



Annual accounts of the Bio-
based Industries
Joint Undertaking

Financial year 2015

CONTENTS

BACKGROUND INFORMATION ON THE BBI	3
CERTIFICATION OF THE ACCOUNTS	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
REPORTS ON THE IMPLEMENTATION OF THE BUDGET	25

BACKGROUND INFORMATION ON THE BBI

The Bio-based Industries Joint Undertaking (BBI) was established by the Council Regulation (EU) 560/2014 of 6 May 2014. The BBI is a public-private partnership established between the European Commission and the Bio-based Industries Consortium (BIC). 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.

The objectives of BBI are to contribute to a more resource efficient and sustainable low-carbon economy and to increasing 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 rules adopted by the decision of the BBI's Governing Board of 14 October 2014, the BBI is required to prepare and adopt its own annual accounts. The preparation of the annual accounts is entrusted to the BBI's Accounting Officer who is appointed by the Governing Board of BBI. Following the decision of the BBI's Governing Board of 9 December 2014, the Accounting Officer of the Commission shall act as the Accounting Officer of BBI.

CERTIFICATION OF THE ACCOUNTS

The final annual accounts of the Bio-based Industries Undertaking for the year 2015 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)

Manfred Kraff

Accounting Officer

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.....	18
3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE	21
4. CONTINGENT ASSETS, LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES	23
5. FINANCIAL INSTRUMENTS DISCLOSURES.....	24

BALANCE SHEET

EUR '000

	Note	31.12.2015
NON-CURRENT ASSETS		
Property, plant and equipment	2.1	14
Pre-financing	2.2	17 714
		17 728
CURRENT ASSETS		
Exchange receivables and non-exchange recoverables	2.3	1 547
		1 547
TOTAL ASSETS		19 274
CURRENT LIABILITIES		
Payables and other liabilities	2.4	(3 503)
Accrued charges and deferred income	2.5	(6 971)
		(10 474)
TOTAL LIABILITIES		(10 474)
NET ASSETS		
Contribution from Members	2.6	1 927
Economic result of the year		6 873
NET ASSETS		8 800

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	Note	2015
REVENUE		
Revenue from non-exchange transactions		
Transfers from the European Commission	3.1	17 714
Total		17 714
Revenue from exchange transactions		
Other exchange revenue	3.2	11
Total		11
<hr/>		
EXPENSES		
Operating costs	3.3	(10 291)
Staff costs	3.4	(234)
Other expenses	3.5	(327)
<hr/>		
ECONOMIC RESULT OF THE YEAR		(10 852)
		6 873

CASHFLOW STATEMENT¹

EUR '000

2015

<i>Economic result of the year</i>	6 873
Operating activities	
<i>Amortisation and depreciation</i>	3
<i>(Increase)/decrease in pre-financing</i>	(17 714)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(1 547)
<i>Increase/(decrease) in accounts payable and other liabilities</i>	3 503
<i>Increase/(decrease) in accrued charges and deferred income</i>	6 971
Investing activities	
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(17)
Financing activities	
<i>Cash contribution from the Members</i>	1 927
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>	-

¹ Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of BBI, the treasury of BBI was integrated into the Commission's treasury system. Therefore, BBI 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

	<i>EUR '000</i>			
	Contribution from Members	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2014	-	-	-	-
<i>Cash contribution</i>	1 927	-	-	1 927
<i>Economic result of the year</i>	-	-	6 873	6 873
BALANCE AS AT 31.12.2015	1 927	-	6 873	8 800

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. LEGAL BASIS AND ACCOUNTING RULES

In accordance with Article 143 of the Financial Regulation, EU entities prepare their financial statements on the basis of accrual-based accounting rules that are based on International Public Sector Accounting Standards (IPSAS). These accounting rules, adopted by the Accounting Officer of the Commission, are applied by all the Institutions, bodies of the EU and other entities consolidated in the EU annual accounts in order to establish a uniform set of rules for accounting, valuation and presentation of the accounts with a view to harmonising the process for drawing up the financial statements.

1.2. ACCOUNTING PRINCIPLES

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU accounting rule 1 'Financial Statements' (the same as in IPSAS 1): fair presentation, accrual basis, going concern, consistency of presentation, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting according to Article 144 of the Financial Regulation are relevance, reliability, understandability and comparability.

1.3. BASIS OF PREPARATION

1.3.1. 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. Year-end balances of monetary assets and liabilities denominated in foreign currencies are converted into euros on the basis of the exchange rates applying on 31 December.

Euro exchange rates

Currency	31.12.2015	31.12.2014	Currency	31.12.2015	31.12.2014
BGN	1.9558	1.9558	LTL	-	3.4528
CZK	27.0230	27.7350	PLN	4.2639	4.2732
DKK	7.4626	7.4453	RON	4.5240	4.4828
GBP	0.7340	0.7789	SEK	9.1895	9.3930
HRK	7.6380	7.6580	CHF	1.0835	1.2024
HUF	315.9800	315.5400	JPY	131.0700	145.2300
			USD	1.0887	1.2141

1.3.2. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, due to the uncertainties inherent in the performance of the entity (e.g. receipt of cost statements) many financial statements items cannot be measured with precision but can be only estimated. The estimation process involves judgement based on the latest information available. The reasonable estimates are 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 change in accounting estimate shall be recognised in the surplus or deficit in periods in which they become known.

1.4. BALANCE SHEET

1.4.1. 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 as incurred.

1.4.2. 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 to 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>Fixtures and fittings</i>	10% to 33%
<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. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The rental obligations, net of finance charges, are included as liabilities. 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.

1.4.3. 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.

1.4.4. Financial assets

The financial assets are classified in the following categories: financial assets at fair value through profit or loss; 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 profit or loss

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.

(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 time period in which the entity expects to dispose of them which is usually the remaining maturity at the balance sheet date.

1.4.5. 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 the 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 expenditures, he has the obligation to return the pre-financing advance to the entity. The amount of the pre-financing is reduced (wholly or partially) by the acceptance of eligible costs (which are recognised as expenses) and amounts returned.

At year-end, outstanding pre-financing amounts are measured at the amount(s) initially recognised on the balance sheet less amounts returned and eligible expenses, including estimated amounts where necessary, incurred during the period.

1.4.6. Receivables and recoverables

Receivables and recoverables are carried at original amount 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 receivables. 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.

1.4.7. Cash and cash equivalents

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

1.4.8. 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 expenditures 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).

1.4.9. Payables

A significant amount of the payables of the entity are not related to the purchase of goods or services – instead they are unpaid cost claims from beneficiaries of grants or other EU funding. They 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.

1.4.10. Accrued and deferred income and charges

At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. Revenue is also accounted for in the period to which it relates. 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, an accrued income 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.

1.5. STATEMENT OF FINANCIAL PERFORMANCE

1.5.1. Revenue

Revenue from non-exchange transactions are taxes and transfers because 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.

Exchange 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.

1.5.2. Expenses

Exchange expenses 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.

Non-exchange expenses account for the majority of the entity's 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 a contract 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.

1.6. CONTINGENT ASSETS AND LIABILITIES

1.6.1. 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.

1.6.2. 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.

1.7. JOINT UNDERTAKINGS (JUs)

1.7.1. Cash contribution to the JUs

The cash contribution to the JUs is treated as contribution from Members (or "quasi" equity) in accordance with EU Accounting Rule 1.

1.7.2. Third party in-kind contributions to the JUs

The members of the JUs can contribute resources, mostly in-kind contributions, to the JUs. These in-kind contributions are generally services related to activities that are part of the JUs' work plan. These in-kind contributions have an equal weight to the cash contributions and are thus treated similarly.

A distinction is made between the contributions in-kind for operational activities (IKOP) and contributions in-kind for additional activities outside the work plan (IKAA):

- (1) The IKOP contributions are directly linked to the work plan of the JUs. These contributions reflect the involvement of the members in the JUs. When these contributions are validated by the Governing Board of the JU, they are, in accordance with EU Accounting Rule 1, recognised as contributions from Members under the net assets heading of the balance sheet.
- (2) The IKAA contributions are linked to additional activities of the JUs that are not part of their work programme. The expenses related to those activities are not recognised in the financial statements of the JU.

1.8. CONSOLIDATION

The accounts of this entity are consolidated in the EU consolidated annual accounts using the equity method.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. PROPERTY, PLANT AND EQUIPMENT

	EUR '000			
	Furniture and vehicles	Computer hardware	Other Fixtures and Fittings	Total
<i>Additions</i>	4	10	3	17
Gross carrying amount at 31.12.2015	4	10	3	17
<i>Depreciation charge for the year</i>	-	(2)	(1)	(3)
Accumulated depreciation at 31.12.2015	()	(2)	(1)	(3)
NET CARRYING AMOUNT at 31.12.2015	4	8	2	14

2.2. PRE-FINANCING

	EUR '000
	31.12.2015
<i>Non-current pre-financing</i>	17 714
Total	17 714

For all pre-financing amounts open at 31.12.2015, a case-by-case assessment has been performed and all pre-financing that was considered unlikely to be cleared in the course of 2016 was classified as non-current pre-financing.

2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31.12.2015, BBI did not have any balances related to non-exchange recoverables. The amounts included under this heading are fully composed of receivables from exchange transactions.

	EUR '000
	31.12.2015
<i>Central treasury liaison accounts</i>	1 547
Total	1 547

These amounts concern the treasury liaison/intercompany accounts with the Commission².

² Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of BBI, the treasury of BBI was integrated into the Commission's treasury system. Therefore, BBI 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".

LIABILITIES

2.4. PAYABLES AND OTHER LIABILITIES

EUR '000

	31.12.2015
<i>Contribution in kind to be validated</i>	3 503
Total	3 503

The amount of the contributions from Members relates to on-going projects for which the expenditure is not covered by cost claims validated or received by 31.12.2015. It was estimated on the pro rata temporis basis using the best available information on the projects at 31.12.2015.

2.5. ACCRUED CHARGES AND DEFERRED INCOME

EUR '000

	31.12.2015
<i>Accrued charges</i>	6 971
Total	6 971

Accrued charges are the amounts, estimated by the Authorising Officer, of costs incurred for services and goods delivered in year 2015 but not yet invoiced or processed by the end of the year. Included under this heading are accrued administrative expenses of kEUR 178, mainly IT operational costs for services provided by 3rd parties (kEUR 86), communication and publication expense (kEUR 31) and expenditure on staff training (kEUR 19).

The most significant part of the accrued charges is not related to the purchase of goods or services – but reflects the estimated operating expense of kEUR 6 788 for on-going projects for which cost claims were not yet validated or received by 31.12.2015. The expenses for the reporting period were estimated on the pro rata temporis basis using the best available information about the projects at 31.12.2015.

This heading also includes accrued charges for staff untaken leave days outstanding at the year-end (kEUR 5).

NET ASSETS

2.6. CONTRIBUTIONS FROM MEMBERS

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

	Commission		Industry Grouping		Research Grouping		Total	
	Cash	In kind	Cash	In kind	Cash	In kind	Cash	In kind
A. Running Costs	785	-	813	-	-	-	1 598	-
<i>Current year</i>	785	-	813	-	-	-	1 598	-
B. Operational costs (R&D Projects)	329	-	-	-	-	-	329	-
<i>Current year</i>	329	-	-	-	-	-	329	-
BALANCE AS AT 31.12.2015	1 114	-	813	-	-	-	1 927	-
<i>Contribution in cash/kind in %</i>	57.81	-	42.19%	-	0.00%	-	100%	-
	%							
<i>Total contribution in %</i>	57.81%		42.19%		0.00%		100%	
<i>Voting rights %</i>	50.00%		50.00%		0.00%		100%	

EUR '000

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

NON-EXCHANGE REVENUE

3.1. OTHER NON-EXCHANGE REVENUE

	EUR '000
	2015
<i>Transfers from the European Commission</i>	17 714
Total	17 714

Included under this heading are open pre-financing amounts related to on-going projects that were transferred from DG RTD at the set up of the BBI JU (see note 2.2).

EXCHANGE REVENUE

3.2. OTHER EXCHANGE REVENUE

	EUR '000
	2015
<i>Property, plant and equipment related revenue</i>	6
<i>Other</i>	5
Total	11

Revenue relating to the property, plant and equipment relates to the donation of assets by DG RTD in October 2015. Included under the heading 'Other' are amounts related to the re-charging of common costs to the other JUs.

EXPENSES

3.3. OPERATING COSTS

	EUR '000
	2015
<i>Operating costs estimated</i>	10 291
Total	10 291

Included under this heading are operating expenses related to the projects that were carried out in 2015. A part of the operating costs related to on-going or ended project 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 calculation is based on the case-by-case assessment of completion which ensures that only costs that reflect a reasonable estimate of 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, such estimates are based on reports of services of worked 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").

In 2015 there were no cost claims validated in relation to the on-going projects. The entire amount of operating costs was estimated on the pro rata temporis basis using the best available information about the projects at 31.12.2015.

3.4. STAFF COSTS

Included under this heading are expenses related to the salaries and other employment-related allowances.

3.5. OTHER EXPENSES

	EUR '000
	2015
<i>Property, plant and equipment related expenses</i>	72
<i>Other external IT services</i>	87
<i>Communications & publications</i>	62
<i>Office supplies & maintenance</i>	45
<i>Training costs</i>	21
<i>Other</i>	41
Total	327

The amounts under the heading 'Other' largely relate to missions, recruitment costs and other external non-IT services.

Operating lease expenses related to the BBI building "White Atrium" of kEUR 69 are included under the sub-heading 'Property, plant and equipment related expenses'. Amounts committed to be paid during the remaining term of this lease contract include rent and related charges and are as follows:

	Future amounts to be paid			EUR '000
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	267	1 417	1 239	2 923

4. CONTINGENT ASSETS, LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

4.1. OTHER SIGNIFICANT DISCLOSURES

4.1.1. Outstanding commitments not yet expensed

At 31.12.2015 the outstanding commitments not yet expensed amounted to kEUR 206. The amount comprises the budgetary RAL ("Reste à Liquider") less related amounts that have been included as expenses in the 2015 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.

4.1.2. Related parties

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

5. FINANCIAL INSTRUMENTS DISCLOSURES

5.1. CURRENCY RISKS

Exposure of the BBI JU to currency risk at year end

At 31.12.2015 the balances of financial assets and financial liabilities did not include any material amounts quoted in different currencies than euro.

5.2. CREDIT RISK

Financial assets that are neither past due nor impaired

The financial assets that are neither past due nor impaired are entirely composed of receivables and recoverables amounting to kEUR 1 547 at 31.12.2015.

Financial assets by risk category

At 31.12.2015 the financial assets are entirely composed of receivables and recoverables against entities without external credit rating. The entire amount of kEUR 1 547 relates to entities who have never defaulted in the past.

5.3. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are entirely composed of accounts payable. At 31.12.2015 they amounted to kEUR 3 503. All the accounts payable have a remaining contractual 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	27
2.	IMPLEMENTATION OF BUDGET REVENUE	29
3.	IMPLEMENTATION OF COMMITMENT APPROPRIATIONS BY BUDGET LINE	30
4.	IMPLEMENTATION OF PAYMENT APPROPRIATIONS BY BUDGET LINE	33

1. BUDGETARY PRINCIPLES, STRUCTURE AND IMPLEMENTATION

1.1. BUDGETARY PRINCIPLES

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

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 the BBI. 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.

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 within four weeks of their adoption and shall be transmitted to the Commission and the European Court of Auditors.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

The BBI makes use of non-differentiated appropriations for its administrative expenditure and differentiated appropriations for its operational expenditure. Following the provisions of the Financial rules of the BBI, 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 the BBI. 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 the BBI in accordance with its establishing Council Regulation (EU) No 560/2014.

1.3. HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

The BBI 2015 budget was managed by DG RTD prior to the financial autonomy of the JU on 26 October, 2015, when it assumed the management of its own budget. For the period January to October 2015 all BBI-related financial transactions were recorded by RTD via the budget lines dedicated to BBI within the RTD budget structure. The budget report and financial accounts of BBI will therefore reflect the transactions and budget execution of only the last 2 months of 2015, when it managed its own budget structure and migrated budget. However as BBI was already involved its operations as of April 2015, it was considered more logical to provide an overview of the budget implementation for the whole year. The main highlights of the implementation are as follows:

Administrative costs

The 2015 administrative budget was prepared on the assumption that by the year end i) all 22 BBI staff would be recruited and operational and ii) all necessary furniture, equipment and office supplies for the whole team would be purchased. In fact at end 2015 there were only 14 staff members in place, which had an obvious impact on the staff-related costs. The main points to note are:

- Title 1 staff-related costs - salaries, recruitment, removal expenses, missions - were all substantially under budget (overall implementation of around 40%).
- Title 2 costs show greater than 80% execution rate (mainly because the building costs were accurately budgeted), but low implementation for office furniture (under 10%) and costs related to meetings and events (both around 30%).

In accordance with the budgetary rules, in particular the N+3 rule the unused budget appropriations are not lost and will all be carried forward to supplement the 2016 budget.

Operational costs

There were two calls for proposals, launched in May and August for a total amount of €206 million. In terms of implementation the main point to note is that the first call budget (€100 million) was under-executed by €26 million, amount to be carried over to 2016 (under the N+3 rule applicable to Jus) and used for the 2016 call. (The 2015 2nd call cannot be assessed until March 2016, following the necessary evaluations).

More detailed information about the budget implementation is provided in the Report on budgetary and financial management of the year.

2. IMPLEMENTATION OF BUDGET REVENUE

Item	Income appropriations		Entitlements established			Revenue			% of budget	EUR '000 Outstan- ding
	Initial	Final	Current year	Carried over	Total	Current year	Carried over	Total		
Title 1 : Miscellaneous revenue										
Chapter 10 :										
1001										
	<i>EC (incl. EFTA)</i>									
	<i>contribution to</i>									
	<i>administrative expenses</i>	-	-	785	-	785	785	-	785	0%
1002										
	<i>EC (incl. EFTA)</i>									
	<i>contribution to admin</i>	-	-	329	-	329	329	-	329	0%
	<i>expenses</i>									
1003										
	<i>Industries Consortium</i>									
	<i>contribution to admin</i>	-	-	813	-	813	813	-	813	0%
	<i>expenses</i>									
1005										
	<i>JU revenues</i>	-	-	5	-	5	5	-	5	0%
Total Chapter 10		-	-	1 932	-	1 932	1 932	-	1 932	0%
Total Title 1		-	-	1 932	-	1 932	1 932	-	1 932	0%
TOTAL BBI JU		-	-	1 932	-	1 932	1 932	-	1 932	-

3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS BY BUDGET LINE

Budget line		Budget appropriations					Additional appropriations			Total		EUR '000
		Voted budget 1	Changes 2	Total 3=1+2	Execution 4	% 5=4/3	Apprpr. 6	Execution 7	Apprpr. 8=3+6	Execution 9=4+7	% 10=9/8	
Title 1 : STAFF EXPENDITURE												
Chapter 11 : STAFF IN ACTIVE EMPLOYMENT												
1100	Staff costs	1 218	-	1 218	211	17%	-	-	1 218	211	17%	
1120	Other services rendered	26	-	26	12	47%	-	-	26	12	47%	
Total Chapter 11		1 243	-	1 243	223	18%	-	-	1 243	223	18%	
Chapter 12 : EXPENDITURE RELATED TO RECRUITMENT												
1200	Sundry recruitment expenses	158	-	158	12	7%	-	-	158	12	7%	
Total Chapter 12		158	-	158	12	7%	-	-	158	12	7%	
Chapter 13 : MISSIONS AND TRAVEL												
1300	Mission expenses, duty travel expenses and other ancillary expenditure	60	-	60	9	16%	-	-	60	9	16%	
Total Chapter 13		60	-	60	9	16%	-	-	60	9	16%	
Chapter 14 : SOCIOMEDICAL												
1400	Medical service	13	-	13	11	85%	-	-	13	11	85%	
1402	Training	21	-	21	21	100%	-	-	21	21	100%	
Total Chapter 14		34	-	34	32	94%	-	-	34	32	94%	
Chapter 15 : ENTERTAINMENT AND REPRESENTATION EXPENSES												
1500	Entertainment and representation expenses	5	-	5	3	50%	-	-	5	3	50%	
Total Chapter 15		5	-	5	3	50%	-	-	5	3	50%	
Total Title 1		1 500	-	1 500	278	19%	-	-	1 500	278	19%	
Title 2 : INFRASTRUCTURE												
Chapter 20 : INVESTMENTS IN IMMOVABLE PROPERTY RENTAL OF BUILDINGS AND ASSOCIATED COST												
2000	Rentals	263	2	265	69	26%	5	-	270	69	25%	
Total Chapter 20		263	2	265	69	26%	5	-	270	69	25%	
Chapter 21 : INFORMATION TECHNOLOGY												
2100	IT equipment & software purchase/development costs	123	-	123	82	66%	-	-	123	82	66%	

Budget line	Budget appropriations					Additional appropriations			Total		%
	Voted budget 1	Changes 2	Total 3=1+2	Execution 4	% 5=4/3	Apprpr. 6	Execution 7	Apprpr. 8=3+6	Execution 9=4+7		
2101 Other IT costs	35	-	35	-	0%	-	-	35	-	0%	
Total Chapter 21	158	-	158	82	52%	-	-	158	82	52%	
Chapter 22 : MOVABLE PROPERTY AND ASSOCIATED COSTS											
2200 Movable property and associated office equipment purchase costs	25	45	70	20	29%	-	-	70	20	29%	
Total Chapter 22	25	45	70	20	29%	-	-	70	20	29%	
Chapter 23 : CURRENT ADMINISTRATIVE EXPENDITURE											
2300 Stationery and office supplies	16	-	16	15	96%	-	-	16	15	96%	
Total Chapter 23	16	-	16	15	96%	-	-	16	15	96%	
Chapter 24 : POSTAGE AND TELECOMMUNICATIONS											
2400 Telecommunications and postal charges	10	-	10	4	40%	-	-	10	4	40%	
Total Chapter 24	10	-	10	4	40%	-	-	10	4	40%	
Chapter 25 : EXPENDITURE ON FORMAL AND OTHER MEETINGS											
2500 Expenditure on formal meetings	100	(2)	98	17	17%	-	-	98	17	17%	
Total Chapter 25	100	(2)	98	17	17%	-	-	98	17	17%	
CHAPTER 27 : EXTERNAL COMMUNICATION COSTS											
2700 Events & materials/brochures costs	135	(40)	95	9	9%	-	-	95	9	9%	
2701 Website costs	20	-	20	20	100%	-	-	20	20	100%	
2702 Other communication costs	35	-	35	32	93%	-	-	35	32	93%	
Total Chapter 27	190	(40)	150	61	41%	-	-	150	61	41%	
CHAPTER 28 : SERVICE CONTRACTS											
2800 Studies, consultancy and other services	10	(5)	5	-	0%	-	-	5	-	0%	
Total Chapter 28	10	(5)	5	-	0%	-	-	5	-	0%	
CHAPTER 29 : EVALUATORS' CONTRACTS AND MEETINGS											
2900 Evaluators' contract and meetings	760	-	760	-	0%	-	-	760	-	0%	
Total Chapter 29	760	-	760	-	0%	-	-	760	-	0%	
Total Title 2	1 532	-	1 532	268	17%	5	-	1 537	268	17%	

Budget line	Budget appropriations					Additional appropriations			Total		%
	Voted budget 1	Changes 2	Total 3=1+2	Execution 4	% 5=4/3	Appopr. 6	Execution 7	Appopr. 8=3+6	Execution 9=4+7	% 10=9/8	
Title 3 : OPERATIONAL EXPENDITURE											
CHAPTER 30 : IMPLEMENTING THE RESEARCH AGENDA OF BBI JU											
3000 <i>Implementing the research agenda of BBI JU</i>	206 390	-	206 390	180 390	87%	-	-	206 390	180 390	87%	
Total Chapter 30	206 390	-	206 390	180 390	87%	-	-	206 390	180 390	87%	
Total Title 3	206 390	-	206 390	180 390	87%	-	-	206 390	180 390	87%	
TOTAL BBI JU	209 423	-	209 423	180 936	86%	5	-	209 428	180 936	86%	

4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS BY BUDGET LINE

Budget line		Budget appropriations					Additional appropriations			Total		EUR '000
		Voted budget 11	Changes 12	Total 13=11+12	Execution 14	% 15=14/13	Apprpr. 16	Execution 17	Apprpr. 18=13+16	Execution 19=14+17	% 20=19/18	
Title 1 : STAFF EXPENDITURE												
Chapter 11 : STAFF IN ACTIVE EMPLOYMENT												
1100	Staff costs	1 218	-	1 218	211	17%	-	-	1 218	211	17%	
1120	Other services rendered	26	-	26	-	0%	-	-	26	-	0%	
Total Chapter 11		1 243	-	1 243	211	17%	-	-	1 243	211	17%	
Chapter 12 : EXPENDITURE RELATED TO RECRUITMENT												
1200	Sundry recruitment expenses	158	-	158	3	2%	-	-	158	3	2%	
Total Chapter 12		158	-	158	3	2%	-	-	158	3	2%	
Chapter 13 : MISSIONS AND TRAVEL												
1300	Mission expenses, duty travel expenses and other ancillary expenditure	60	-	60	7	11%	-	-	60	7	11%	
Total Chapter 13		60	-	60	7	11%	-	-	60	7	11%	
Chapter 14 : SOCIOMEDICAL												
1400	Medical service	13	-	13	3	27%	-	-	13	3	27%	
1402	Training	21	-	21	2	11%	-	-	21	2	11%	
Total Chapter 14		34	-	34	6	17%	-	-	34	6	17%	
Chapter 15 : ENTERTAINMENT AND REPRESENTATION EXPENSES												
1500	Entertainment and representation expenses	5	-	5	2	41%	-	-	5	2	41%	
Total Chapter 15		5	-	5	2	41%	-	-	5	2	41%	
Total Title 1		1 500	-	1 500	228	15%	-	-	1 500	228	15%	
Title 2 : INFRASTRUCTURE												
Chapter 20 : INVESTMENTS IN IMMOVABLE PROPERTY RENTAL OF BUILDINGS AND ASSOCIATED COST												
2000	Rentals	263	2	265	69	26%	5	-	270	69	25%	
Total Chapter 20		263	2	265	69	26%	5	-	270	69	25%	
Chapter 21 : INFORMATION TECHNOLOGY												
2100	IT equipment & software purchase/development costs	123	-	123	19	15%	-	-	123	19	15%	

Provisional annual accounts of the Bio-based Industries Joint Undertaking 2015

EUR '000

Budget line		Budget appropriations					Additional appropriations			Total	
		Voted budget	Changes	Total	Execution	%	Apprpr.	Execution	Apprpr.	Execution	%
2101	Other IT costs	35	-	35	-	0%	-	-	35	-	0%
Total Chapter 20		263	2	265	69	26%	5	-	270	69	25%
Chapter 22 : MOVABLE PROPERTY AND ASSOCIATED COSTS											
2200	Movable property and associated office equipment purchase costs	25	45	70	20	29%	-	-	70	20	29%
Total Chapter 22		25	45	70	20	29%	-	-	70	20	29%
Chapter 23 : CURRENT ADMINISTRATIVE EXPENDITURE											
2300	Stationery and office supplies	16	-	16	2	11%	-	-	16	2	11%
Total Chapter 23		16	-	16	2	11%	-	-	16	2	11%
Chapter 24 : POSTAGE AND TELECOMMUNICATIONS											
2400	Telecommunications and postal charges	10	-	10	-	0%	-	-	10	-	0%
Total Chapter 24		10	-	10	-	0%	-	-	10	-	0%
Chapter 25 : EXPENDITURE ON FORMAL AND OTHER MEETINGS											
2500	Expenditure on formal meetings	100	(25)	75	16	21%	-	-	75	16	21%
Total Chapter 25		100	(25)	75	16	21%	-	-	75	16	21%
CHAPTER 27 : EXTERNAL COMMUNICATION COSTS											
2700	Events & materials/brochures costs	135	(40)	95	8	9%	-	-	95	8	9%
2701	Website costs	20	-	20	13	65%	-	-	20	13	65%
2702	Other communication costs	35	-	35	11	30%	-	-	35	11	30%
Total Chapter 27		190	(40)	150	32	21%	-	-	150	32	21%
CHAPTER 28 : SERVICE CONTRACTS											
2800	Studies, consultancy and other services	10	(5)	5	-	0%	-	-	5	-	0%
Total Chapter 28		10	(5)	5	-	0%	-	-	5	-	0%
CHAPTER 29 : EVALUATORS' CONTRACTS AND MEETINGS											
2900	Evaluators' contract and meetings	760	23	783	-	0%	-	-	783	-	0%
Total Chapter 29		760	23	783	-	0%	-	-	783	-	0%
Total Title 2		1 532	-	1 532	157	10%	5	-	1 537	157	10%

Provisional annual accounts of the Bio-based Industries Joint Undertaking 2015

EUR '000

Budget line	Budget appropriations					Additional appropriations			Total	
	Voted budget	Changes	Total	Execution	%	Appopr.	Execution	Appopr.	Execution	%
Title 3 : OPERATIONAL EXPENDITURE										
CHAPTER 30 : IMPLEMENTING THE RESEARCH AGENDA OF BBI JU										
3000 <i>Implementing the research agenda of BBI JU</i>	18 086	(43)	18 043	-	0%	-	-	18 043	-	0%
Total Chapter 30	18 086	(43)	18 043	-	0%	-	-	18 043	-	0%
Total Title 3	18 086	(43)	18 043	-	0%	-	-	18 043	-	0%
TOTAL BBI JU	21 119	(43)	21 075	385	2%	5	-	21 080	385	2%