Accounting Officer
Accounting, Treasury & Systems
Section Leader



28 February 2023

Philippe LAMOTTE
Finance & Procurement
Department Head

STATEMENT FROM THE DIRECTOR-GENERAL

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

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



28 February 2023

Pietro BARABASCHI
Authorizing Officer
The Director-General

THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the Financial Statements of the ITER International Fusion Energy Organization (IO) as at 31 December 2022, which comprise the Statement of Financial Position, the Statement of Financial Performance, the Statement of Changes in Net Assets/Equity, the Cash Flow Statement, the Comparison of Budget and Actual Amounts, and Notes to the Financial Statements, including a summary of significant accounting policies and the Budgetary Statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the IO as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) and the Project Resource Management Regulations (PRMR). We obtained reasonable assurance on the legality and regularity of the underlying transactions.

BASIS FOR OPINION

We conducted our audit in accordance with Article 17 of the ITER Agreement, Financial Audit Board Charter, the relevant articles of the PRMR and the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the IO in accordance with the ethical requirements that are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The IO management is responsible for the information included in the ITER Organization 2022 Financial Report other than the financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE IO MANAGEMENT AND THE ITER COUNCIL FOR THE FINANCIAL STATEMENTS

The IO management is responsible for the preparation and fair presentation of the financial statements in accordance with the IPSAS and the PRMR, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. The audit procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. The audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as that of the overall presentation of the financial statements and of the budget execution statements.



Mr. Daisaku KOYANAGI
Chair of the Financial Audit Board
JAPAN



Ms. Shanshan LU
PEOPLE'S REPUBLIC OF CHINA



Mr. Ciaran SPILLANE
EUROPEAN UNION



Ms. Richa BAGLA
REPUBLIC OF INDIA



Mr. SeungMin SHIN
REPUBLIC OF KOREA



Mr. Alexander ZAGORNOV
RUSSIAN FEDERATION



Ms. Erin HARRIS
UNITED STATES OF AMERICA

FINANCIAL STATEMENT

DISCUSSION AND ANALYSIS

This section of the annual Financial Report of the ITER Organization (IO) presents management's discussion and analysis of the Financial Statements for the year ended 31 December 2022.

The Financial Statement Discussion and Analysis is not part of the ITER Organization's Financial Statements; however, it should be read together with the ITER Organization's Financial Statements on pages 14 to 43 of this report.

The 2021 Financial Statements were audited and thereafter approved by the ITER Council through written procedure in October 2022.



OVERVIEW

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

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

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



The Financial Statements presented on an accrual basis show the:

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

Contributions from the Members constitute revenue from non-exchange transactions. They are used to acquire property, plant and equipment, and intangible assets, and are taken back to revenue over the period of the utilization of the related assets. The 'Deferred Revenue' is reported in the Statement of Financial Position within Deferred Revenue (Note A11) and the write back is reported in the Statement of Financial Performance within Operational Revenue (Note A12).

ABOUT THE ITER ORGANIZATION

The ITER Organization provides and promotes cooperation on the ITER Project among its seven Members, these being the People's Republic of China, the European Atomic Energy Community Euratom, the Republic of India, Japan, the Republic of Korea, the Russian Federation and the United States of America.

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

The purpose, functions and other organizational aspects of the ITER Organization are set out in the 'Agreement on the Establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER Project' (the 'ITER Agreement', <http://www.iaea.org/Publications/Documents/Infocircs/2007/infocirc702.pdf>).

The ITER Agreement was signed by the Members in Paris on 21 November 2006 and the ITER Organization was officially established on 24 October 2007. The Agreement has an initial duration of 35 years.

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

The functions of the ITER Project are the design, construction, assembly and installation, commissioning, operation, exploitation and de-activation (decommissioning) of the ITER facilities in accordance with prescribed technical objectives, specifications and supplemental technical requirements that may be necessary. Upon completion of the Project, decommissioning of the ITER Organization facilities will be financed by the Members and will be carried out by the Host State, France.

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

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

IUA Exchange Rates	
Period	1 IUA =
2022	EUR 1,822.33
2021	EUR 1,776.15
January 1989	USD 1,000.00

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

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

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

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

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

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

The ITER Organization has developed the ITER Project Associates (IPA) scheme to increase flexibility in the use of ITER Organization and Domestic Agency resources and to strengthen cooperation between the ITER Organization and institutions or bodies of the Members (including Domestic Agencies). This scheme allows staff of Member institutes, universities, industrial enterprises, and other relevant bodies (termed as Home Institutes) to participate in the ITER Project. Detailed Implementing Agreements (IAs) are signed between the ITER Organization and the Home Institutes to assign individuals or a group of IPAs. They take into account the Member/Country specificities and financial aspects.

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

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

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

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

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

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

INTERNAL AUDIT

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

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

In 2022, management has made good progress in taking action on the IAS Recommendations resulting from the IAS audit reports. Where relevant, pending action plans shall be adapted to the forthcoming organisational restructuring.



The 665-tonne top lid—the thickest and most structurally complex of the four sections that make up the ITER cryostat—is finalized by the Indian Domestic Agency and contractors in March.

RISKS AND UNCERTAINTIES

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

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

While the large components continue to experience transportation delays due to secondary COVID-19 impacts, continuing physical progress, both onsite and in Member facilities, is observed: ongoing fabrication and delivery of First-of-a-Kind (FOAK) components, including most recently the departure for shipment of Poloidal Field Coil #1; ongoing installation of plant support systems, including the installation of all magnet conversion equipment required for First Plasma, and the initiation of subsystem commissioning for the cryogenics facility and cooling water plant; and ongoing onsite construction works, including substantial progress on the tritium building, the control building, and civil works for the neutral beam facility.

Major manufacturing risks to FOAK components continue to decrease as the first component(s) of the major component series arrived on the ITER site after the Final Acceptance Test took place on the premises of the suppliers. However, there is a need to address a number of concerns related to First-of-a-Kind components. In particular, recent results from analysis of key components indicated the need for extensive repairs on some of them. Ongoing efforts to also address remaining questions of the French Nuclear Regulator, Autorité de sûreté nucléaire (ASN), are being managed by the newly appointed Director-General of the ITER Organization to ensure technically correct and transparent communication to ASN.

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

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

At its thirty-first meeting (IC-31) in November 2022, the ITER Council accepted the Director-General's recommendation to establish an updated project baseline after comprehensive assessment and development of a corrective plan. The successful accomplishment of these actions will allow the ITER Organization to make a solid estimation of the new timeline and cost to complete the construction of the project. Work is proceeding in close collaboration with the Domestic Agencies. Once approved by the ITER Council, the updates to the Overall Project Schedule and Cost will contribute enormously to reducing project risk.

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

HIGHLIGHTS

In a year marked by difficult challenges, the ITER community came together with resilience and solidarity. In May, Bernard Bigot—who had led the ITER Organization as Director-General since 2015—passed away due to illness. Eisuke Tada, in the interim role of Director-General, spoke for all of ITER when he stated that, "...the greatest honour we can pay [him] is to continue delivering the ITER Project with the same unwavering commitment and dedication that he demonstrated to all of us."

The ITER Council named Pietro Barabaschi as the ITER Organization's new Director-General in September. Just as he took up his duties the following month, expert groups were publishing their findings on defects that had been identified in two critical machine components. It is now clear that these defects—non-conformities in the bevel joint region of the three vacuum vessel sectors that have been delivered, and instances of stress corrosion cracking in the cooling pipes of the thermal shield—will require extensive repair, impacting the entire machine assembly sequence and schedule.

The Director-General is leading the effort to identify appropriate repair strategies with the support of all Members. Only after this work has been completed and the selected strategies fully assessed will it be possible to produce a solid estimation of the new project baseline (timeline and cost).

Outside of these technical setbacks, the project is pursuing scheduled activities in line with the Revised Construction Strategy. Twelve ITER Council milestones were achieved in 2022, including the final acceptance of the cryostat top lid (India), completion of all central solenoid tooling components (United States), final factory acceptance of poloidal field coil #1 (Russia), and the arrival of vacuum vessel sector #8 (Korea). In the machine assembly theatre, the first vacuum vessel sector module was successfully lifted out of tooling and lowered into the Tokamak Pit in May (this operation will have to be reversed in 2023 for component repair).

The first central solenoid module was positioned on its assembly platform, all bottom correction coils were installed in the Tokamak Pit, and teams have realized the first joint connection between magnet feeder elements received from China.

The procurement of major magnetic system elements continues to progress, with 3 of 6 poloidal field coils, 13 of 19 toroidal field coils and 2 of 6 central solenoid delivered. The fabrication of other long-lead components—the shield blocks and first wall of the blanket, the structural body and targets of the divertor, diagnostics, tokamak cooling water equipment, and heating system components—is also strongly engaged.

Plant installation across the site (excluding the Tokamak Complex) is at 70 percent completion. The first producer/consumer connection was established from the Site Service Building to

deliver compressed air to hundreds of pneumatic activators in the cryoplat, the heat rejection system successfully underwent final testing and inspection, and a temporary “remote” control room is now staffed throughout the week from the ITER Headquarters in order to run the various systems and subsystems required for plant commissioning. The civil infrastructure required for First Plasma is also nine-tenths complete, with important progress made this year on areas for electrical power distribution and neutral beam power supply, as well as the Tritium and Control Buildings.

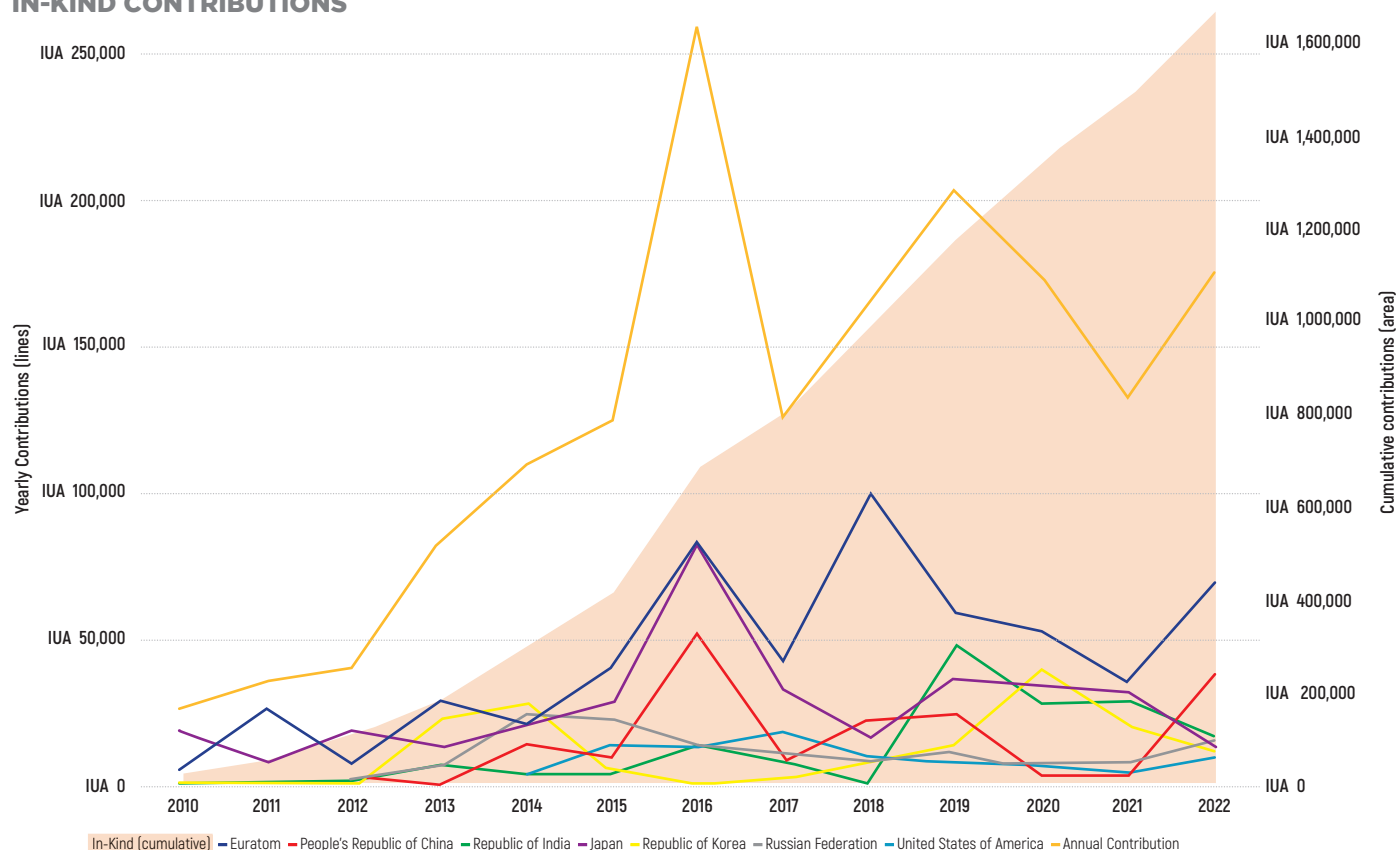
Looking forward, management’s global objective will be to minimize delay in the start of deuterium-deuterium (DD) and deuterium-tritium (DT) plasma operation. In this context, the re-examination of the current four-stage approach to full fusion power—with the potential combination of assembly and/or operation phases—is being considered.

STATEMENT OF CUMULATIVE IN-KIND CONTRIBUTIONS BY MEMBER

Amounts in IUA

	Cumulative 31.12.2021		2022		Cumulative 31.12.2022	
Euratom	500,129	33.69%	68,971	39.38%	569,100	34.29%
People’s Republic of China	143,741	9.68%	37,467	21.39%	181,208	10.92%
Republic of India	153,566	10.34%	17,528	10.01%	171,094	10.31%
Japan	337,824	22.75%	14,097	8.05%	351,921	21.20%
Republic of Korea	147,406	9.93%	11,685	6.67%	159,091	9.58%
Russian Federation	113,295	7.63%	15,240	8.70%	128,536	7.74%
United States of America	88,725	5.98%	10,139	5.79%	98,864	5.96%
Total	1,484,686		175,128		1,659,814	

IN-KIND CONTRIBUTIONS





2022 FINANCIAL STATEMENTS

This imposing column in the centre of the Tokamak pit is part of the in-pit assembly tool, which will brace and support the sectors of the ITER vacuum vessel during alignment and welding.



2022 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

Amounts in thousands of Euro

	Note	31.12.2022	31.12.2021
Assets			
Current Assets		958,492	1,017,513
Cash And Cash Equivalents	A3	784,923	746,319
Recoverables from Non-Exchange Transactions	A4	128,270	219,549
Receivables from Exchange Transactions	A5	41,426	48,086
Prepayments	A6	3,874	3,559
Non-Current Assets		7,007,105	6,145,257
Property, Plant and Equipment	A7	7,003,678	6,140,883
Intangible Assets	A8	3,426	4,372
Financial Assets		2	2
Total Assets		7,965,597	7,162,770

Liabilities			
Current Liabilities		520,191	583,291
Payables	A9	505,066	578,771
Employee Benefits Liabilities	A10	3,969	3,974
Provisions	A20	11,156	546
Non-Current Liabilities		7,445,406	6,579,478
Deferred Revenue	A11	7,445,406	6,579,478
Total Liabilities		7,965,597	7,162,770

Net Assets/Equity			
Brought Forward Surplus		-	-
Total Net Assets/Equity		-	-

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2022

Amounts in thousands of Euro

	Note	2022	2021
Revenue			
Operational Revenue	A12	8,290	8,681
Construction Contracts	A16	36,716	39,360
Post-Doctoral Fellowship Programs	A17	475	416
Other Revenue	A13	7,361	2,553
Total Revenue		52,842	51,010

Expenses			
Employee Benefits Expenses	A14	157,028	147,818
Other Expenses: External Support Services	A15	69,429	53,434
Other Expenses: External Services	A15	31,925	26,108
Other Expenses: Small Equipment And Consumables	A15	19,062	24,309
Depreciation Of Property, Plant And Equipment	A7	6,152	6,034
Amortization Of Intangible Assets	A8	2,137	2,647
Provisions	A20	10,610	546
Total Expenses		296,343	260,896
Activity costs capitalized for the machine under construction	A7	243,501	209,885
Surplus (deficit) for the period		-	-

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

Amounts in thousands of Euro

		2022	2021
Balance at 1 January			
Surplus (deficit)		-	-
Net Assets/Equity at 31 December		-	-

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

Amounts in thousands of Euro

	2022	2021
Cash Flows From Operating Activities		
Receipts		
Contributions From Members	607,649	575,474
Construction Contracts	28,721	49,679
Post-Doctoral Fellowship Programs	762	504
Administrative Agreements	12,597	7,944
Interest Received	3,648	632
VAT Reimbursement	2,550	2,796
Payments		
Construction Contracts	(42,234)	(20,679)
Post-Doctoral Fellowship	(454)	(406)
Administrative Agreements	(3,482)	(3,045)
Other	(4,010)	(2,876)
Net Cash Flows From Operating Activities	605,747	610,022
Cash Flows From Investing Activities		
Receipts		
VAT Reimbursement	53,264	54,488
Other	2,448	2,144
Payments		
Capital Expenditure	(623,104)	(542,963)
Net Cash Flows From Investing Activities	(567,392)	(486,330)
Net (Decrease)/Increase In Cash And Cash Equivalents	38,355	123,692
Effects Of Exchange Rate Changes On The Balance Of Cash Held In Foreign Currencies	249	20
Cash And Cash Equivalents At 1 January	746,319	622,607
Cash And Cash Equivalents At 31 December	784,923	746,319

COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

OVERALL PROJECT COST CASH (OPC CASH)

Amounts in thousands of Euro

	Chapter	Initial budget 2022	Final budget 2022	Actual amounts 2022	Actual amounts 2021
Income					
Contributions From Members	71	598,794	598,794	598,794	531,282
Internal Tax	72	30,522	30,522	29,628	27,920
Financial Income	73	1,000	1,000	3,503	648
Other Income	74	-	-	-	-
Total Income	(a)	630,316	630,316	631,925	559,850
Payments					
Direct Investment (Fund)	11	337,717	345,169	315,785	263,981
R&D Expenditure	21	-	(67)	413	45
Staff Expenditure	31	161,840	158,100	154,699	145,095
Organizational Expenditure	32	130,758	127,114	117,637	110,893
Total Payments	(b)	630,316	630,316	588,535	520,013
Budgetary Out-Turn	(a)-(b)	-	-	43,390	39,837



A large number of specialized tools have been designed and delivered for the specific tasks of ITER machine assembly such as lifting, adjusting, supporting, transporting and aligning.



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NOTE A1 - BASIS OF PREPARATION

The 2022 Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and the Project Resource Management Regulations of the ITER Organization (PRMR), the former being published by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC).

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

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

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

Development costs are capitalized as part of the cost of the experimental equipment to the extent that such costs can be measured reliably, the product or process is technically feasible, future service potential is probable, the entity has sufficient resources, and intends to complete the development and use the asset. The ITER Organization considers that during the Construction Phase no research costs can be recognized.

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

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

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

Effect of forthcoming accounting standards

Four new IPSAS standards are not yet effective for the year ended 31 December 2022 and have not been adopted for the preparation of these Financial Statements.

• IPSAS 41 Financial Instruments

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

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

• IPSAS 42 Social Benefits

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

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

• IPSAS 43 Leases

IPSAS 43 provides a comprehensive model for the identification of lease arrangements and their treatment in the Financial Statements for both lessors and lessees. IPSAS 43 will supersede IPSAS 13 Leases when it becomes effective for accounting periods beginning on or after 1 January 2025.

The ITER Organization is still reviewing the standard to determine the best approach to apply it.

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

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

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

NOTE A2 - SIGNIFICANT ACCOUNTING POLICIES

Foreign Exchange Accounting

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

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

Realized and unrealized gains and losses resulting from the settlement of such transactions and from the re-conversion at the reporting date of assets and liabilities denominated in foreign currencies are recognized in the Statement of Financial Performance. The spot rates used at year-end are those published by the European Central Bank (https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html).

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

Use of Estimates and Judgements

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

Property, Plant and Equipment

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

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

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

PPE related to in-kind contributions from Members are recorded at agreed values with Members using the Euro/IUA conversion rate prevailing for the year of their completion (acceptance date by the ITER Organization).

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

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

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

Completed buildings financed through Procurement Arrangements are transferred from CWIP to the Building asset class.

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

Depreciation is recognized in the Statement of Financial Performance on a straight-line basis over the estimated useful life of each part of an item of PPE. Depreciation of the experimental equipment will begin when it is available for its intended use; this is expected to be at the start of the Operation Phase.

The estimated useful life of PPE is as follows:

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

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

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

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

Impairment

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

In particular, the impairment reviews relating to the experimental assets take into account technological developments, changes in the major assumptions of the ITER Organization, and any unforeseen difficulties that may require a revision of the asset's useful life applied or an impairment charge. These reviews are performed on a yearly basis.

Intangible Assets

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

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

Expenditure on Intangible Assets is capitalized only when it increases the future economic benefits or service potential embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and licenses, is recognized in the Statement of Financial Performance as incurred.

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

Asset class	Useful life
Software	4 years

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

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

Employee Benefits

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

- **Defined contribution pension plan**

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

- **Short-term benefits**

The ITER Organization has contracted out a medical insurance scheme, and a life and invalidity insurance scheme. Monthly contributions to these schemes are deducted from the employees' remuneration and supplemented by a contribution from the ITER Organization. These employer contributions are expensed in the period in which the employees have rendered the related services.

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

- **End-of-contract departure and removal costs**

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

Revenue Recognition

ITER Organization revenue comprises contributions from the Members, additional cash compensation, internal tax, financial revenue, revenue from construction contracts, exchange rate gains, insurance claim reimbursements, liquidated damages, donations, sponsorships, the contribution resulting from the Post-Doctoral Fellowship Programs and other miscellaneous income.

- **Contributions from the Members**

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

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

- **Additional cash compensation**

Additional cash compensation is revenue from the Members in compensation of the difference between the estimated cost of the scope transferred from a Member to the ITER Organization and the transferred credit value in IUA converted into Euro for that same scope.

- **Internal Tax**

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

- **Financial Revenue**

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

- **Grants, Donations and Sponsorship**

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

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

Deferred Revenue

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

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

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

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

Construction Contracts

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

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

If and when the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as an expense. As the ITER Organization expects to be able to recover all costs on all construction contracts, no such losses are recognized during work in progress.

The ITER Organization determines contract costs and progress billings on a contract-by-contract basis. For contracts where contract costs incurred to date exceed progress billings, the surplus is shown under 'Construction contracts' as a receivable on the Statement of Financial Position (Note A5). For contracts where the amounts received on progress billings exceed contract costs incurred to date, the surplus is shown under 'Construction Contracts' as Payable (Note A9) on the Statement of Financial Position. Advance billing (above the progress of the work performed) not received by the ITER Organization at the reporting date is disclosed in Note A16.

Provisions

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

- **Asset Decommissioning/Site Restoration**

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

Segment Reporting

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

Financial Instruments

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

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

NOTE A3 - CASH AND CASH EQUIVALENTS

Amounts in thousands of Euro

	31.12.2022	31.12.2021
Cash at bank - Euro accounts	71,981	234,957
Arkea, France	4	-
BNP Paribas, France	43,549	177,901
Caisse d'Epargne, France	890	20
Crédit Mutuel, France	27,538	57,036
Cash at bank - JP Yen account	2,416	1
BNP Paribas, France	2,416	1
Cash at bank - US Dollar accounts	537	522
BNP Paribas, France	51	96
Bank of the West, USA	520	488
Cheques issued and not yet disbursed	(34)	(62)
Saving/Deposits with banks - Euro accounts	705,506	510,839
Arkea, France	120,105	-
Bank of China, Luxemburg	50,000	-
Bank of Communication, Luxemburg	60,000	-
BNP Paribas, France	10,082	0
Caisse d'Epargne, France	135,000	75,000
Crédit Agricole PCA, France	175,000	205,315
Crédit Mutuel, France	155,319	230,524
Saving/Deposits with bank - JP Yen account	4,482	-
BNP Paribas, France	4,482	-
Total Cash and Cash Equivalents	784,923	746,319

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

At year-end, it includes EUR 112.54 million received in advance from the Members toward their 2023 cash contributions, EUR 252.66 million for Construction Contracts, Post-Doctoral Fellowship Programs and Donations, EUR 19.38 million of financial income, and the balance mainly represents the unused paid Members' contributions.

As the ITER Organization is financed through public funding, the investments (90% of the Cash and Cash Equivalents at year-end) are limited to low-risk opportunities (only secured deposits/investments are allowed as indicated in the Investment Procedure approved by the Director-General).

Cash balances on deposits are held in secure interest-bearing bank accounts or fixed-term deposits. The Japanese Yen and US Dollar bank accounts are valued in Euro using official European Central Bank year-end exchange rates prevailing on 31 December 2022.

In 2022, Financial Revenue of EUR 3.60 million was earned by the ITER Organization. This amount represents an average rate of return of 0.54% of the average daily available cash balance (invested). In comparison, the average 2022 €STR (Euro Short-Term Rate) index was -0.01%.

NOTE A4 - RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS

Amounts in thousands of Euro

	31.12.2022	31.12.2021
Members' cash contributions yet to be received	107,922	201,242
People's Republic of China	-	651
Republic of India	106,984	130,955
Republic of Korea	-	2,474
United States of America	938	67,162
Other recoverables from non-exchange transactions	20,348	18,307
Taxes – United States of America	634	559
Taxes – France	19,705	17,732
Other	9	16
Total Recoverables from Non-Exchange Transactions	128,270	219,549

Out of the EUR 107.92 million in Cash Contributions yet to be paid by the Members, EUR 51.72 million have been due for more than one year and EUR 56.20 million have been due for less than a year.

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

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

NOTE A5 - RECEIVABLES FROM EXCHANGE TRANSACTIONS

Amounts in thousands of Euro

	31.12.2022	31.12.2021
Down payments to suppliers	34,273	41,889
Accrued interest	2,814	2,860
Construction Contracts	1,097	-
EU Domestic Agency	1,663	1,244
CN Domestic Agency	700	700
IN Domestic Agency	94	114
KO Domestic Agency	278	-
JA Domestic Agency	11	361
US Domestic Agency	25	31
Other	470	885
Total Receivables from Exchange Transactions	41,426	48,086

'Down payments to suppliers' shows the open amount paid to suppliers for financing their long-lead procurement items. Where material, these amounts are covered by guarantees.

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

'Construction Contracts' relates to the amounts due by the DAs at the reporting date. Related costs and revenue are not considered part of the construction costs of the experimental equipment but should be reported as performed by the ITER Organization. Details are provided in Note A16.

'Domestic Agencies' represents the amounts due for goods and services (not included in the ITER Organization's scope), including accruals, provided by the ITER Organization to each Domestic Agency.

'Other' mainly represents an outstanding recoverable under tight scrutiny with an Indian supplier for EUR 0.43 million.

NOTE A6 – PREPAYMENTS

Amounts in thousands of Euro

	31.12.2022	31.12.2021
License fees	1,951	1,906
Cooling water	1,220	610
Insurance	234	195
Maintenance and repair	205	345
Maintenance licenses	137	337
Rent warehouse	87	91
Subscriptions	35	67
Other	5	7
Total Prepayments	3,874	3,559

'Prepayments' corresponds to payments made in 2022 for which the acquired goods/services relate to 2023 or beyond (deferred charges).

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

NOTE A7 - PROPERTY, PLANT AND EQUIPMENT (PPE)

Amounts in thousands of Euro

	Buildings	Fixtures and fittings	Furniture, IT, telecom, transport equipment	'Machine' under Construction (MuC)					Total
				Activity costs capitalized	Direct investment	PA advance	PA Capital work in progress	Total MuC	
Cost									
Balance 01.01.2021	114,368	2,541	14,068	1,679,300	1,148,943	1,280,322	1,240,896	5,349,461	5,480,439
Additions	1,916	75	948	209,885	309,855	92,248	87,974	699,962	702,901
Transfers	1,729	-	-	-	147,070	-	(148,799)	(1,729)	-
Transfers to Intangible Assets	-	-	-	-	(506)	-	-	(506)	(506)
Balance 31.12.2021	118,014	2,616	15,016	1,889,185	1,605,362	1,372,570	1,180,071	6,047,188	6,182,834
Additions	1,542	-	697	243,501	381,017	58,844	183,347	866,708	868,947
Disposals	-	-	(30)	-	-	-	-	-	(30)
Transfers	3,183	-	-	-	(3,183)	-	-	(3,183)	-
Balance 31.12.2022	122,739	2,616	15,683	2,132,686	1,983,195	1,431,414	1,363,417	6,910,713	7,051,751
Accumulated depreciation									
Balance 01.01.2021	(24,225)	(966)	(10,725)						(35,916)
Depreciation of the year	(4,420)	(235)	(1,379)						(6,034)
Balance 31.12.2021	(28,645)	(1,202)	(12,104)						(41,950)
Depreciation of the year	(4,651)	(237)	(1,264)						(6,152)
Write-back	-	-	30						30
Balance 31.12.2022	(33,296)	(1,439)	(13,338)						(48,073)
Net carrying amount									
Balance 31.12.2021	89,369	1,415	2,912	1,889,185	1,605,362	1,372,570	1,180,071	6,047,188	6,140,883
Net variation	74	(237)	(567)	243,501	377,834	58,844	183,347	863,525	862,795
Balance 31.12.2022	89,443	1,177	2,345	2,132,686	1,983,195	1,431,414	1,363,417	6,910,713	7,003,678

'PA capital work in progress (CWIP)' and 'PA advance' reflect the statuses of achievement of milestones under the Procurement Arrangements (PAs). They show the continuous progress achieved during the reporting period.

'Direct investment' includes the major items procured directly by the ITER Organization, including Task Agreements (TAs) and Seconded Staff.

'Activity Costs capitalized' includes all other costs needed to support the construction of the ITER Machine.

'Additions' and 'Transfers' under 'Buildings' corresponds to the delivery of buildings B36.1 – Office building; B73.3 – Warehouse; B55.2 – PF Coil Storage Facility; B99 – Laboratory; B32 & B33 – Magnet Power Conversion (MPC1 & MPC2); B56 – Maintenance Test Facility; PB5 & PB8 – Pedestrian Paths and some additional work on various existing buildings.

'Additions' under 'Furniture, IT, telecom, transport equipment' corresponds to the purchase of servers for the IT Central System for EUR 0.41 million, equipment for CODAC for EUR 0.16 million, servers for the scientific data and computing centre (SDCC) for EUR 0.06 million and a vehicle for EUR 0.02 million.

'Disposals' under 'Furniture, IT, telecom, transport equipment' corresponds to the sale of a vehicle.

NOTE A8 - INTANGIBLE ASSETS

Amounts in thousands of Euro

	Computer software	Intangible assets under development (computer software)	Total
Cost			
Balance 01.01.2021	24,889	-	24,889
Additions	1,466	-	1,466
Transfers from PPE	506	-	506
Balance 31.12.2021	26,861	-	26,861
Additions	1,192	-	1,192
Balance 31.12.2022	28,053	-	28,053
Accumulated amortization			
Balance 01.01.2021	(19,843)	-	(19,843)
Amortization of the year	(2,647)	-	(2,647)
Balance 31.12.2021	(22,489)	-	(22,489)
Amortization of the year	(2,137)	-	(2,137)
Balance 31.12.2022	(24,627)	-	(24,627)
Net carrying amount			
Balance 31.12.2021	4,372	-	4,372
Net variation	(946)	-	(946)
Balance 31.12.2022	3,426	-	3,426

'Additions' and 'Transfers from PPE' correspond to the release of Phase 12 of the Product Lifecycle Management (PLM) system.

NOTE A9 – PAYABLES

Amounts in thousands of Euro

	31.12.2022	31.12.2021
Advance Received on Members' Contributions	110,479	191,006
Euratom	97,939	185,066
People's Republic of China	5,368	-
Republic of Korea	1,231	-
Russian Federation	5,940	5,940
Other Payables	394,587	387,765
Creditors (suppliers and accrued charges)	129,997	118,447
Construction Contracts	258,689	265,925
Post-Doctoral Fellowship	1,000	713
Retention from Suppliers	4,742	2,618
Personnel	104	62
Other	55	-
Total Payables	505,066	578,771

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

'Creditors (suppliers and accrued charges)' is the liability recognized in the 2022 Financial Statements but not yet paid as at 31 December 2022 (mainly accruals).

'Construction Contracts' relates to the amounts deferred at the reporting date. Related costs and revenue are not considered part of the construction costs of the experimental equipment but should be reported as performed by the ITER Organization. Details are provided in Note A16.

'Post-Doctoral Fellowship' relates to the amounts deferred at the reporting date. Related costs and revenue are not considered part of the construction costs of the experimental equipment but should be reported as performed by the ITER Organization. Details are provided in Note A17.

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

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

'Other' relates to the recovery of VAT on behalf of the US Domestic Agency.

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

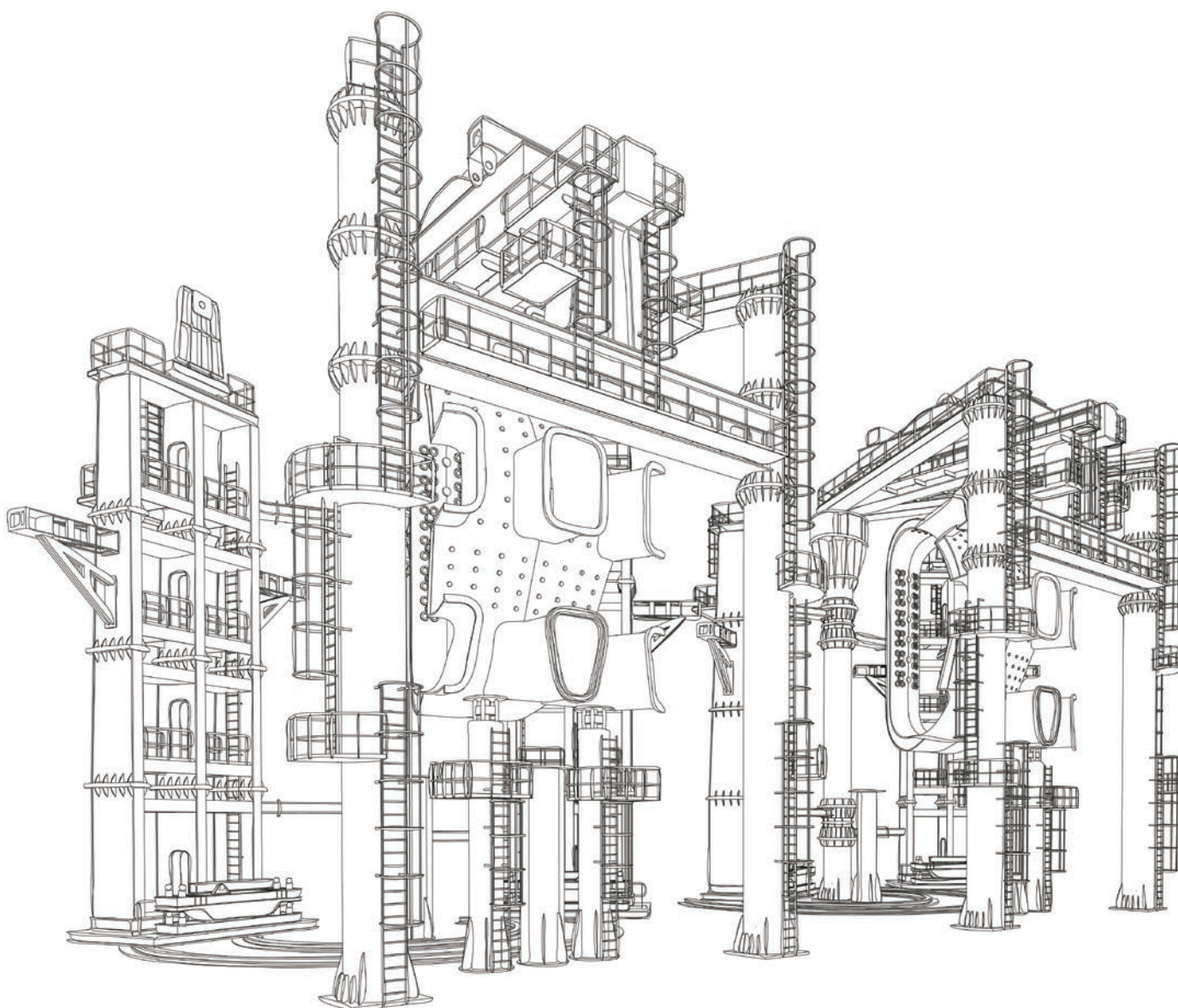
NOTE A10 - EMPLOYEE BENEFITS LIABILITIES

Amounts in thousands of Euro

	31.12.2022	31.12.2021
Accrued untaken leave	3,967	3,972
Other	2	2
Total Employee Benefits Liabilities	3,969	3,974

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

The accrued untaken leave liability is net of EUR 9,344 arising from excessive leave taken during the reporting period. The accrued untaken leave liability is computed on a gross basis and includes EUR 769,172 internal tax.



With two toroidal field coils and panels of thermal shielding, a "sector module" weighs approximately 1,250 tonnes. These two giant tools in the Assembly Hall are massive enough to support that weight.

NOTE A11 - DEFERRED REVENUE AS AT 31 DECEMBER 2022

Amounts in thousands of Euro

	31.12.2022	31.12.2021
Deferred Revenue from Contributions		
Euratom (*)	2,919,542	2,588,036
People's Republic of China	698,574	593,722
Republic of India	699,900	613,215
Japan (*)	976,695	907,700
Republic of Korea	672,446	601,174
Russian Federation	625,791	543,079
United States of America	612,670	517,707
Total Deferred Revenue from Contributions	7,205,618	6,364,634
Other Deferred Revenue		
Internal tax	269,461	239,834
Grants and donations	23,302	23,297
Financial revenue	20,598	16,997
Total Other Deferred Revenue	313,361	280,128
Write back from Deferred Revenue (during the Construction Phase, write back to revenue equals the depreciation and amortization costs)	(73,573)	(65,283)
Total Deferred Revenue	7,445,406	6,579,478

(*) Cumulative credits granted to Japan include a contribution from the European Union corresponding to IUA 188,100.50 amounting to EUR 330.87 million (including IUA 3,659.53 for deliverables achieved in 2022) for procurements for which the responsibility has been transferred to Japan within the framework of the transferred procurement responsibilities from Euratom to Japan.

'Deferred revenue from contributions' includes all kinds of contributions from Members (in cash and in kind) and in particular EUR 12.14 million of in-kind credits allocated from the Reserve Fund (EUR 7.06 million from the Russian Federation and EUR 5.08 million from the United States of America).

'Other deferred revenue' mainly includes Internal tax, Grants and donations and Financial revenue that will contribute to the financing of the construction. It also includes additional grants and donations received to support the Project.

NOTE A12 - OPERATIONAL REVENUE

Amounts in thousands of Euro

	2022	2021
Calls for Cash Contributions		
Euratom	256,554	220,094
People's Republic of China	49,773	44,895
Republic of India	57,545	51,719
Japan	44,370	39,514
Republic of Korea	54,560	49,513
Russian Federation	58,247	53,329
United States of America	77,745	72,217
Total Calls for Cash Contributions	598,794	531,282
Contributions in Kind		
Euratom	74,951	51,856
People's Republic of China	55,079	10,414
Republic of India	29,140	20,885
Japan	24,625	55,472
Republic of Korea	16,712	30,145
Russian Federation	24,464	10,684
United States of America	17,218	851
Total Contributions in Kind	242,190	180,307
Other		
Internal tax	29,628	27,920
Grants and donations	4	15
Financial revenue	3,601	1,893
Write back to revenue	8,290	8,681
Total Other	41,523	38,509
Total	882,507	750,099
Deferred revenue	(874,218)	(741,418)
Total Revenue	8,290	8,681

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

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

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

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

NOTE A13 - OTHER REVENUE

Amounts in thousands of Euro

	2022	2021
Additional cash compensation	4,678	405
Service support	1,883	1,756
Exchange rate gains	493	126
Administrative fees	184	162
Insurance claim reimbursements	96	32
Fixed assets sales proceeds	3	-
Liquidated and delay damages	-	69
Other	24	2
Total Other Revenue	7,361	2,553

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

'Service support' is the revenue generated by IT or logistical support services (put in place for the DAs) provided on the premises of the ITER Organization.

'Administrative fees' represents the revenue requested by the ITER Organization from the DAs and/or other organizations in order to cover the costs of additional administrative support provided for activities outside the scope of work covered by the ITER Organization's budget.

'Exchange rate gains' is shown in this Note whereas the exchange rate losses are in Note A15.

'Liquidated and delay damages' relates to revenue generated from contractors' breach of contract and compensation for non-respect of a contractual implementation schedule.

'Other' relates to fees of a conference hosted by the ITER Organization in June 2022 (the 21st Joint Workshop on Electron Cyclotron Emission (ECE) and Electron Cyclotron Resonance Heating (ECRH)).

NOTE A14 - EMPLOYEE BENEFITS EXPENSES

Amounts in thousands of Euro

	Professional Staff		Technical Support Staff		Total Staff	
	2022	2021	2022	2021	2022	2021
Wages and salaries	96,280	89,415	20,498	20,583	116,779	109,998
Pension funds	13,506	12,537	2,900	2,911	16,406	15,448
Medical care insurance	2,412	2,239	518	520	2,930	2,758
Life and invalidity insurances	965	895	207	208	1,172	1,103
Other employee benefits	13,198	12,318	3,688	3,692	16,886	16,010
Accrued untaken leave	10	(157)	(15)	(17)	(5)	(174)
Awards	1,084	834	254	223	1,338	1,057
Indemnities for loss of job	115	-	-	-	115	-
On-call duty indemnity			172	119	172	119
Bonus for temporary assignment	4	3	-	-	4	3
Trainees					229	245
Occupational medicine / infirmary					408	495
Social activities					142	116
Other (canteen)					453	639
Total Employee Benefits Expenses	127,573	118,084	28,222	28,238	157,028	147,818
Seconded Staff	718	812	107	108	824	920
Total Employee Benefits Expenses and Seconded Staff	128,291	118,896	28,329	28,346	157,852	148,738

An internal tax is applied to gross basic salary costs including overtime and night work. This tax is collected by the ITER Organization by withholding it from the monthly salary payments. No liability is recorded for the amounts withheld as the internal tax is not paid to external organizations or authorities. The amounts withheld are used for salaries, related benefits and infrastructure of the ITER Organization. 'Wages and salaries' represents the gross salary costs.

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

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

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

On 31 December 2022, the ITER Organization had the following number of staff, per category:

Number of staff	Professional Staff		Technical Support Staff		Total Staff	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
ITER Organization staff (Directly Employed Staff)	774	723	257	272	1,031	995
Seconded staff by Members or Domestic Agencies to ITER Organization	5	5	1	1	6	6
Sub-Total within target(*)	779	728	258	273	1,037	1,001
Others staff (post-doctoral and IO staff recruited for work on Construction Contracts) (**)	26	25	6	9	32	34
Total number of staff(**)	805	753	264	282	1,069	1,035

(*) The target for the number of directly employed and seconded staff decided by the Director-General for 2022 was 1,113.

(**) In addition to the target positions for directly employed and seconded staff, 47 other positions were allocated as at 31 December 2022 as follows: 24 for the Tokamak Cooling Water System (TCWS), 3 for the Vacuum Auxiliary System (VAS), 18 for the Post-Doctoral Fellowship Programs and 2 for the Safety Control System - Nuclear (SCS-N).

NOTE A15 - OTHER EXPENSES

Amounts in thousands of Euro

	2022	2021
Energy (Electricity and gas)	7,301	2,365
Material	7,102	17,875
Telecom and IT equipment	1,690	1,742
Furniture and equipment	1,263	1,215
Gas (Ar, He,...)	720	73
Water	524	412
IT licenses and software	170	283
Small fitting-out premises	160	182
Office supplies	129	158
Other	4	3
Total small equipment and consumables	19,062	24,309
External services	43,355	28,739
ITER Project Associates	22,334	21,528
Temporary staff	3,508	3,096
Travel and related costs (non-IO staff)	232	70
Total support services	69,429	53,434
Maintenance and repairs	11,061	10,234
Rental of equipment and buildings	9,588	8,083
License yearly fees	4,951	3,371
Travel and related costs (IO staff)	1,177	836
Insurance	1,105	1,023
Transport of goods	1,070	16
Removal expenses	873	847
Communication	841	746
Documentation and seminar expenses (conferences)	434	522
Exchange rate losses	246	57
Post and telecommunication	227	236
Bank charges	183	1
Membership fees	120	124
Reception and representation	50	12
Other	-	1
Total external services	31,925	26,108
Total Other Expenses	120,416	103,851

'Material' represents mainly the raw materials and equipment purchased in the framework of Construction Contracts (EUR 5.58 million for TCWS and EUR 0.93 million for VAS).

'ITER Project Associates' represents the overall cost related to the IPAs provided by the Home Institutes (231 as at 31 December 2022 - 244 as at 31 December 2021).

'Bank charges' includes an amount of EUR 0.13 million in respect of the "European Central Bank deposit rate".

NOTE A16 - CONSTRUCTION CONTRACTS

Amounts in thousands of Euro

	01.01.2021	Net 2021	31.12.2021	2022	Completed contract	Net 2022	31.12.2022
Statement of Financial Position Data							
Advances/payments on account received	390,934	49,536	440,470	28,382	(100)	28,282	468,752
Construction contracts in progress - assets	-	-	-	1,097	-	1,097	1,097
Construction contracts in progress - liabilities	(261,200)	(33,803)	(295,003)	34,938	-	34,938	(260,064)
Construction Contracts in progress - net	(261,200)	(33,803)	(295,003)	36,036	-	36,036	(258,967)
Total revenue and expenses to date recognized on contracts in progress							
Costs incurred to date	135,610	38,935	174,545	36,716	(100)	36,616	211,160
Less invoices issued	(396,809)	(72,738)	(469,548)	(680)	100	(580)	(470,128)
Construction Contracts in progress - net	(261,200)	(33,803)	(295,003)	36,036	-	36,036	(258,967)

'Advances/payments on account received' represents the amount of cash received.

'Construction contracts in progress – assets' represents the gross amount due from the Domestic Agencies for contract work.

'Construction contracts in progress – liabilities' represents the gross amount due to the Domestic Agencies for contract work. It includes EUR 1.38 million (EUR 29.08 million in 2021) of advance billing not received by the ITER Organization at the reporting date (in line with the progress of the work). These advance billings are related to the following contracts: EUR 0.68 million for DFPC, EUR 0.45 million for PPS (EUR 0.45 million in 2021), EUR 0.24 for RFPS and EUR 0.05 for TPFC1.

'Costs incurred to date' represents the aggregate amount of costs incurred to date. The balance between the positions as at 31 December 2021 and 31 December 2022 also represents the revenue recognized during the period.

'Less invoices issued' represents the sum of progress billings for all contracts in progress.

'Completed contract' includes the closure of the CJBEP construction contract.

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

NOTE A17 - POST-DOCTORAL FELLOWSHIP PROGRAMS

Amounts in thousands of Euro

		01.01.2021	2021	31.12.2021	2022	31.12.2022
Partnership Arrangement Monaco	Contribution requested and received	1,521	500	2,021	500	2,521
	Post-Doctoral fellowship costs	(891)	(416)	(1,308)	(380)	(1,687)
	Unused revenue / deferred revenue	630	84	713	120	834
Arrangement with KO-DA	Contribution requested and received	-	-	-	262	262
	Post-Doctoral fellowship costs	-	-	-	(96)	(96)
	Unused revenue / deferred revenue	-	-	-	167	167
Total Post-Doctoral fellowship costs		-	(416)	-	(475)	-
Total unused revenue for Post-Doctoral Fellowship Programs		630	84	713	287	1,000

The initial Partnership Arrangement with the Principality of Monaco, for a total of EUR 5.50 million, was signed in 2008 to support the Post-Doctoral Fellowship Program and the organization of conferences on scientific and technical subjects related to ITER (Monaco-ITER International Fusion Energy Days (MIIFED)). While the execution of the first Partnership Arrangement ended in 2021, a new one, this time for a total of EUR 5 million, was signed by both parties for another ten years running to 2028. The second one is entirely dedicated to the Post-Doctoral Fellowship Program. The unspent Contribution (EUR 21,024) received from the first Partnership Arrangement is included in the current one.

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

Post-Doctoral Fellowship revenue has been recognized to the extent of contract costs incurred in the period (EUR 0.48 million in 2022 and EUR 0.42 million in 2021). There are no recognized surpluses or losses estimated to date.

NOTE A18 - LEASES

Amounts in thousands of Euro

	2022	2021
Lease Payments	2,169	2,040

Amounts in thousands of Euro

	31.12.2022	31.12.2021
No later than one year	2,046	1,871
Later than one year and no later than five years	389	1,939
Later than five years	-	-
Future Operating Lease payments	2,435	3,810

No significant operating leases were signed in 2022.

The operating lease related to the rental of an Algeco Building was renewed for 24 months, until August 2024. The contract includes an option to buy it at the end of the lease period.

The other main operating leases are:

- "Corbières warehouse facility" (signed in 2018) which remains in force until 2025 with no extension foreseen in the contract;
- "Fos warehouse facility" (signed in 2020) which remains in force until 2023 with a possible extension of three years;
- "Self-propelled modular transporter (SPMT)" (signed in 2021) which remains in force until 2024 with no extension foreseen in the contract. It includes an option for it to be purchased at the end of the lease period.

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

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

Amounts in thousands of Euro

	2022				2021		
	Note	Operating activities	Investing activities	Total	Operating activities	Investing activities	Total
Budgetary Out-Turn	Page 47	43,390		43,390	39,837		39,837
Total contributions requested	B2	(598,794)		(598,794)	(531,282)		(531,282)
Total contributions received	B2	611,587		611,587	591,717		591,717
Bank checks N-1 paid in N	A3	(62)		(62)	58		58
Bank checks N unpaid at 31.12.N	A3	34		34	(62)		(62)
Movements in suspense accounts		(3,579)		(3,579)	(5,614)		(5,614)
Basis differences		9,186		9,186	54,817		54,817
Earmarked Funds Out-Turn	B5	(14,221)		(14,221)	29,038		29,038
Entity differences		(14,221)		(14,221)	29,038		29,038
Presentation differences	CFS	567,392	(567,392)	-	486,330	(486,330)	-
Net Cash Flow	CFS	605,747	(567,392)	38,355	610,022	(486,330)	123,692

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

- 'Total contributions requested' corresponds to the amount of cash and short-term in-kind contributions (including Reserve Fund) requested from the Members for the period;
- 'Total contributions received' corresponds to the amount received from the Members in cash and short-term in kind in the period following the call for contributions (including advances);
- 'Bank checks N-1 paid in N' corresponds to the checks issued in previous year(s) and disbursed in the current year;
- 'Bank checks N unpaid at 31.12.N' corresponds to the checks issued in the current year and not disbursed at the end of the current year;
- 'Movements in suspense accounts' relates to non-budgetary transactions. Together with the Income, Commitments and Payments Budget Execution Statements and Note B5 - Earmarked Funds, it ensures that the totality of transactions undertaken by the ITER Organization are included in the Budgetary Statements of the Financial Report.

It mainly consists of:

- EUR -1.70 million related to transactions for/on behalf of the Domestic Agencies (Host and On-Site Agreements, US Tax);
- EUR -1.97 million related to the tax reimbursement mechanism with the French State and;
- EUR 0.10 million related to other miscellaneous operations.

'Entity differences' comes from the variation of the revenue received and associated costs incurred by the ITER Organization for the Earmarked Funds. These costs and revenue are included in the Statement of Financial Performance but are outside the ITER Council-approved ITER Organization budget:

- 'Earmarked Funds Out-Turn' corresponds to the balance between the cash-in and the actual payments made on the Earmarked Funds for the current year.

NOTE A20 – PROVISIONS

- Litigation claims:

Amounts in thousands of Euro

	2022	2021
At 01.01.N	546	-
Additional provision in the year	11,156	546
Utilisation of provision	(544)	-
Unused amounts reversed	(2)	-
At 31.12.N	11,156	546
Variation of the year	10,610	546

A provision of EUR 11.16 million has been recorded as at 31 December 2022 to reflect the claims (risk exposure from contractors) which have been assessed as probable to be due shortly.

- Asset Decommissioning/ Site Restoration:

No such provision was recorded as at 31 December 2022 as the experimental equipment is still in the Construction Phase.

NOTE A21 – IMPAIRMENT LOSS

Due to the full capitalisation and agreed values (rather than current values) accounting policies adopted by the ITER Organization, an impairment loss on the first-of-a-kind components (Thermal Shield Cooling Pipe and Vacuum Vessel Field Joint) delivered through 3 Procurement Arrangements (for a total value of IUA 53,920) is not reliably measurable and is therefore not recognized. The repair cost estimation process is still ongoing and expected to be finalized during 2023.

NOTE A22 – CONTINGENT LIABILITIES

- There are two cases pending before the International Labour Organization Administrative Tribunal but in the opinion of Legal Affairs of the ITER Organization, the final outcome of these claims is not determinable at the time of closing the 2022 financial year. No material financial obligation resulting from these cases is foreseen.

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

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

As at 31 December 2022, these impacts are not recorded as liability in these accounts. Settlements, if any, resulting from the resolution of these issues will be accounted for in the year in which the liability is determined.

NOTE A23 – SPARE PARTS

No spare parts/inventories have been recorded at 31 December 2022.

NOTE A24 – RELATED PARTY DISCLOSURES

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

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

The key management personnel are the Director-General, the Deputy Director-General and the four Domain Heads. The aggregate gross remuneration of EUR 1.54 million (EUR 1.52 million in 2021) includes their gross salaries and allowances. In addition, EUR 0.23 million (EUR 0.24 million in 2021) is also recognized as employer's pension and social insurance contributions.

No other material related party transaction was identified in 2022.

NOTE A25 – EVENTS AFTER THE REPORTING DATE

The ITER Organization's reporting date is 31 December 2022. The Financial Statements were authorized for issue and submission to the Financial Audit Board by the Director-General on 28 February 2023. On the date of signing these accounts, there had been no material events, favourable or unfavourable, incurred between the reporting date and the date when the Financial Statements were authorized for issue that would have impacted these statements.



2022 BUDGETARY STATEMENTS

*Nearly 25 tonnes of liquid helium at minus 269 °C will circulate in the ITER installation during operation.
This extensive cryogenic power will be delivered from a single location on site—the cryoplant.*





Vacuum vessel sectors in assembly tooling.

OVERVIEW

The 2022 Budgetary Statements have been prepared in accordance with the Project Resource Management Regulations of the ITER Organization (PRMR) as approved by the ITER Council at its twenty-eighth meeting in June 2021.

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

- Budgetary Out-Turn comparing the Income and Payments Executions;
- Income, Payments and Commitments Executions against their respective initial and final budgets;
- Basis of Preparation and Budget Execution explaining how the statements are built and justifying the variances between the budgets and corresponding executions;
- Members' contributions comparing the requested amount against the received amounts by Member in Cash and Short-Term In Kind;
- Reserve Fund Status providing cumulative figures and explaining its purpose and mechanism;
- Statement of Unpaid Commitments providing the unpaid total commitments at year-end.

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

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

BUDGETARY OUT-TURN 2022

Amounts in thousands of Euro

	2022	2021
Total Actual Income	631,925	559,850
Total Actual Payments	588,535	520,013
Total Budgetary Out-Turn	43,390	39,837

INCOME BUDGET EXECUTION 2022

Amounts in thousands of Euro

	Unrealized Total Income Appropriations brought forward from 2021	Initial Total Income Budget 2022	Cumulative Income Transfers and Budget Adjustments 2022	Final Total Income Budget 2022	Total Income Appropriations 2022	Total Actual Income 2022	Total Actual Income 2021	Unrealized Total Income Appropriations carried forward to 2023
Budget Headings	a	b	c	d = b + c	e = a + d	f	g	h = e - f
Article 711: Contribution from Euratom	-	256,554	-	256,554	256,554	256,554	220,094	-
Article 712: Contribution from the People's Republic of China	-	49,773	-	49,773	49,773	49,773	44,895	-
Article 713: Contribution from the Republic of India	-	57,545	-	57,545	57,545	57,545	51,719	-
Article 714: Contribution from Japan	-	44,370	-	44,370	44,370	44,370	39,514	-
Article 715: Contribution from the Republic of Korea	-	54,560	-	54,560	54,560	54,560	49,513	-
Article 716: Contribution from the Russian Federation	-	58,247	-	58,247	58,247	58,247	53,329	-
Article 717: Contribution from the United States of America	-	77,745	-	77,745	77,745	77,745	72,217	-
Chapter 71: Contributions	-	598,794	-	598,794	598,794	598,794	531,282	-
Article 721: Internal Tax from Professional Staff	344	25,974	-	25,974	26,318	25,262	23,546	1,056
Article 722: Internal Tax from Technical Staff	48	4,548	-	4,548	4,597	4,366	4,374	231
Chapter 72: Internal tax	392	30,522	-	30,522	30,914	29,628	27,920	1,287
Article 731: Financial interest	1,537	1,000	-	1,000	2,537	3,479	632	(942)
Article 732: Exchange rate Income	120	-	-	-	120	25	16	95
Chapter 73: Financial Income	1,657	1,000	-	1,000	2,657	3,503	648	(846)
Article 741: Cancellation of Appropriations from the current year	-	-	-	-	-	-	-	-
Article 742: Cancellation of Appropriations from previous year(s)	-	-	-	-	-	-	-	-
Article 743: Monaco Partnership	-	-	-	-	-	-	-	-
Article 744: Excess Income from previous years	-	-	-	-	-	-	-	-
Article 745: Shortfall Income Budget of the current year	-	-	-	-	-	-	-	-
Article 749: Miscellaneous income	-	-	-	-	-	-	-	-
Chapter 74: Other Income	-	-	-	-	-	-	-	-
Title VII: Income	2,049	630,316	-	630,316	632,365	631,925	559,850	440
TOTAL INCOME	2,049	630,316	-	630,316	632,365	631,925	559,850	440

PAYMENTS BUDGET EXECUTION 2022

Amounts in thousands of Euro

	Unused Total Payment Appropriations brought forward from 2022	Initial Total Payments Budget 2022	Cumulative Payments Transfers and Budget Adjustments 2022	Final Total Payments Budget 2022	Total Payment Appropriations 2022	Total Actual Payments 2022	Total Actual Payments 2021	Unused Total Payment Appropriations carried forward to 2023
Budget Headings	a	b	c	d = b + c	e = a + d	f	g	h = e - f
Article 111: Direct Investment	205,119	283,623	95,019	378,642	583,761	313,406	261,617	270,355
Article 112: Test Blanket Module	300	2,457	(200)	2,257	2,557	2,380	2,364	178
Article 113: Reserve Fund	167,732	51,637	(87,367)	(35,730)	132,003	-	-	132,003
Title I: Direct Investment (Fund)	373,152	337,717	7,452	345,169	718,321	315,785	263,981	402,536
Article 211: Research & Development	1,988	-	(67)	(67)	1,921	413	45	1,508
Title II: R&D Expenditure	1,988	-	(67)	(67)	1,921	413	45	1,508
Article 311: Professional staff salary costs	2,778	129,055	(2,670)	126,384	129,162	123,952	115,204	5,210
Article 312: Technical Support staff salary costs	299	29,040	(709)	28,331	28,630	27,954	27,702	676
Article 313: Travel and subsistence	1,747	2,064	(735)	1,329	3,076	665	338	2,412
Article 314: Secondment allowances	-	-	-	-	-	-	-	-
Article 315: Removal expenses	523	895	(164)	732	1,254	808	816	446
Article 316: Promotions	-	-	-	-	-	-	-	-
Article 317: Awards	6	787	537	1,324	1,329	1,320	1,035	9
Chapter 31: Staff Expenditure	5,352	161,840	(3,741)	158,100	163,452	154,699	145,095	8,752
Article 321: General services	24,724	32,424	(2,770)	29,654	54,378	24,932	19,369	29,446
Article 322: Administrative services	6,368	11,643	5,569	17,212	23,580	14,102	9,944	9,478
Article 323: Equipment	11,801	12,410	(778)	11,633	23,434	12,669	11,596	10,765
Article 324: External specialized services	72,846	53,125	(9,662)	43,464	116,309	45,214	49,117	71,095
Article 325: ITER Project Associates	15,495	21,156	3,996	25,151	40,647	20,720	20,866	19,926
Chapter 32: Organizational Expenditure	131,234	130,758	(3,645)	127,114	258,348	117,637	110,893	140,711
Title III: Direct Expenditure	136,586	292,599	(7,385)	285,214	421,800	272,337	255,988	149,463
TOTAL EXPENDITURE	511,726	630,316	-	630,316	1,142,042	588,535	520,013	553,507

COMMITMENTS BUDGET EXECUTION 2022

Amounts in thousands of Euro

	Unused Total Commitment Appropriations brought forward from 2021	Initial Total Commitments Budget 2022	Cumulative Commitments Transfers and Budget Adjustments 2022	Final Total Commitments Budget 2022	Total Commitment Appropriations 2022	Total Actual Commitments 2022	Total Actual Commitments 2021	Unused Commitment Appropriations carried forward to 2023
Budget Headings	a	b	c	d = b + c	e = a + d	f	g	h = e - f
Article 111: Direct Investment	168,636	279,797	164,348	444,145	612,781	305,478	220,645	307,303
Article 112: Test Blanket Module	2,293	66	(881)	(814)	1,478	979	4,629	499
Article 113: Reserve Fund	73,938	57,994	(125,818)	(67,824)	6,114	-	-	6,114
Title I: Direct Investment (Fund)	244,867	337,857	37,650	375,507	620,373	306,457	225,275	313,916
Article 211: Research & Development	1,729	-	(40)	(40)	1,689	370	(63)	1,319
Title II: R&D Expenditure	1,729	-	(40)	(40)	1,689	370	(63)	1,319
Article 311: Professional staff salary costs	2,778	129,055	(2,670)	126,384	129,162	123,952	115,204	5,210
Article 312: Technical Support staff salary costs	299	29,040	(709)	28,331	28,630	27,951	27,702	679
Article 313: Travel and subsistence	1,772	2,030	(750)	1,280	3,052	456	334	2,596
Article 314: Secondment allowances	-	-	-	-	-	-	-	-
Article 315: Removal expenses	493	895	(164)	732	1,225	902	865	323
Article 316: Promotions	-	-	-	-	-	-	-	-
Article 317: Awards	6	787	537	1,324	1,329	1,320	1,035	9
Chapter 31: Staff Expenditure	5,347	161,807	(3,756)	158,050	163,398	154,581	145,140	8,817
Article 321: General services	15,236	40,919	13,362	54,282	69,518	56,783	24,864	12,736
Article 322: Administrative services	5,763	11,903	8,489	20,392	26,155	21,116	11,824	5,039
Article 323: Equipment	14,958	11,400	(7,295)	4,105	19,063	11,794	3,759	7,269
Article 324: External specialized services	70,858	61,770	(59,026)	2,744	73,602	36,254	57,957	37,348
Article 325: ITER Project Associates	13,011	8,229	10,616	18,845	31,857	14,961	20,731	16,895
Chapter 32: Organizational Expenditure	119,827	134,221	(33,853)	100,368	220,194	140,907	119,135	79,287
Title III: Direct Expenditure	125,174	296,028	(37,610)	258,418	383,592	295,488	264,275	88,104
TOTAL EXPENDITURE	371,770	633,885	-	633,885	1,005,655	602,315	489,487	403,339



NOTES TO THE 2022 BUDGETARY STATEMENTS

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Equipment in the twin Magnet Power Conversion buildings will convert AC power from the grid to DC power that can be used by the ITER magnets.

NOTE B1 - BASIS OF PREPARATION AND BUDGET EXECUTION

The PRMR requires the preparation of Budgetary Statements to be contained in the Annual Financial Report.

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

a) Budgetary Statements for the OPC Cash

• Basis of Preparation

The primary budgetary schedules following the requirements from the PRMR are shown from pages 47 to 49, reflecting the Budgetary Out-Turn, Income Budget Execution, Payments Budget Execution and Commitments Budget Execution for the OPC Cash. Supplementary information required under the PRMR for the OPC Cash is provided in Notes B2 to B4.

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

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

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

• Budget Execution

The ITER Council adopted the 2022 Budgets at its twenty-ninth meeting in November 2021 at a level of EUR 633.88 million for Commitments, EUR 630.32 million for Payments, and EUR 630.32 million for Income. Throughout 2022, the Director-General approved several budgetary transfers within the limits of his mandate.

- ACTUALS' SUMMARY

Amounts in thousands of Euro

Funds	Actual Income 2022	Actual Payments 2022	Actual Commitments 2022
Cash	578,304	476,451	470,683
Short-Term In-Kind	1,984	1,824	1,888
Total Cash and Short-Term In-Kind	580,288	478,275	472,571
Reserve Fund	51,637	110,260	129,584
Reserve Fund Short-Term In-Kind	-	-	160
Total Reserve Fund	51,637	110,260	129,744
TOTAL	631,925	588,535	602,315

- INCOME

Considering a final Income Budget for 2022 of EUR 630.32 million and Unrealized Income Appropriations of EUR 2.05 million from 2021, the total Income Appropriations for 2022 were EUR 632.37 million. During the year, the ITER Organization recognized Income of EUR 631.93 million, resulting in a shortfall of EUR 0.44 million to be carried forward to 2023.

- PAYMENTS

The final Payments Budget for 2022 was EUR 630.32 million. In addition, unused Payments Appropriations of EUR 511.73 million were brought forward from 2021, including unallocated funding for the Reserve Fund and Anticipated Budget, resulted in total Payments Appropriations for 2022 of EUR 1,142.04 million.

During 2022, the ITER Organization executed Payments of EUR 588.54 million, or EUR 476.45 million in Cash for contracts and staff expenditures, EUR 110.26 million for Reserve Fund and EUR 1.82 million in Short-Term In Kind (Task Agreements and Secondments). The remaining amount of EUR 553.51 million reflected the year-end balances of EUR 132 million in the Reserve Fund, EUR 77.05 million in the Anticipated Budget and EUR 30.14 million for the FOAK insurance scheme. Considering the planned budget, an underrun of EUR 314.32 million or 35% resulted from various project delays and strategy changes that occurred during the year. These included delays in the Vacuum Vessel Welding Production Phase, Global Transport, Logistic and Insurance Services (LSP), Electricity Contract, Vacuum Vessel Field Joint Welding, Tokamak Construction Contract 2 (TCC2) and Tokamak Construction Contract 1 (TCC1).

During 2022, EUR 87.37 million were transferred from Article A113 Reserve Fund to Article A111 Direct Investment. This transfer between Articles was necessary in order to execute payments on behalf of the ITER Organization and Domestic Agencies as a result of allocations from the Reserve Fund approved by the Director-General in consultation with the Executive Project Board.

- COMMITMENTS

The final Commitments Budget for 2022 was EUR 633.88 million. In addition, unused Commitments Appropriations of EUR 371.77 million were brought forward from 2021, including unallocated funding for the Reserve Fund and Anticipated Budget, resulting in total Commitments Appropriations of EUR 1,005.66 million.

Throughout the year, the ITER Organization committed a total of EUR 602.32 million net of de-commitments from previous years' commitments. This amount included EUR 470.68 million in Cash for contracts and staff expenditures, EUR 129.58 million for Reserve Fund, EUR 0.16 million for Reserve Fund Short-Term In Kind for Task Agreements and EUR 1.89 million in Short-Term In Kind for Task Agreements and Secondments. The remaining amount of EUR 403.34 million included the year-end balances of EUR 6.11 million in the Reserve Fund, EUR 18.5 million in the Anticipated Budget and EUR 30.14 million for the FOAK insurance scheme. Considering the planned budget, an underrun of EUR 348.59 million, or 37%, resulted from delays in the Vacuum Vessel Welding Production Phase Contract, de-commitment of the TB04 contract, and In-Vessel Diagnostics Installation, and Welded Attachments.

For 2022, EUR 125.82 million were transferred from Article A113 Reserve Fund to Article A111 Direct Investment. This transfer allowed for the placement of commitments on behalf of the ITER Organization and Domestic Agencies following decisions by the Director-General to allocate money from the Reserve Fund in accordance with the approved Terms of Reference.

b) Budgetary Statements for Earmarked Funds

• Basis of Preparation

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

• Construction Contracts with Domestic Agencies

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

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

Funds	Description	EU-DA	CN-DA	IN-DA	JA-DA	KO-DA	RF-DA	US-DA
ADS	Joint Procurement of the ITER Atmosphere Detritiation Systems	●			●			
ANBI	Additional deployment of ANB Inspectors	●						
BOP 4	X-Cryolines installation to the ITER Organization			●				
BOP 5	Installation and commissioning of the items included in Buildings 11 and 74, in accordance with PCR 789						●	
CJBEF	Procurement of T24026LC Cable from Junction Box to Electrical Feedthrough in cryostat					●		
DCC	Procurement of Diagnostic Captive Components for 55.F9 and 55.C4 needed for closing building penetration in building B11 level L1 and level L2						●	
DCS-LEVI	Procurement of the Diagnostic Ceiling Support Structures for 55.C6, 55.C2 and 55.E4 in building 11				●			
DFPC	Development and manufacturing of Diagnostic First Plasma Components of 55.F9 needed for installation inside vacuum vessel and 55.E2 needed for installation inside equatorial port plugs 11&12						●	
EPCC	Procurement of Electrical Power and Control Cables along with cable termination accessories for cooling water system PBS26 in buildings/area 13, 15, 15 Annex, 16 ,32, 33, 38, 51, 52, 53, 61, 64, 67, 68A, 68B, and 69			●				
LEVI	Prototyping, qualification testing and procurement of Loom Electrical Vacuum Interfaces Components						●	
MANL	Procurement of Manlift to access the Central Solenoid during assembly							●
PFP	Procurement of Passive Fire Protection for 55.F1. AI/BI/DI needed for captive ceiling supports in building B11 level L1			●				
PPS	Procurement of Upper & Equatorial Port Plug Structures	●		●	●	●		●
RFPS	On-site installation of the Radio Frequency Power Sources				●			
SSEN	Procurement of the Steady-State Electrical Network High Voltage Substation Structures, the Battery Banks and LV Distribution & Sub-Distribution Panel boards							●
TB 04	Assembly, Installation and related support services in the Tokamak Complex Building	●						
TBM-PT	Contribution to the Test Blanket Module Project Team	●	●		●	●		
TBS	Design and procurement of the Test Blanket System Connection Pipes	●	●	●	●	●		
TCWS	Completion of the final design of the Tokamak Cooling Water System and procurement of the piping for this system, procurement of ESPN TCWS First-Plasma Equipment and support of the US procurements of non-ESPN TCWS First-Plasma Equipment, procurement manufacturing and testing of the TCWS First-Plasma electrical, instrumentation and control components and software for the VV PHTS, draining and drying systems							●
TFCC	Procurement of the Integration Toroidal Field Coil Conductor							●
TPFC1	Transport of the PF Coil #1 from the quay of Fos sur Mer to the ITER Site						●	
VAS	Procurement of the Piping for Tokamak Vacuum Auxiliary System							●
VV8TC	Vacuum Vessel sector 8 Transport Cost					●		
VVS	Supply of Sectors #7 and #8 of the Vacuum Vessel	●						

• Other Earmarked Funds

'Other Earmarked Funds Execution' refers to the Post-Doctoral Fellowship Programs (Monaco and Korea), donations received, sponsoring approved by the ITER Organization, as well as miscellaneous operations that cover mainly administrative fees.

NOTE B2 - MEMBERS' CONTRIBUTIONS

CASH CONTRIBUTIONS

Amounts in thousands of Euro

	Brought forward from 2021	Requested for 2022	Requested until 2022	Received in 2022	Carry forward to 2023
Members	a	b	c	d	e = a + b - d
Euratom	(187,516)	255,055	1,844,420	167,605	(100,065)
People's Republic of China	651	49,773	385,210	55,791	(5,368)
Republic of India	130,955	57,545	398,554	81,516	106,984
Japan	-	44,370	376,968	44,370	-
Republic of Korea	2,474	54,560	388,209	58,266	(1,231)
Russian Federation	(5,940)	58,247	402,333	58,247	(5,940)
United States of America	66,662	77,260	413,601	143,969	(47)
TOTAL	7,286	596,810	4,209,294	609,763	(5,667)

SHORT-TERM IN-KIND CONTRIBUTIONS

Amounts in thousands of Euro

	Brought forward from 2021	Requested for 2022	Requested until 2022	Received in 2022	Carry forward to 2023
Members	a	b	c	d	e = a + b - d
Euratom	2,450	1,499	102,343	1,824	2,125
People's Republic of China	-	-	3,415	-	-
Republic of India	-	-	4,667	-	-
Japan	-	-	874	-	-
Republic of Korea	-	-	9,821	-	-
Russian Federation	-	-	3,201	-	-
United States of America	500	485	30,318	-	985
TOTAL	2,950	1,984	154,638	1,824	3,110

TOTAL CONTRIBUTIONS

Amounts in thousands of Euro

	Brought forward from 2021	Requested for 2022	Requested until 2022	Received in 2022	Carry forward to 2023
Members	a	b	c	d	e = a + b - d
Euratom	(185,066)	256,554	1,946,763	169,428	(97,939)
People's Republic of China	651	49,773	388,625	55,791	(5,368)
Republic of India	130,955	57,545	403,221	81,516	106,984
Japan	-	44,370	377,841	44,370	-
Republic of Korea	2,474	54,560	398,030	58,266	(1,231)
Russian Federation	(5,940)	58,247	405,534	58,247	(5,940)
United States of America	67,162	77,745	443,918	143,969	938
TOTAL	10,236	598,794	4,363,932	611,587	(2,557)

The Members' Cash and Short-Term In-Kind Contributions (including Reserve Fund) have been accounted as Income of the year, in accordance with the budget, regardless of the cash received as shown in Income Execution 2022. Consequently, over and underpayments have been carried forward as cash liabilities to/from these Members in the above statements.

NOTE B3 - RESERVE FUND STATUS

Escalation Status as of 31.12.2022	Amounts in thousands of IUA	Amounts in thousands of Euro
Reserve Fund OPC (EUR 1,050.00 million 2016 based)	621.25766	1,121,515
Total paid or credited by IO	(184.69087)	(325,947)
Unpaid balance (including escalation)	436.56679	795,569

Amounts in thousands of Euro

	01.01.2022		2022		31.12.2022	
Budget Status	Commitments	Payments	Commitments	Payments	Commitments	Payments
Initial Budget	425,194	311,652	57,994	51,637	483,188	363,289
Budget Transfers	(351,256)	(143,920)	(125,818)	(87,367)	(477,074)	(231,286)
Remaining Appropriations	73,938	167,732	(67,824)	(35,730)	6,114	132,003
Implementation Status	Commitments	Payments	Commitments	Payments	Commitments	Payments
Actuals incurred by IO	423,562	203,549	129,744	110,260	553,306	313,809
Credits granted by IO to be set off against Members' in-kind balance	12,138	12,138	-	-	12,138	12,138
Total Amount issued by IO	435,700	215,687	129,744	110,260	565,444	325,947

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

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

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

On 31 December 2022, the remaining amount to pay against the Commitments was EUR 239.50 million.

NOTE B4 - STATEMENT OF UNPAID COMMITMENTS

Amounts in thousands of Euro

	Unpaid Total Commitments 1 January 2022	Total Actual Commitments 2022	Total Actual Payments 2022	Unpaid Total Commitments 31 December 2022
Budget Headings	a	b	c	d = a + b - c
Article 111: Direct Investment	741,771	305,478	313,406	733,843
Article 112: Test Blanket Module	5,220	979	2,380	3,820
Article 113: Reserve Fund	-	-	-	-
Title I: Direct Investment (Fund)	746,991	306,457	315,785	737,663
Article 211: Research & Development	600	370	413	558
Title II: R&D Expenditure	600	370	413	558
Article 311: Professional staff salary costs	-	123,952	123,952	(0)
Article 312: Technical Support staff salary costs	-	27,951	27,954	(3)
Article 313: Travel and subsistence	813	456	665	604
Article 314: Secondment allowances	-	-	-	-
Article 315: Removal expenses	238	902	808	331
Article 316: Promotions	-	-	-	-
Article 317: Awards	-	1,320	1,320	-
Chapter 31: Staff Expenditure	1,050	154,581	154,699	932
Article 321: General services	46,216	56,783	24,932	78,067
Article 322: Administrative services	11,997	21,116	14,102	19,011
Article 323: Equipment	12,977	11,794	12,669	12,102
Article 324: External specialized services	50,608	36,254	45,214	41,647
Article 325: ITER Project Associates	28,980	14,961	20,720	23,221
Chapter 32: Organizational Expenditure	150,778	140,907	117,637	174,048
Title III: Direct Expenditure	151,829	295,488	272,337	174,980
TOTAL EXPENDITURE	899,420	602,315	588,535	913,201

NOTE B5 - EARMARKED FUNDS

EARMARKED FUNDS OUT-TURN

Amounts in thousands of Euro

	Actuals 2022	Actuals 2021
Total Cash In	29,373	50,599
Total Actual Payments	43,594	21,561
Total Earmarked Funds Out-Turn	(14,221)	29,038

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

EARMARKED FUNDS EXECUTION RELATED TO CONSTRUCTION CONTRACTS

Amounts in thousands of Euro

		01.01.2022		2022			31.12.2022	
		Unpaid Total Commitments	Cash available	Cash In	Total Actual Commitments	Total Actual Payments	Unpaid Total Commitments	Cash available
Funds		a	b	c	d	e	f = a + d - e	g = b + c - e
ADS	Atmosphere Detritiation Systems	-	82,488	-	-	-	-	82,488
ANBI	ANB Inspectors	882	640	300	-	795	87	145
BOP4	X-Cryolines installation	6,670	6,670	-	-	2,056	4,614	4,614
BOP5	Installation and commissioning of the items included in Buildings 11 and 74	59	59	-	-	6	53	53
CJBEF	Cable from Junction Box to Electrical Feedthrough in cryostat	-	178	(78)	100	100	-	-
DCC	Diagnostic Captive Components	128	207	-	0	0	128	207
DCS-LEVI	Diagnostic Ceiling Support Structures	-	-	447	29	29	-	418
DFPC	Diagnostic First Plasma Components	-	-	571	1,841	27	1,814	544
EPCC	Electrical Power and Control Cables	-	282	-	-	-	-	282
LEVI	Loom Electrical Vacuum Interface Components	-	-	297	340	14	326	283
MANL	Manlift to access the Central Solenoid during assembly	-	175	-	172	-	172	175
PFP	Passive Fire Protection	-	-	30	-	-	-	30
PPS	Upper & Equatorial Port Plug Structures	6,826	4,031	939	58	374	6,511	4,596
RFPS	Radio Frequency Power Sources	900	-	-	-	55	845	(55)
SSEN	Steady-State Electrical Network High Voltage Substation Structures	-	2,628	-	113	113	-	2,515
TBO4	Assembly, Installation and related support services in the Tokamak Complex Building	131,234	53,498	-	(90,277)	12,551	28,405	40,947
TBMPT	Test Blanket Module Project Team	127	108	333	(0)	127	-	315
TBS	Test Blanket System Connection Pipes	45	1,383	(317)	249	225	70	842
TCWS	Tokamak Cooling Water System	37,092	79,475	25,859	22,336	11,295	48,133	94,039
TFCC	Toroidal Field Coil Conductor	-	272	-	-	-	-	272
TPFC1	Transport of the PF Coil #1	-	-	-	-	-	-	-
VAS	Tokamak Vacuum Auxiliary System	1,691	4,153	-	513	1,235	970	2,918
VV8TC	Vacuum Vessel sector 8 Transport Cost	-	-	-	1,039	1,039	-	(1,039)
VVS	Supply of Sectors #7 and #8 of the Vacuum Vessel	26,948	26,948	-	-	13,000	13,948	13,948
TOTAL		212,602	263,197	28,382	(63,486)	43,041	106,075	248,537

'CJBEF' was closed in September 2022 following a close-out letter signed between the parties.

'RFPS' and 'VV8TC' show negative cash positions. The 'RFPS' negative cash position is expected to be recovered by the first quarter of 2023.

The 'VV8TC' negative cash position is expected to be recovered by the second quarter of 2025 as formally agreed between the parties.

OTHER EARMARKED FUNDS EXECUTION

Amounts in thousands of Euro

	01.01.2022		2022			31.12.2022	
	Unpaid Total Commitments	Cash available	Cash In	Total Actual Commitments	Total Actual Payments	Unpaid Total Commitments	Cash available
Funds	a	b	c	d	e	f = a + d - e	g = b + c - e
Donations	-	15	4	-	-	-	19
Post-Doctoral Fellowship - Korea	-	-	262	97	95	2	167
Post-Doctoral Fellowship - Monaco	-	728	500	384	384	-	843
Other	115	123	225	23	73	65	275
TOTAL	115	865	992	504	552	67	1,304



Machine assembly is taking place in this vast indoor theatre. Major components are prepared for handling and installation on the shop floor of the Assembly Hall before being transported by overhead crane to the Tokamak pit at the far end.

ABBREVIATIONS AND ACRONYMS

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



The size and weight of the major components, the tiny tolerances and careful handling required for the assembly of huge and unique systems, the diversity of manufacturers, the tight schedule, complex interfaces ... all of these elements combine to make the assembly of the ITER machine an engineering and logistics challenge



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