



**Annual accounts of the
Bio-based Industries
Joint Undertaking
Financial year 2017**

CONTENTS

CERTIFICATION OF THE ACCOUNTS	3
BACKGROUND INFORMATION ON THE BBI JU	4
FINANCIAL STATEMENTS AND EXPLANATORY NOTES	5
BALANCE SHEET	7
STATEMENT OF FINANCIAL PERFORMANCE	8
CASHFLOW STATEMENT	9
STATEMENT OF CHANGES IN NET ASSETS	10
NOTES TO THE FINANCIAL STATEMENTS	11
REPORTS ON THE IMPLEMENTATION OF THE BUDGET	27

CERTIFICATION OF THE ACCOUNTS

The final annual accounts of the Bio-based Industries Joint Undertaking for the year 2017 have been prepared in accordance with the Financial Regulation of the JU and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Joint Undertaking in accordance with Article 43 of the Financial Regulation of the JU.

I have obtained from the Authorising Officer, who guaranteed its reliability, all the information necessary for the production of the accounts that show the JU's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present a true and fair view of the financial position of the JU in all material aspects.

[signed]

Rosa ALDEA BUSQUETS

Accounting Officer

June 2018

BACKGROUND INFORMATION ON THE BBI JU

The Bio-based Industries Joint Undertaking (BBI JU) was established by the Council Regulation (EU) 560/2014¹. The BBI JU is a public-private partnership between the European Union (EU) and the Bio-based Industries Consortium (BIC) and is based in Brussels. BBI JU is funded by the members contributing either in cash or in-kind to the administrative and operational costs of the JU. It aims to bring together all relevant stakeholders and contribute to establishing Europe as a key player in research, demonstration and deployment of advanced bio based products and biofuels.

BBI JUs mission is to implement, under Horizon 2020 rules, the Strategic Innovation and Research Agenda (SIRA) developed by the industry, by organizing calls for proposals to support research, demonstration and deployment activities enabling the collaboration between stakeholders along the entire value chains covering primary production of biomass, processing industry and final use.

The objectives of BBI JU are to contribute to a more resource efficient and sustainable low-carbon economy and to increase economic growth and employment, in particular in rural areas, by developing sustainable and competitive bio-based industries in Europe. This is based on advanced biorefineries that source their biomass sustainably and in particular aims to:

- Demonstrate technologies that enable new chemical building blocks, new materials and new consumer products from European biomass, that replace the need for fossil-based inputs;
- Develop business models that integrate economic actors along the value chain from supply of biomass to biorefinery plants to consumers of bio-based materials, chemicals and fuels, including the creation of new cross-sector interconnections and supporting cross-industry clusters;
- Set-up flagship biorefinery plants that deploy the technologies and business models for bio-based materials, chemicals and fuels and demonstrate cost and performance improvements to levels that are competitive with fossil-based alternatives.

Following Articles 38 and 43 of the BBI JU Financial Rules², the Governing Board of BBI JU appoints the Accounting Officer who is, among other things, responsible for preparation of the annual accounts of the joint undertaking. Following Article 40 of the BBI JU Financial Rules the annual accounts should be prepared in accordance with the accounting rules adopted by the Commission's Accounting Officer (EU Accounting Rules, EAR) that are based on the International Public Sector Accounting Standards (IPSAS). Following the decision of the BBI JU's Governing Board of 14 October 2014, the Accounting Officer of the Commission acts as the Accounting Officer of BBI JU.

¹ Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking.

² Adopted by the decision of the BBI JU Governing Board.

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.

CONTENTS

BALANCE SHEET	7
STATEMENT OF FINANCIAL PERFORMANCE	8
CASHFLOW STATEMENT	9
STATEMENT OF CHANGES IN NET ASSETS	10
NOTES TO THE FINANCIAL STATEMENTS	11
1. SIGNIFICANT ACCOUNTING POLICIES	12
2. NOTES TO THE BALANCE SHEET	19
3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE	23
4. OTHER SIGNIFICANT DISCLOSURES	25
5. FINANCIAL RISK MANAGEMENT	26

BALANCE SHEET

EUR '000

	Note	31.12.2017	31.12.2016 (restated)
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2.1	47	52
<i>Pre-financing</i>	2.2	101 483	66 894
		101 530	66 946
CURRENT ASSETS			
<i>Pre-financing</i>	2.2	31 425	12 168
<i>Exchange receivables and non-exchange recoverables</i>	2.3	4 080	3 168
		35 506	15 335
TOTAL ASSETS		137 036	82 281
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.4	(35 422)	(15 540)
<i>Accrued charges</i>	2.5	(70 454)	(38 365)
		(105 876)	(53 905)
TOTAL LIABILITIES		(105 876)	(53 905)
NET ASSETS		31 160	28 376
NET ASSETS			
<i>Contribution from Members</i>	2.6	157 264	67 911
<i>Accumulated deficit</i>		(39 534)	6 873
<i>Economic result of the year</i>		(86 569)	(46 407)
NET ASSETS		31 160	28 376

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	Note	2017	2016 (restated)
REVENUE			
Revenue from exchange transactions			
<i>Financial revenue</i>		–	2
<i>Other exchange revenue</i>	3.1	22	4
		22	6
Total revenue		22	6
EXPENSES			
<i>Operating costs</i>	3.2	(82 225)	(43 321)
<i>Staff costs</i>	3.3	(1 929)	(1 567)
<i>Finance costs</i>		–	(1)
<i>Other expenses</i>	3.4	(2 438)	(1 523)
Total expenses		(86 591)	(46 413)
ECONOMIC RESULT OF THE YEAR		(86 569)	(46 407)

CASHFLOW STATEMENT³

EUR '000

	2017	2016 (restated)
<i>Economic result of the year</i>	(86 569)	(46 407)
Operating activities		
<i>Amortisation and depreciation</i>	14	10
<i>Cash contribution from the Members</i>	89 353	65 984
<i>(Increase)/decrease in pre-financing</i>	(53 847)	(61 348)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(913)	(1 621)
<i>Increase/(decrease) in accounts payable and other liabilities</i>	19 882	12 036
<i>Increase/(decrease) in accrued charges</i>	32 089	31 394
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(9)	(48)
NET CASHFLOW	-	-
<i>Net increase/(decrease) in cash and cash equivalents</i>	-	-
<i>Cash and cash equivalents at the beginning of the year</i>	-	-
<i>Cash and cash equivalents at year-end</i>	-	-

³ Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of BBI JU, the treasury of BBI JU was integrated into the Commission's treasury system. Therefore, BBI JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Contribution from Members	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2015	1 927	–	6 873	8 800
<i>Allocation 2015 economic result</i>	–	6 873	(6 873)	–
<i>Cash contribution</i>	65 984	–	–	65 984
<i>Economic result of the year (restated)</i>	–	–	(46 407)	(46 407)
BALANCE AS AT 31.12.2016 (restated)	67 911	6 873	(46 407)	28 376
<i>Allocation 2016 economic result</i>	–	(46 407)	46 407	–
<i>Cash contribution</i>	89 353	–	–	89 353
<i>Economic result of the year</i>	–	–	(86 569)	(86 569)
BALANCE AS AT 31.12.2017	157 264	(39 534)	(86 569)	31 160

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional and reporting currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Euro exchange rates

Currency	31.12.2017	31.12.2016	Currency	31.12.2017	31.12.2016
BGN	1.9558	<i>1.9558</i>	PLN	4.177	<i>4.4103</i>
CZK	25.5350	<i>27.0210</i>	RON	4.6585	<i>4.5390</i>
DKK	7.4449	<i>7.4344</i>	SEK	9.8438	<i>9.5525</i>
GBP	0.8872	<i>0.8562</i>	CHF	1.1702	<i>1.0739</i>
HRK	7.4400	<i>7.5597</i>	JPY	135.01	<i>123.4000</i>
HUF	310.3300	<i>309.8300</i>	USD	1.1993	<i>1.0541</i>

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to; accrued and deferred revenue and charges, provisions, financial risk on accounts receivables, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

1.3. BALANCE SHEET

1.3.1. Intangible assets

Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met. The costs capitalisable include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses when incurred.

1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land and works of art are not depreciated as they are deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

Leases

Leases of tangible assets, where the entity has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The interest element of the finance lease payment is charged to statement of financial performance over the period of the lease at a constant periodic rate in relation to the balance outstanding. The rental obligations, net of finance charges, are included in financial liabilities (non-current and current). The interest element of the finance cost is charged to the statement of financial performance over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The assets held under finance leases are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its

recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.4. Financial assets

The financial assets are classified in the following categories: financial assets at fair value through surplus or deficit; loans and receivables; held-to-maturity investments; and available for sale financial assets. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

(i) Financial assets at fair value through surplus or deficit

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also categorised in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.

(iv) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date.

Initial recognition and measurement

Purchases and sales of financial assets at fair value through surplus or deficit, held-to-maturity and available for sale are recognised on trade date - the date on which the entity commits to purchase or sell the asset. Cash equivalents, loans and term deposits are recognised at settlement date. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

Subsequent measurement

Financial assets at fair value through surplus or deficit are subsequently carried at fair value with gains and losses arising changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised in the fair value reserve. Interest on available for sale financial assets calculated using the effective interest method is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

1.3.5. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. The amount of the pre-financing may be reduced (wholly or partially) by the acceptance of eligible costs (which are recognised as expenses).

Pre-financing is, on subsequent balance sheet dates, measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.6. Receivables and recoverables

As the EU accounting rules require a separate presentation of exchange and non-exchange transactions, for the purpose of drawing up the accounts, receivables are defined as stemming from exchange transactions and recoverables are defined as stemming from non-exchange transactions (when the entity receives value from another entity without directly giving approximately equal value in exchange).

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly (see **1.3.4** above).

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

1.3.8. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

1.3.9. Payables

Included under accounts payable are amounts related to both exchange transactions such as the purchase of goods and services and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding.

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.3.10. Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance there is a distinction between:

(i) Revenue from non-exchange transactions

Examples of revenue from non-exchange transactions are taxes and transfers whereby the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability (pre-financing received).

(ii) Revenue from exchange transactions

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving

the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions account for the majority of the entity's operating expenses. They relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.5.2. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability.

1.6. CONTRIBUTIONS FROM MEMBERS

The contributions from the Members of the joint undertaking (JU) form the funding of the JU and are treated as contributions from owners. In this context an owner does not mean an owner in the sense of owning shares of the JU (no shares are issued) but rather in terms of political interest and governance of the JU by exercising the voting rights linked to these contributions.

1.6.1. Financial contributions

Financial contributions are contributions of the Members made in cash in order to provide the funding of the operational or administrative needs of the JU. The financial contributions are recognised in the net assets in the period in which the right to receive the payment was established.

1.6.2. In-kind contributions

Members other than the EU (i.e. 'Private Members') can also contribute resources other than cash, e.g. laboratory equipment, specialised staff, etc. These in-kind contributions consist of the costs incurred by Private Members in implementing indirect actions.

The Regulation distinguishes between two types of in-kind contributions: (1) In-kind contributions to operational activities (IKOP) and (2) in-kind contributions to additional activities (IKAA).

The IKOP represents in-kind contributions made to the JU linked to its work plan and co-financed by the EU. The IKOP are recognised in the net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation were met.

The expenses related to the IKOP incurred in the financial year are recognised in the statement of financial performance. At year-end, incurred IKOP not yet reported are estimated and recorded as other liabilities ('Contributions of Members to be validated').

The IKAA relate to contributions linked to implementing additional activities outside the work plan of the JU that contribute to the objectives of the JU. Because the outflow of resources related to those activities is outside of control of the JU, the contributions are not recognised in the financial statements of the JU.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. PROPERTY, PLANT AND EQUIPMENT

	Furniture and vehicles	Computer hardware	Other	'000 EUR TOTAL
<i>Gross carrying amount at 31.12.2016</i>	28	33	4	65
<i>Additions</i>	5	2	2	9
Gross carrying amount at 31.12.2017	33	35	6	74
<i>Accumulated depreciation at 31.12.2016</i>	(2)	(10)	(1)	(13)
<i>Depreciation charge for the year</i>	(3)	(9)	(1)	(14)
Accumulated depreciation at 31.12.2017	(5)	(18)	(3)	(26)
NET CARRYING AMOUNT AT 31.12.2017	28	17	3	47
<i>NET CARRYING AMOUNT AT 31.12.2016</i>	26	23	2	52

2.2. PRE-FINANCING

	EUR '000	
	31.12.2017	31.12.2016
<i>Non-current pre-financing</i>	101 483	66 894
<i>Current pre-financing</i>	31 425	12 168
Total	132 909	79 062

For all pre-financing amounts open at 31 December 2017 a case-by-case assessment was performed and all the pre-financing that was considered unlikely to be cleared in the course of 2018 was classified as non-current pre-financing.

In 2017, a total pre-financing amount of kEUR 62 206 was paid for the projects arising from the Call 2016. The pre-financing paid in 2016 was kEUR 62 and related to grants from the BBI Calls 2014 and 2015.

The estimation of the clearing of pre-financing (related to the estimated operating expenses for on-going projects) is actually aligned to the way in which pre-financing is cleared for expenses incurred during the year. Out of the total outstanding pre-financings of kEUR 141 265, an amount of kEUR 8 356 was cleared against eligible costs (following cost claims received in 2017, as well as project costs accrued to 31 December 2017). The remaining portion of estimated expenses is recorded in accrued charges (see note 2.5).

In accordance with the Horizon 2020 rules pre-financing is only cleared when the payments to the beneficiary reach 90 % of the grant agreement amount. In the first years of the project life there is thus open pre-financing that will be only cleared at a later stage. This explains the increase in the pre-financing as compared to 2016 as well as the overall high balance of the open pre-financing. This trend is also expected to continue in 2018.

2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

The amounts included under this heading are fully composed of current receivables from exchange transactions.

EUR '000

	31.12.2017	31.12.2016
<i>Central treasury liaison accounts</i>	3 982	2 655
<i>Customers</i>	90	500
<i>Deferred charges relating to exchange transactions</i>	11	10
<i>Others</i>	(2)	2
Total	4 080	3 168

The main element concerns the treasury liaison/intercompany accounts with the Commission that represent a virtual bank account of BBI JU. Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of BBI JU, the treasury of BBI JU was integrated into the Commission's treasury system. Because of this, BBI JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under this heading.

The result of the incoming and outgoing payments represents the cash balance of kEUR 3 982 (2016: kEUR 2 655).

The sub-heading customers is composed of receivables related to the Research Executive Agency costs incurred in 2016 and 2017, on behalf of BBI JU, for expert evaluations related to the BBI JU's calls for proposals.

LIABILITIES

2.4. PAYABLES AND OTHER LIABILITIES

EUR '000

	31.12.2017	31.12.2016 (restated)
<i>Contribution in-kind to be validated</i>	25 959	15 047
<i>Current payables</i>	9 463	493
Total	35 422	15 540

Included under the sub-heading 'contribution in-kind to be validated' are the in-kind contributions from Members relating to on-going projects without a validated cost statement at 31 December 2017. The amount of in-kind contribution was estimated on a case-by-case basis using the best available information on the projects at 31 December 2017. The significant increase relates to new projects launched or ongoing in the course of 2017 for which the IKOP declarations have not been certified by an auditor and validated by the BBI Executive Director and the amounts related to 2017 had thus to be estimated during the closure (cut-off) exercise.

The sub-heading payables is composed of liabilities to public bodies (kEUR 870) and to suppliers (kEUR 8 591).

The contributions in-kind to be validated reported in the 2016 financial statements were calculated based on the assumption that all in-kind contributions to the projects will be at a later stage certified and reported as net assets of BBI. However following an in-depth review in 2018 of BBI's founding Council Regulation, it was confirmed that only in-kind contributions of Members can constitute contributions to net assets. This change in the interpretation of the basic act resulted in an adjustment of the cut-off methodology for the calculation of in-kind contributions to be validated. Following the EU accounting rules, and internationally accepted accounting practice, the 2016 contributions in-kind to be validated were therefore re-calculated using the new methodology and the financial statements have been restated so as to present comparable

figures for contributions in-kind to be validated and operating expenses (see note 3.2), as they would have appeared had this new methodology already been applied in 2016. The impact of the restatement amounts to a decrease of contributions in-kind to be validated and operating expenses of kEUR 5 419. The estimated contributions from the non-members have been disclosed as services in-kind (see note 4.2).

2.5. ACCRUED CHARGES

	<i>EUR '000</i>	
	31.12.2017	31.12.2016
<i>Accrued charges</i>	<i>70 454</i>	<i>38 365</i>

Accrued charges are the amounts estimated by the Authorising Officer of costs incurred for services and goods delivered in year 2017 but not yet invoiced or processed by the end of the year. They are largely composed of estimated operating expenses of kEUR 70 020 for on-going projects without a validated cost statement where the 2017 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2017. The portion of the estimated accrued charges which relates to pre-financing paid has been recorded as a reduction of the pre-financing amounts in line with the H2020 rules (see note 2.2). The significant increase of operating accrued charges relates to all projects launched or ongoing in 2017 and the end of 2016 for which no cost claims were validated by 31 December 2017 and the entire amount of the 2017 operating expenses had to be estimated during the closure (cut-off) exercise.

Also included under this heading are accrued administrative expenses of kEUR 397 relating mainly to communication and publication expenses (kEUR 203), other external services (kEUR 62), IT costs covering the operational phase of IT projects (kEUR 55) and training costs (kEUR 43). The accrued staff expenses for untaken leave is kEUR 38.

NET ASSETS

2.6. CONTRIBUTIONS FROM MEMBERS

In line with the Horizon 2020 rules only certified in-kind contributions from the Members validated by the Executive Director of BBI JU are considered in-kind contributions to the net assets. Estimated in-kind contributions, i.e. contributions for which no certifications has been received and/or this certification has not been validated by the Executive Director are reported under other liabilities (see note 2.4).

EUR '000

Programming period	2017			2016		
	Cash	In-kind	Total	Cash	In-kind	Total
<i>H2020</i>	157 264	–	157 264	67 911	–	67 911
Total	157 264	–	157 264	67 911	–	67 911

2.6.1. Research and Innovation funding programme for 2014-2020 (Horizon 2020)

EUR '000

Member	Commission		Industry Grouping		Total	
	Cash	In-kind	Cash	In-kind	Cash	In-kind
<i>Running costs contributions at 31.12.2016</i>	2 784	–	3 006	–	5 791	–
<i>Current year contributions</i>	2 555	–	2 829	–	5 384	–
Running costs contributions at 31.12.2017	5 339	–	5 836	–	11 175	–
<i>Operating costs contributions at 31.12.2016</i>	62 120	–	–	–	62 120	–
<i>Current year contributions</i>	83 219	–	750	–	83 969	–
Operating costs contributions at 31.12.2017	145 338	–	750	–	146 088	–
<i>TOTAL contributions at 31.12.2016</i>	64 904	–	3 006	–	67 911	–
TOTAL contributions at 31.12.2017	150 678	–	6 586	–	157 264	–
<i>% of total contributions (by type)</i>	95.81%		4.19%		100.00%	
<i>Total contribution in %</i>	95.81%		4.19%		100.00%	
<i>Voting rights %</i>	50.00%		50.00%		100.00%	

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

3.1. OTHER EXCHANGE REVENUE

The balance included under this heading was due to the recovery of an overpayment of rental charges for the White Atrium building for the period 01 January 2016 to 12 July 2016.

EXPENSES

3.2. OPERATING COSTS

Included under this heading are operating expenses related to projects that were carried out in 2017. A part of the operating costs relating to on-going or ended projects without any validated cost claims (or equivalent) available at 31 December, was estimated using the best information available at the time of the preparation of the annual accounts. The estimation is based on the case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operating costs of the year. Depending on the availability of information at the time of the preparation of the annual accounts, the estimates are based on reports of services or work performed (e.g. Report of the member of the Joint Undertaking other than the EU on the in-kind contributions in the meaning of Article 4(3) and 4(4) of Regulation (EU) No 560/2014) or costs incurred to date as a proportion of the estimated total costs of the projects ('pro-rata temporis'). It should be noted that in line with the accounting rules the portion of the estimated cost also includes a revision of accounting estimates made in the previous periods.

The break-down of the operating costs between operating costs incurred on the basis of validated cost claims (or equivalent) and estimated (to be validated) operating costs is given in the table below:

EUR '000

	2017	2016 (restated)
<i>Operating cost: estimated EU contributions</i>	49 261	31 778
<i>Operating cost: validated EU contributions</i>	22 052	-
<i>Operating costs: estimated in kind contributions</i>	10 912	11 543
Total	82 225	43 321

The increase in the estimated in kind contributions and EU contributions can be explained by all projects started or ongoing in 2017 or at the end of 2016 for which no cost claims (or equivalent) had yet been validated and the entire underlying 2017 expense had thus to be estimated during the closure (cut-off) exercise. In 2016 there were no cost claims validated in relation to the on-going projects. The entire amount of operating costs was estimated using the best available information about the projects at 31 December 2016.

Following the adjustment of the cut-off methodology for contributions in-kind to be validated, the 2016 operating expenses have been recalculated and the financial statements have been restated so as to present comparable figures for contributions in-kind to be validated and operating expenses as they would have appeared had this new methodology already been applied in 2016. The impact of the restatement amounted to a decrease of contributions in-kind to be validated and operating expenses of KEUR 5 419. For details please refer to note 2.4.

3.3. STAFF COSTS

Included under this heading are expenses for salaries, other employment-related allowances and benefits. The calculations related to staff costs are, based on the service level agreement, entrusted to the Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office-PMO).

The staff members of the BBI JU are covered by the Pension Scheme of European Officials. The administration of pensions is entrusted to the Commission which also accounts for the underlying pension expenses and liabilities.

A defined benefit plan is a pension plan that generally defines an amount of benefit an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. Both BBI JU staff and the Commission contribute to the pension scheme in the function of the basic salary of the staff. The contribution percentage is revised yearly to reflect the changes in the staff regulation. The cost to the Commission is not reflected in the BBI JU's accounts.

Future benefits payable to the BBI JU staff under the Pension Scheme of European Officials are accounted for in the accounts of the Commission since it is the Commission who will pay these pensions. No provisions for such pensions are made in these accounts.

3.4. OTHER EXPENSES

EUR '000

	2017	2016
<i>Experts expenses</i>	823	508
<i>Communications & publications</i>	661	292
<i>External non IT services</i>	334	182
<i>Operating lease expenses</i>	282	254
<i>External IT services</i>	136	62
<i>Property, plant and equipment related expenses</i>	43	22
<i>Other</i>	158	202
Total	2 438	1 523

The increase of kEUR 315 expenses related to experts fees is due to the large amount of proposals received for the 2017 Call. The substantial increase in communications and publications expenses is explained by organisation of two major events: the Stakeholder Forum and the Walking Exhibition and also by the migration of the BBI website, the creation of the corporate brochure, the sponsorship of events and the design of the new BBI logo. Due to the increasing workload in the JU, the external non-IT increase relates mainly to outside contractors supplying interim staff. The increase in external IT services is explained by IT costs specific to 2017 such as the Sysper HR tool and the IAAS migration.

Operating lease expenses relate to the BBI JU office in the 'White Atrium' building. Amounts committed to be paid during the remaining term of this lease contract include rent and related charges and are as follows:

'000 EUR

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	278	1 167	619	2 064

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR '000

	31.12.2017	31.12.2016
<i>Outstanding commitments not yet expensed</i>	255 772	296 587

The amount of outstanding commitments not yet expensed comprises the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2017 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

4.2. SERVICES IN-KIND

The BBI founding Council Regulation defines the members of BBI JU as on the one side the European Union (represented by the European Commission) and on the other the Members other than the Union (represented by the Bio-based Industries Consortium and its constituent entities). While running open calls for proposals, only contributions of Members other than the Union are to be considered as in-kind contributions in projects (IKOP). No IKOP related to cost claims or declarations from the non-members of BBI JU has been accounted for as at 31 December 2017. The total IKOP declared in grant agreements of the ongoing projects of Members other than the Union amounts to kEUR 112 967. For information the equivalent amount declared for non-members is kEUR 71 422 of which around kEUR 16 000 relates to the period up to 31 December 2017. At the end of 2016 the estimated IKOP from non-members was around kEUR 5 400.

4.3. RELATED PARTIES

The related parties of the BBI JU are the venturers and key management personnel of these entities. Transactions between these entities take place as part of the normal operations of BBI JU and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

4.4. KEY MANAGEMENT ENTITLEMENTS

The highest ranking civil servant of BBI JU is the Executive Director, who executes the role of Authorising Officer.

	31.12.2017	31.12.2016
<i>Executive Director</i>	AD 14	AD 14

The Executive Director is remunerated in accordance with the Staff Regulations of the European Union that is published on the Europa website and is the official document describing the rights and the obligations of all officials of the EU. The Executive Director has not received any loans from BBI JU.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises *currency risk*, *interest rate risk* and *other price risk* (the BBI JU has no significant other price risk).

- (1) *Currency risk* is the risk that the BBI JU operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.
- (2) *Interest rate risk* is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. BBI JU does not have any securities thus it is not exposed to the interest rate risk.

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Liquidity risk is the risk that arises from the difficulty in selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

5.2. CURRENCY RISKS

Exposure of the BBI JU to currency risk at year end

At 31 December 2017 the ending balances of financial assets and financial liabilities did not include any material amounts quoted in different currencies than euro. At the year-end BBI JU thus does not have any exposure to currency risks.

5.3. CREDIT RISK

Financial assets that are neither past due nor impaired

At 31 December 2017 financial assets comprise exchange receivables that are neither past due nor impaired.

Financial assets by risk category

The exchange receivables entirely relate to entities without external credit rating that have never defaulted in the past.

5.4. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

At 31 December 2017 the financial liabilities amounted to kEUR 105 876. They are composed of current payables (kEUR 9 463), in-kind contributions to be validated (kEUR 25 959) and accrued charges (kEUR 70 454). All the financial liabilities have expected remaining maturity of less than 1 year.

REPORTS ON THE IMPLEMENTATION OF THE BUDGET

It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.

CONTENTS

1.	BUDGETARY PRINCIPLES, STRUCTURE AND IMPLEMENTATION.....	29
2.	RESULT OF THE IMPLEMENTATION OF THE BUDGET.....	33
3.	RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT.....	34
4.	IMPLEMENTATION OF BUDGET REVENUE.....	35
5.	IMPLEMENTATION OF BUDGET EXPENDITURE.....	36
6.	COMMITMENTS OUTSTANDING.....	47
7.	GLOSSARY.....	50

1. BUDGETARY PRINCIPLES, STRUCTURE AND IMPLEMENTATION

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of BBI JU is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of BBI JU:

Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of BBI JU. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

Principle of annuality

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December. As specified in its Financial Rules, BBI JU is subject to an exception to the annuality principle, specific only to the joint undertakings (the “N+3” rule), whereby any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years. These appropriations must be used first.

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

Principle of specification

Appropriations shall be earmarked for specific purposes at least by title and chapter.

Principle of sound financial management

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published on the internet site of the BBI JU within four weeks of their adoption and shall be transmitted to the Commission and the Court of Auditors.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

Since 1 January 2015, no distinction is made between non-dissociated and dissociated appropriations. All appropriations follow the dissociated logic.

Following the provisions of the Financial rules of BBI JU, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed in the following titles:

Title 1 budget lines relate to staff expenditure such as salaries and allowances for personnel working with BBI JU. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

Title 2 budget lines relate to all infrastructure, equipment and miscellaneous administrative expenditure.

Title 3 budget lines provide for the implementation of the activities and tasks assigned to BBI JU in accordance with its establishing Council Regulation (EC) No 560/2014.

1.3. HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

The overall budget implementation for the year 2017 shows positive figures both in commitment appropriations (96.7 %) and in payment appropriations (95.6 %).

The management of BBI JU's 2017 budget was characterised by two important elements: i) the consumption of the prior year administrative surplus and ii) an initial lack of payment appropriations on the operational side.

As was the case for 2016, the 2017 BBI JU administrative budget included a surplus of unused budget from prior years (mainly 2016). These unused (payment and commitment) appropriations, amounting to almost EUR 3 000 000, were reactivated via an amendment to the BBI JU 2017 annual work plan and budget in June 2017. Despite the late availability of these carried-over appropriations, they were consumed in priority in line with BBI's financial rules art. 6(5), and reached almost 100 % consumption by year end.

Regarding the accumulated surplus outstanding at the end of 2017, the BBI JU Governing Board decided in December 2017 that most of it (around EUR 2 million) will be reabsorbed in 2019 by reducing the contributions of both the Commission and industry members (BIC) to BBI JU's administrative budget by EUR 1 000 000 each. The BBI JU Governing Board will decide on the treatment of any remaining surplus and appropriations will be reactivated accordingly in future years' budgets.

Concerning the operational budget, it should be mentioned that the available payment appropriations included in BBI JU's 2017 budget were too low compared to the actual needs. As the payments of periodic reports are a contractual obligation, the only way to deal with the deficiency in the voted budget would have been to lower the pre-financing rate compared to previous calls. This measure could have negatively impacted projects dealing with high start-up investments as well as those involving a high number of SMEs.

This issue was discussed during the BBI JU Governing Board meeting at the end of 2016 and – with the support of the Commission – BBI JU was able to obtain, via an amendment to the 2017 annual work plan and budget, additional appropriations to top up the pre-financing payments for the projects of the 2016 call. Although the subsequent payment of the pre-financings was a complicated exercise involving careful planning as well as amendments to the grant agreements, it was carried out successfully, increasing the pre-financing rate from 25 % to around 34 % on average.

Administrative costs

The total consumption of the (amended) administrative budget was 58.6 % in commitment appropriations and 53.9 % in payment appropriations. Comparing the total consumption to the original budget, these figures rise to 88.6 % and 83.9 % respectively.

Title 1: Staff related costs such as salaries, other staff costs and missions are showing only a limited implementation in commitment appropriations (52 %, 51 % and 46 % respectively) while representing a relevant amount of over EUR 2.2 million. This is because the largest part of the prior year surplus was accumulated in Title 1. The general implementation of the original 2017 voted budget in commitment

appropriations is over 76.9 %, but when the large surplus reactivated from 2016 is taken into account this drops to 51.4 %. Consumption of payment appropriations shows similar figures.

Title 2: The infrastructure budget shows an implementation of 68.3 % in commitment appropriations. Building, communications and contracting of experts incurred high costs in 2017, amounting respectively to EUR 310 252, EUR 659 942 and EUR 824 175. The additional costs incurred with respect to the original budget were covered by the available budgetary surplus. The spending related to evaluators' contracting and payment was executed by the Research Executive Agency on behalf of BBI JU. On the payment appropriations side, consumption for Title 2 was 60.8 %.

Total implementation of the commitment appropriations of the original 2017 budget accounts for just over 100 % (this is because a certain amount of the prior year reactivated surplus was consumed in line with increased needs in the communications and evaluations posts).

Operational costs

Concerning the commitment appropriations of the operational budget, the programme office concluded 29 grant agreements from Call 2016 resulting in a 97.9 % implementation of commitment appropriations envisaged for this call (EUR 188.9 million).

The 2017 call was committed for EUR 85 764 866 including EUR 80 814 209 of voted commitment appropriations, EUR 4 450 656 of unused commitment appropriations from 2016 and EUR 500 000 from industry (BIC). The evaluation was successfully concluded by the end of 2017, resulting in a potential consumption of 99.9 % if all grants amounting to a total of EUR 85 672 213 are signed in 2018.

In respect of the payment appropriations, the programme office achieved 99.4 % implementation of the 2017 budget with pre-financing payments for the grants of Call 2016 together with payments of periodic reports for grants from the BBI Call 2014. An amount of EUR 486 658 remaining from the total payment appropriations of EUR 84 297 519, has been reactivated in the BBI JU 2018 budget.

During the course of 2017, 43 pre-financings were paid for a total amount of EUR 62 487 741 and 10 periodic reports payments were made for a total of EUR 21 323 120.

Expert evaluator costs

The above highlights take into account the treatment of the BBI budget managed by the REA for the expert-evaluators of BBI JU's calls (i.e. the consumption by REA is treated as being BBI consumption). The table below shows the total implementation including the expert evaluators costs managed by REA for Call 2017:

COMMITMENT APPROPRIATIONS

Title	Budget appropriations				Additional appropriations			Total appropriations available (1)	Commitments made (2)	%
	Initial budget adopted	Amending budget	Transfers	Final adopted budget	Carry-overs	Assigned revenue appropriations	Total			
	1	2	3	4=1+2+3	5	6	7=5+6	8	9	10=9/8
1	2 868	0	0	2 868	1 427	0	1 427	4 295	2 206	51 %
2	2 088	0	0	2 088	691	22	713	3 229	2 206	68 %
3	81 314	0	0	81 314	4 451	0	4 451	85 765	85 765	100 %
Total	86 270	0	0	86 270	6 569	22	6 591	93 290	90 177	97 %

(1) Commitment appropriations made available in Title 2 (chapter 28) include an unused amount of of 428 KEURO, on an R0 budget of the REA Executive Agency (REA) since 2015, and reactivated in BBI JU's budget (via budgetary amendment) in 2017. This amount was consumed by the REA for the payment of the expert-evaluators of BBI JU's 2017 call for proposals. Also included is the assigned revenue (column 6) of 22 KEURO (chapter 20), arising from the recovery of overpaid rental charges in 2016.

(2) Commitment consumption for Title 2 includes the amounts of 428 KEURO and 22 KEURO mentioned in Note (1) above.

PAYMENT APPROPRIATIONS

Title	Budget appropriations				Additional appropriations			Total appropriations available (3)	Payments made (4)	%
	Initial budget adopted	Amending budget	Transfers	Final adopted budget	Carry-overs	Assigned revenue appropriations	Total			
	1	2	3	4=1+2+3	5	6	7=5+6	8	9	10=9/8
1	2 868	0	0	2 868	1 591	0	1 591	4 459	2 178	49 %
2	2 088	0	0	2 088	756	22	778	3 294	2 002	61 %
3	69 270	14 699	0	83 969	329	0	329	84 297	83 811	99 %
Total	74 226	14 699	0	88 925	2 676	22	2 698	92 051	87 991	96 %

(3) Payment appropriations made available in Title 2 (chapter 28) include an unused amount of of 428 KEURO, on an R0 budget of the REA Executive Agency (REA) since 2015, and reactivated in BBI JU's budget (via budgetary amendment) in 2017. This amount (in addition to 333 KEURO of BBI JU's voted budget for 2017) was consumed by the REA for the payment of the expert-evaluators of BBI JU's 2017 call for proposals. Also included is the assigned revenue (column 6) of 22 KEURO (chapter 20), arising from the recovery of overpaid rental charges in 2016.

(4) Payment consumption for Title 2 includes the amounts of 761 KEURO (428 + 333) and 22 KEURO mentioned in Note (3) above.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2017	2016
Revenue		88 551	65 487
<i>of which:</i>			
JU Revenues	A-1	88 551	65 487
Expenditure		(87 230)	(64 377)
<i>of which:</i>			
Staff expenditure	A-1	(2 178)	(1 748)
Admin expenditure	A-2	(1 241)	(837)
Operational expenditure	B0-3	(83 811)	(61 792)
Exchange rate differences		0	-
Budget result of the year		1 322	1 110

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2017	2016 (restated)
ECONOMIC RESULT OF THE YEAR	(86 569)	(46 407)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)		
<i>Adjustments for accrual cut-off (net)</i>	60 350	43 841
<i>Unpaid invoices at year end but booked in expenses</i>	9	18
<i>Depreciation of intangible and tangible assets</i>	14	10
<i>Other individually immaterial</i>	(1)	2
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)		
<i>Members' cash contributions collected in the year</i>	88 925	65 487
<i>Asset acquisitions (less unpaid amounts)</i>	(9)	(51)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(61 760)	(61 791)
<i>Payments made from non-budget lines</i>	(2)	-
<i>Other individually immaterial</i>	-	1
<i>Adjustment for expert evaluator transactions managed directly by REA</i>	365	-
BUDGET RESULT OF THE YEAR	1 322	1 110

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue – Title A-1

EUR '000

		Income appropriations		Entitlements established			Revenue				Outstanding
		Initial budget	Final budget	Current year	Carried	Total	Current year	Carried	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
A-1001	European Commission (incl. EFTA) contribution to administrative	2 341	2 341	1 945	–	1 945	1 945	–	1 945	83%	–
A-1002	European Commission (incl. EFTA) contribution to operational	68 520	83 219	83 219	–	83 219	83 219	–	83 219	100%	–
A-1003	Bio-based Industries consortium contribution to administrative	2 615	2 615	2 615	–	2 615	2 615	–	2 615	100%	–
A-1004	Bio-based Industries consortium contribution to operational	750	750	750	–	750	750	–	750	100%	–
A-1005	JU revenues	–	–	23	–	23	23	–	23	0%	–
Total chapter A-10		74 226	88 925	88 551	–	88 551	88 551	–	88 551	100%	–
Total Title A-1		74 226	88 925	88 551	–	88 551	88 551	–	88 551	100%	–

4.2. Implementation of budget revenue – Title A-2

EUR '000

		Income appropriations		Entitlements established			Revenue				Outstanding
		Initial budget	Final budget	Current year	Carried	Total	Current year	Carried	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
A-2003	C2 reactivation of appropriations for administrati(2015)	–	3	–	–	–	–	–	–	0%	–
A-2004	C2 reactivation of appropriations for operational (2015)	329	329	–	–	–	–	–	–	0%	–
A-2005	C2 reactivation of appropriations for administrati(2016)	1 700	2 771	–	–	–	–	–	–	0%	–
Total chapter A-20		2 029	3 104	–	–	–	–	–	–	0%	–
Total Title A-2		2 029	3 104	–	–	–	–	–	–	0%	–
GRAND TOTAL		76 255	92 029	88 551	–	88 551	88 551	–	88 551	96%	–

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title A-1

EUR '000

	Initial adopted budget	Budget appropriations of the year			Final budget adopted	Additional appropriations		Total	Total appropr. available
		Amending budgets	Transfers			Carryover	Assigned revenue		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
A-1100 Staff costs	2 544	–	(157)	2 387	1 200	–	1 200	3 587	
A-1110 Trainees and interim staff	–	–	157	157	94	–	94	251	
Total chapter A-11	2 544	–	–	2 544	1 294	–	1 294	3 838	
A-1200 Sundry recruitment expenses	51	–	–	51	5	–	5	56	
Total chapter A-12	51	–	–	51	5	–	5	56	
A-1300 Mission expenses, duty travel expenses and other ancillary expenditure	95	–	–	95	37	–	37	132	
Total chapter A-13	95	–	–	95	37	–	37	132	
A-1400 Medical service	9	–	–	9	6	–	6	15	
A-1401 Mobility costs and other social expenses for staff	88	–	–	88	44	–	44	132	
A-1402 Training	71	–	–	71	35	–	35	106	
Total chapter A-14	168	–	–	168	85	–	85	253	
A-1500 Entertainment and representation expenses	10	–	–	10	7	–	7	17	
Total chapter A-15	10	–	–	10	7	–	7	17	
Total Title A-1	2 868	–	–	2 868	1 427	–	1 427	4 295	

5.1.2. Breakdown & changes in commitment appropriations – Title A-2

EUR '000

	Initial adopted budget	Budget appropriations of the year			Final budget adopted	Additional appropriations			Total	Total approp. available
		Amending budgets	Transfers			Carryover	Assigned revenue			
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7		
A-2000 Rentals	307	–	–	307	169	22	191	498		
A-2010 Charges and works	–	–	15	15	–	–	–	15		
Total chapter A-20	307	–	15	322	169	22	191	513		
A-2100 IT equipment & software purchase/development costs	45	–	–	45	5	–	5	50		
A-2101 Other IT costs	178	–	–	178	10	–	10	188		
Total chapter A-21	223	–	–	223	15	–	15	238		
A-2200 Movable property and associated office equipment purchase costs	14	–	–	14	–	–	–	14		
Total chapter A-22	14	–	–	14	–	–	–	14		
A-2300 Stationery and office supplies	25	–	–	25	5	–	5	30		
A-2303 Other current administrative expenditure	17	–	–	17	–	–	–	17		
Total chapter A-23	42	–	–	42	5	–	5	47		
A-2400 Telecommunications and postal charges	9	–	–	9	2	–	2	11		
Total chapter A-24	9	–	–	9	2	–	2	11		
A-2500 Expenditure on formal meetings	116	–	(10)	106	12	–	12	118		
Total chapter A-25	116	–	(10)	106	12	–	12	118		
A-2600 Events and campaigns	205	–	(21)	184	355	–	355	539		
A-2601 Materials (publications and promotional items)	100	–	–	100	65	–	65	165		
A-2602 Communications tools (website, partnering platform, newsletter, apps)	120	–	10	130	–	–	–	130		
A-2603 Public relations	100	–	6	106	–	–	–	106		
Total chapter A-26	525	–	(5)	520	421	–	421	941		
A-2700 Studies, consultancy and other services	100	–	–	100	23	–	23	123		
Total chapter A-27	100	–	–	100	23	–	23	123		
A-2800 Evaluators' contract and meetings	668	–	–	668	27	–	27	696		
Total chapter A-28	668	–	–	668	27	–	27	696		
A-2900 Expert reviewers	84	–	–	84	18	–	18	102		
Total chapter A-29	84	–	–	84	18	–	18	102		
Total Title A-2	2 088	–	–	2 088	691	22	713	2 801		

5.1.3. Breakdown & changes in commitment appropriations – Title B0-3

EUR '000

	Initial adopted budget	Budget appropriations of the year			Final budget adopted	Additional appropriations			Total	Total approp. available
		Amending budgets	Transfers			Carryover	Assigned revenue			
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7		
B3-300 Call 2017	81 314	–	–	81 314	4 451	–	4 451	85 765		
Total chapter B3-3	81 314	–	–	81 314	4 451	–	4 451	85 765		
Total Title B0-3	81 314	–	–	81 314	4 451	–	4 451	85 765		
GRAND TOTAL	86 270	–	–	86 270	6 569	22	6 591	92 861		

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title A-1

EUR '000

	Budget appropriations of the year			Final budget adopted 4=1+2+3	Additional appropriations		Total 7=5+6	Total appropr. available 8=4+7
	Initial adopted budget 1	Amending budgets 2	Transfers 3		Carryover 5	Assigned revenue 6		
A-1100 Staff costs	2 544	–	(157)	2 387	1 500	–	1 500	3 887
A-1110 Trainees and interim staff	–	–	157	157	16	–	16	173
A-1120 Other services rendered	–	–	–	–	–	–	–	–
Total chapter A-11	2 544	–	–	2 544	1 516	–	1 516	4 060
A-1200 Sundry recruitment expenses	51	–	–	51	2	–	2	53
A-1201 Installation resettlement and daily subsistence allowances and removal and travel expenses	–	–	–	–	–	–	–	–
Total chapter A-12	51	–	–	51	2	–	2	53
A-1300 Mission expenses, duty travel expenses and other ancillary expenditure	95	–	–	95	21	–	21	116
Total chapter A-13	95	–	–	95	21	–	21	116
A-1400 Medical service	9	–	–	9	4	–	4	13
A-1401 Mobility costs and other social expenses for staff	88	–	–	88	37	–	37	125
A-1402 Training	71	–	–	71	11	–	11	82
Total chapter A-14	168	–	–	168	52	–	52	220
A-1500 Entertainment and representation expenses	10	–	–	10	–	–	–	10
Total chapter A-15	10	–	–	10	–	–	–	10
Title A-1	2 868	–	–	2 868	1 591	–	1 591	4 459

5.2.2. Breakdown & changes in payment appropriations – Title A-2

EUR '000

	Initial adopted budget	Budget appropriations of the year			Final budget adopted	Additional appropriations		Total	Total appropr. available
		Amending budgets	Transfers			Carryover	Assigned revenue		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
A-2000 Rentals	307	–	–	307	234	22	256	563	
A-2010 Charges and works	–	–	–	–	9	–	9	9	
Total chapter A-20	307	–	–	307	243	22	265	572	
A-2100 IT equipment & software purchase/development costs	45	–	–	45	–	–	–	45	
A-2101 Other IT costs	178	–	–	178	20	–	20	198	
Total chapter A-21	223	–	–	223	20	–	20	243	
A-2200 Movable property and associated office equipment purchase costs	14	–	–	14	10	–	10	24	
Total chapter A-22	14	–	–	14	10	–	10	24	
A-2300 Stationery and office supplies	25	–	–	25	3	–	3	28	
A-2303 Other current administrative expenditure	17	–	–	17	3	–	3	20	
Total chapter A-23	42	–	–	42	6	–	6	48	
A-2400 Telecommunications and postal charges	9	–	–	9	1	–	1	10	
Total chapter A-24	9	–	–	9	1	–	1	10	
A-2500 Expenditure on formal meetings	116	–	–	116	53	–	53	168	
Total chapter A-25	116	–	–	116	53	–	53	168	
A-2600 Events and campaigns	205	–	–	205	211	–	211	416	
A-2601 Materials (publications and promotional items)	100	–	–	100	146	–	146	246	
A-2602 Communications tools (website, partnering platform, newsletter, apps)	120	–	–	120	10	–	10	130	
A-2603 Public relations	100	–	–	100	–	–	–	100	
Total chapter A-26	525	–	–	525	367	–	367	892	
A-2700 Studies, consultancy and other services	100	–	–	100	29	–	29	129	
Total chapter A-27	100	–	–	100	29	–	29	129	
A-2800 Evaluators' contract and meetings	668	–	–	668	27	–	27	696	
Total chapter A-28	668	–	–	668	27	–	27	696	
A-2900 Expert reviewers	84	–	–	84	–	–	–	84	
Total chapter A-29	84	–	–	84	–	–	–	84	
Title A-2	2 088	–	–	2 088	756	22	778	2 866	

5.2.3. Breakdown & changes in payment appropriations – Title B0-3

EUR '000

	Initial adopted budget	Budget appropriations of the year			Final budget adopted	Additional appropriations		Total	Total appropr. available
		Amending budgets	Transfers			Carryover	Assigned revenue		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
<i>B3-000 Previous years' calls</i>	69 270	–	(47 947)	21 323	–	–	–	21 323	
Total chapter B3-0	69 270	–	(47 947)	21 323	–	–	–	21 323	
<i>B3-100 Addition to call 2015.2</i>	–	–	–	–	–	–	–	–	
Total chapter B3-1	–	–	–	–	–	–	–	–	
<i>B3-200 Call 2016</i>	–	–	62 645	62 645	329	–	329	62 974	
Total chapter B3-2	–	–	62 645	62 645	329	–	329	62 974	
<i>B3-300 Call 2017</i>	–	14 699	(14 699)	–	–	–	–	–	
Total chapter B3-3	–	14 699	(14 699)	–	–	–	–	–	
Title B0-3	69 270	14 699	(0)	83 969	329	–	329	84 298	
GRAND TOTAL	74 226	14 699	–	88 925	2 676	22	2 698	91 622	

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS BY TITLE

5.3.1. Implementation of commitment appropriations – Title A-1

EUR '000

	Commitments made						Appropriations carried over to 2018			Appropriations lapsing			Total 13=10+11 +12
	Total approp. availab.	from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	
A-1100 Staff costs	3 587	649	1 200	–	1 849	52%	–	–	–	1 739	–	–	1 739
A-1110 Trainees and interim staff	251	58	89	–	147	59%	–	–	–	99	5	–	104
Total chapter A-11	3 838	707	1 289	–	1 996	52%	–	–	–	1 837	5	–	1 842
A-1200 Sundry recruitment expenses	56	5	4	–	9	16%	–	–	–	46	1	–	47
Total chapter A-12	56	5	4	–	9	16%	–	–	–	46	1	–	47
A-1300 Mission expenses, duty travel expenses and other ancillary expenditure	132	24	37	–	61	46%	–	–	–	71	–	–	71
Total chapter A-13	132	24	37	–	61	46%	–	–	–	71	–	–	71
A-1400 Medical service	15	–	4	–	4	26%	–	–	–	9	2	–	11
A-1401 Mobility costs and other social expenses for staff	132	17	42	–	59	45%	–	–	–	71	1	–	73
A-1402 Training	106	31	35	–	66	63%	–	–	–	40	–	–	40
Total chapter A-14	253	48	81	–	129	51%	–	–	–	120	3	–	124
A-1500 Entertainment and representation expenses	17	4	7	–	11	66%	–	–	–	6	0	–	6
Total chapter A-15	17	4	7	–	11	66%	–	–	–	6	0	–	6
Total Title A-1	4 295	788	1 418	–	2 206	51%	–	–	–	2 080	9	–	2 089

5.3.2. Implementation of commitment appropriations – Title A-2

EUR '000

	Total approp. availab.	from final adopt. budget	Commitments made				Appropriations carried over to 2018			Appropriations lapsing			Total
			from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
A-2000 Rentals	498	140	133	22	295	59%	–	–	–	167	36	–	202
A-2010 Charges and works	15	15	–	–	15	100%	–	–	–	–	–	–	–
Total chapter A-20	513	155	133	22	310	61%	–	–	–	167	36	–	202
A-2100 IT equipment & software purchase/development costs	50	3	3	–	6	13%	–	–	–	42	2	–	44
A-2101 Other IT costs	188	151	10	–	161	86%	–	–	–	27	–	–	27
Total chapter A-21	238	154	13	–	168	70%	–	–	–	69	2	–	71
A-2200 Movable property and associated office equipment purchase costs	14	7	–	–	7	51%	–	–	–	7	–	–	7
Total chapter A-22	14	7	–	–	7	51%	–	–	–	7	–	–	7
A-2300 Stationery and office supplies	30	7	5	–	12	40%	–	–	–	18	–	–	18
A-2303 Other current administrative expenditure	17	3	–	–	3	20%	–	–	–	14	–	–	14
Total chapter A-23	47	11	5	–	16	33%	–	–	–	31	–	–	31
A-2400 Telecommunications and postal charges	11	3	1	–	5	46%	–	–	–	6	0	–	6
Total chapter A-24	11	3	1	–	5	46%	–	–	–	6	0	–	6
A-2500 Expenditure on formal meetings	118	53	12	–	65	55%	–	–	–	53	–	–	53
Total chapter A-25	118	53	12	–	65	55%	–	–	–	53	–	–	53
A-2600 Events and campaigns	539	70	349	–	420	78%	–	–	–	114	6	–	120
A-2601 Materials (publications and promotional items)	165	17	65	–	83	50%	–	–	–	83	–	–	83
A-2602 Communications tools (website, partnering platform, newsletter, apps)	130	85	–	–	85	65%	–	–	–	45	–	–	45
A-2603 Public relations	106	73	–	–	73	69%	–	–	–	33	–	–	33
Total chapter A-26	941	245	415	–	660	70%	–	–	–	275	6	–	281
A-2700 Studies, consultancy and other services	123	45	23	–	68	56%	–	–	–	55	–	–	55
Total chapter A-27	123	45	23	–	68	56%	–	–	–	55	–	–	55
A-2800 Evaluators' contract and meetings	696	396	–	–	396	57%	–	–	–	272	27	–	300
Total chapter A-28	696	396	–	–	396	57%	–	–	–	272	27	–	300
A-2900 Expert reviewers	102	84	–	–	84	83%	–	–	–	–	18	–	18
Total chapter A-29	102	84	–	–	84	83%	–	–	–	–	18	–	18
Total Title A-2	2 801	1 154	603	22	1 778	63%	–	–	–	934	88	–	1 023

4

⁴ Commitments made on Title 2 (kEUR 1 778) does not include commitments made by REA executive agency in the framework of Expert contracts for an amount of kEUR 428.

5.3.3. Implementation of commitment appropriations – Title B0-3

EUR '000

	Total approp. availab.	from final adopt. budget	Commitments made		Total	%	Appropriations carried over to 2018			Appropriations lapsing			Total
			from carry-overs	from assign. revenue			Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
<i>B3-300 Call 2017</i>	85 765	81 314	4 451	–	85 765	100%	–	–	–	–	–	–	–
Total chapter B3-3	85 765	81 314	4 451	–	85 765	100%	–	–	–	–	–	–	–
Total Title B0-3	85 765	81 314	4 451	–	85 765	100%	–	–	–	–	–	–	–
GRAND TOTAL	92 861	83 256	6 471	22	89 749	97%	–	–	–	3 014	98	–	3 112

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS BY TITLE

5.4.1. Implementation of payment appropriations – Title A-1

EUR '000

	Total approp. availab.	from final adopt. budget	Payments made				Total	%	Appropriations carried over to 2018			Appropriations lapsing			Total
			from carry-overs	from assign. revenue	Autom. carry-overs	By decision			Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.		
	1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
A-1100 Staff costs	3 887	358	1 500	–	1 858	48%	–	–	–	2 029	–	–	–	2 029	
A-1110 Trainees and interim staff	173	109	16	–	125	72%	–	–	–	48	–	–	–	48	
Total chapter A-11	4 060	468	1 516	–	1 983	49%	–	–	–	2 077	–	–	–	2 077	
A-1200 Sundry recruitment expenses	53	27	2	–	29	54%	–	–	–	24	–	–	–	24	
Total chapter A-12	53	27	2	–	29	54%	–	–	–	24	–	–	–	24	
A-1300 Mission expenses, duty travel expenses and other ancillary expenditure	116	43	20	–	63	54%	–	–	–	52	1	–	–	53	
Total chapter A-13	116	43	20	–	63	54%	–	–	–	52	1	–	–	53	
A-1400 Medical service	13	–	4	–	4	31%	–	–	–	9	–	–	–	9	
A-1401 Mobility costs and other social expenses for staff	125	23	37	–	60	48%	–	–	–	65	–	–	–	65	
A-1402 Training	82	18	11	–	29	36%	–	–	–	53	–	–	–	53	
Total chapter A-14	220	41	52	–	93	42%	–	–	–	127	–	–	–	127	
A-1500 Entertainment and representation expenses	10	10	–	–	10	99%	–	–	–	0	–	–	–	0	
Total chapter A-15	10	10	–	–	10	99%	–	–	–	0	–	–	–	0	
Total Title A-1	4 459	588	1 590	–	2 178	49%	–	–	–	2 280	1	–	–	2 281	

5.4.2. Implementation of payment appropriations – Title A-2

		Payments made						Appropriations carried over to 2018				Appropriations lapsing			
		Total approp. availab.	from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
A-2000	Rentals	563	39	234	22	295	52%		-	-	-	268	-	-	268
A-2010	Charges and works	9	-	9	-	9	100%		-	-	-	-	-	-	-
Total chapter A-20		572	39	243	22	304	53%		-	-	-	268	-	-	268
A-2100	IT equipment & software purchase/development costs	45	13	-	-	13	28%		-	-	-	33	-	-	33
A-2101	Other IT costs	198	99	20	-	119	60%		-	-	-	79	-	-	79
Total chapter A-21		243	112	20	-	132	54%		-	-	-	111	-	-	111
A-2200	Movable property and associated office equipment purchase costs	24	1	10	-	11	45%		-	-	-	13	-	-	13
Total chapter A-22		24	1	10	-	11	45%		-	-	-	13	-	-	13
A-2300	Stationery and office supplies	28	7	3	-	10	34%		-	-	-	18	-	-	18
A-2303	Other current administrative expenditure	20	0	3	-	3	16%		-	-	-	17	-	-	17
Total chapter A-23		48	7	6	-	13	27%		-	-	-	35	-	-	35
A-2400	Telecommunications and postal charges	10	5	1	-	6	58%		-	-	-	4	-	-	4
Total chapter A-24		10	5	1	-	6	58%		-	-	-	4	-	-	4
A-2500	Expenditure on formal meetings	168	12	53	-	64	38%		-	-	-	104	-	-	104
Total chapter A-25		168	12	53	-	64	38%		-	-	-	104	-	-	104
A-2600	Events and campaigns	416	79	211	-	290	70%		-	-	-	126	1	-	127
A-2601	Materials (publications and promotional items)	246	27	146	-	173	70%		-	-	-	73	-	-	73
A-2602	Communications tools (website, partnering platform, newsletter, apps)	130	33	10	-	43	33%		-	-	-	87	-	-	87
A-2603	Public relations	100	58	-	-	58	58%		-	-	-	42	-	-	42
Total chapter A-26		892	197	366	-	564	63%		-	-	-	328	1	-	328
A-2700	Studies, consultancy and other services	129	50	29	-	80	61%		-	-	-	50	-	-	50
Total chapter A-27		129	50	29	-	80	61%		-	-	-	50	-	-	50
A-2800	Evaluators' contract and meetings	696	-	-	-	-	0%		-	-	-	668	27	-	696
Total chapter A-28		696	-	-	-	-	0%		-	-	-	668	27	-	696
A-2900	Expert reviewers	84	68	-	-	68	81%		-	-	-	16	-	-	16
Total chapter A-29		84	68	-	-	68	81%		-	-	-	16	-	-	16
Total Title A-2		2 866	491	728	22	1 241	43%		-	-	-	1 597	28	-	1 625

5.4.3. Implementation of payment appropriations – Title B0-3

EUR '000

	Total approp. availab.	from final adopt. budget	Payments made		Total	%	Appropriations carried over to 2018			Appropriations lapsing			Total	
			from carry-overs	from assign. revenue			Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs		from assign. rev.
	1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
B3-000 Previous years' calls	21 323	21 323	–	–	21 323	100%	–	–	–	–	–	–	–	–
Total chapter B3-0	21 323	21 323	–	–	21 323	100%	–	–	–	–	–	–	–	–
B3-200 Call 2016	62 974	62 159	329	–	62 488	99%	–	–	–	–	487	–	–	487
Total chapter B3-2	62 974	62 159	329	–	62 488	99%	–	–	–	–	487	–	–	487
Total Title B0-3	84 298	83 482	329	–	83 811	99%	–	–	–	–	487	–	–	487
GRAND TOTAL	91 622	84 561	2 647	22	87 230	95%	–	–	–	–	4 364	29	–	4 393

⁵ Payments made on Title 2 (kEUR 1 241) does not include payments made by REA executive agency in the framework of Expert contracts for an amount of kEUR 761.

6. COMMITMENTS OUTSTANDING

6.1. Commitments outstanding – Title A-1

		Commitments outstanding at the end of prev. year				Commitments of the year			EUR '000	
		Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. outstanding at year-end	Total commitments outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
A-1100	Staff costs	15	–	15	–	1 849	1 844	–	5	5
A-1110	Trainees and interim staff	–	–	–	–	147	125	–	22	22
Total chapter A-11		15	–	15	–	1 996	1 969	–	27	27
A-1200	Sundry recruitment expenses	28	(5)	23	–	9	6	–	3	3
Total chapter A-12		28	(5)	23	–	9	6	–	3	3
A-1300	Mission expenses, duty travel expenses and other ancillary expenditure	4	–	4	–	61	59	–	2	2
Total chapter A-13		4	–	4	–	61	59	–	2	2
A-1400	Medical service	5	(1)	4	–	4	–	–	4	4
A-1401	Mobility costs and other social expenses for staff	2	(1)	1	–	59	59	–	–	–
A-1402	Training	35	(30)	5	–	66	24	–	42	42
Total chapter A-14		42	(32)	10	–	129	83	–	46	46
A-1500	Entertainment and representation expenses	0	–	0	–	11	10	–	1	1
Total chapter A-15		0	–	0	–	11	10	–	1	1
Total Title A-1		89	(37)	52	–	2 206	2 126	–	80	80

6.2. Commitments outstanding – Title A-2

		Commitments outstanding at the end of prev. year				Commitments of the year				EUR '000
		Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. outstanding at year-end	Total commitments outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
A-2000	Rentals	–	–	–	–	295	295	–	–	–
A-2010	Charges and works	–	–	–	–	15	9	–	6	6
Total chapter A-20		–	–	–	–	310	304	–	6	6
A-2100	IT equipment & software purchase/development costs	33	(23)	10	–	6	3	–	4	4
A-2101	Other IT costs	13	(2)	11	–	161	108	–	53	53
Total chapter A-21		46	(25)	21	–	168	111	–	57	57
A-2200	Movable property and associated office equipment purchase costs	6	–	6	–	7	5	–	2	2
Total chapter A-22		6	–	6	–	7	5	–	2	2
A-2300	Stationery and office supplies	1	–	1	–	12	8	–	4	4
A-2303	Other current administrative expenditure	1	(1)	0	–	3	3	–	1	1
Total chapter A-23		2	(1)	2	–	16	11	–	4	4
A-2400	Telecommunications and postal charges	7	(3)	4	–	5	2	–	3	3
Total chapter A-24		7	(3)	4	–	5	2	–	3	3
A-2500	Expenditure on formal meetings	–	–	–	–	65	64	–	1	1
Total chapter A-25		–	–	–	–	65	64	–	1	1
A-2600	Events and campaigns	51	(7)	43	–	420	246	–	173	173
A-2601	Materials (publications and promotional items)	94	(2)	92	–	83	81	–	2	2
A-2602	Communications tools (website, partnering platform, newsletter, apps)	5	(0)	4	–	85	39	–	46	46
A-2603	Public relations	–	–	–	–	73	58	–	15	15
Total chapter A-26		149	(9)	140	–	660	423	–	236	236
A-2700	Studies, consultancy and other services	34	–	34	–	68	45	–	23	23
Total chapter A-27		34	–	34	–	68	45	–	23	23
A-2800	Evaluators' contract and meetings	–	–	–	–	396	–	–	396	396
Total chapter A-28		–	–	–	–	396	–	–	396	396
A-2900	Expert reviewers	–	–	–	–	84	68	–	16	16
Total chapter A-29		–	–	–	–	84	68	–	16	16
Total Title A-2		244	(38)	206	–	1 778	1 034	–	744	744

6.3. Commitments outstanding – Title B0-3

	Commitments outstanding at the end of prev. year				Commitments of the year				EUR '000
	Comm. carried forward from prev. year	Decommit. Revaluation Cancellations	Payments	Total	Comm. made during the year	Payment	Cancellation of comm. which cannot be carried forward	Commit. outstanding at year-end	Total commitments outstanding at year-end
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
<i>B3-000 Previous years' calls</i>	149 186	–	21 323	127 863	–	–	–	–	127 863
Total chapter B3-0	149 186	–	21 323	127 863	–	–	–	–	127 863
<i>B3-100 Addition to call 2015.2</i>	340	–	–	340	–	–	–	–	340
Total chapter B3-1	340	–	–	340	–	–	–	–	340
<i>B3-200 Call 2016</i>	185 557	(826)	62 488	122 243	–	–	–	–	122 243
Total chapter B3-2	185 557	(826)	62 488	122 243	–	–	–	–	122 243
<i>B3-300 Call 2017</i>	–	–	–	–	85 765	–	–	85 765	85 765
Total chapter B3-3	–	–	–	–	85 765	–	–	85 765	85 765
Total Title B0-3	335 083	(826)	83 811	250 446	85 765	–	–	85 765	336 211
GRAND TOTAL	335 416	(901)	84 069	250 446	89 749	3 161	–	86 588	337 034

7. GLOSSARY

ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

Adjustment

Amending budget or transfer of funds from one budget item to another

Adopted budget

Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority.

Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

Appropriations

Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.

Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure. The main sources of external assigned revenue are financial contributions from third countries to programmes financed by the Union. The main sources of internal assigned revenue are revenue from third parties in respect of goods, services or work supplied at their request; revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium. The complete list of items constituting assigned revenue is given in the Financial Regulation Art.21.2.

Authorising Officer (AO)

The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for Agencies.

Budgetary authority

Institutions with decisional powers on budgetary matters: the European Parliament and the Council.

Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

Cancellation of appropriations

Unused appropriations that may no longer be used.

Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

Commitment appropriations

Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Art. 7 FR: Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.

De-commitment

Cancellation of a reservation of appropriations.

Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Art. 7 FR: Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.

Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)

Economic result

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.

Expenditure

Term used to describe spending the budget from all types of funds sources.

Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union. (OJ L 298, 26.10.2012)

Funds Source

Type of appropriations (e.g.: C1, C2, etc.)

Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.

Implementation

Cf. Budget implementation

Income

Cf. Revenue

Joint Undertakings (JUs)

A legal EU-body established under the TFEU. The term can be used to describe any collaborative structure proposed for the "efficient execution of Union research, technological development and demonstration programmes".

Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.

Only for Joint Undertakings, as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called "N+3" rule). Hence, lapsing appropriations for JUs could be reactivated until financial year "N+3".

Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

Legal commitment

A legal commitment establishes a legal obligation towards third parties.

Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Art. 9 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments

Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

Outstanding commitment

Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.

Outturn

Cf. Budget result

Payment

A payment is a cash disbursement to honour legal obligations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Art. 7 FR).

RAL

Sum of outstanding commitments. Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations. (Cf. Outstanding commitments)

Recovery

The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.

Revenue

Term used to describe income from all sources financing the budget.

Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

Surplus

Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

Transfer

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.