



Final accounts 2012

31.05.2013

**FINAL ACCOUNTS  
&  
BUDGETARY IMPLEMENTATION REPORT  
OF  
THE CLEAN SKY  
JOINT UNDERTAKING  
  
FOR THE YEAR  
2012**



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## Introduction and Context of the Final Accounts 2012

The Clean Sky Joint Undertaking (CSJU) is an independent legal entity, set up as public-private partnership by Council Regulation (EC) No 71/2007 dated 20<sup>th</sup> December 2007 for the period up to 31<sup>st</sup> December 2017.

The objectives of the CSJU are to contribute to the implementation of the Seventh Framework Programme, in particular Theme 7, Transport (including Aeronautics) of the Specific Programme Cooperation.

Founding members of the CSJU are the European Community, represented by the Commission, and 12 designated ITD leaders and their Associates.

The maximum Community contribution to the CSJU covering running costs and research activities is Euro 800 Mio. Other members of the JU need to contribute resources at least equal to the Community contribution, excluding those allocated through calls for proposals, where special provisions exist. The contributions provided by the other members of the JU have to be registered in the financial reports of the JU.

The financial reporting of the CSJU is governed by the provisions of the CS Financial Rules, which take into account the particular needs to combine public and private funding. The CS Annual Accounts comprise of the financial statements of the JU and the reports on implementation of the budget.

The Final Accounts 2012 cover the period 1<sup>st</sup> January to 31<sup>st</sup> December 2012.



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# 1 FINANCIAL STATEMENTS

## 1.1 Balance Sheet

<b>BALANCE SHEETS</b>			
<b>ASSETS</b>		<b>31/12/2012</b>	<b>31/12/2011</b>
<b>A. NON CURRENT ASSETS</b>			
Tangible fixed assets (net)	2.3.1	81.218,68	62.747,38
Intangible fixed assets (net)		150.340,14	14.908,75
<b>TOTAL NON-CURRENT ASSETS</b>		<b>231.558,82</b>	<b>77.656,13</b>
<b>B. CURRENT ASSETS</b>			
<b>Short-term pre-financing</b>		<b>19.247.464,51</b>	<b>10.817.688,17</b>
Short-term pre-financing Clean Sky JU - members		6.631.081,68	0,00
Short-term pre-financing Clean Sky JU - partners		12.616.382,83	10.817.688,17
<b>Short-term receivables</b>	2.3.2	<b>9.223.323,87</b>	<b>3.584.271,16</b>
Short term receivables - recoveries from members and partners		8.770.689,69	3.355.558,13
Other short term receivables		11.768,10	0,00
Deferred charges and accrued income		440.866,08	228.713,03
<b>Cash and cash equivalents</b>		<b>25.717.633,28</b>	<b>50.706.320,57</b>
<b>TOTAL CURRENT ASSETS</b>		<b>54.188.421,66</b>	<b>65.108.279,90</b>
<b>TOTAL ASSETS</b>		<b>54.419.980,48</b>	<b>65.185.936,03</b>
<b>LIABILITIES</b>		<b>31/12/2012</b>	<b>31/12/2011</b>
<b>C. NET ASSETS</b>			
Contributions received from Members (EU & industry)		396.799.526,40	296.989.360,17
Contributions in kind received from Members (Industry)	2.3.3	223.124.982,90	133.873.225,58
Contributions used during previous years		(449.361.196,53)	(249.656.788,01)
Contributions used during the year (EOA)		(222.821.030,85)	(199.704.408,52)
<b>TOTAL NET ASSETS</b>		<b>(52.257.718,08)</b>	<b>(18.498.610,78)</b>
<b>D. CURRENT LIABILITIES</b>			
<b>Members contribution to be validated</b>		<b>74.184.690,50</b>	<b>72.423.484,08</b>
<b>Accounts payable and accrued charges</b>		<b>31.623.460,88</b>	<b>10.683.303,65</b>
Amounts payable - consolidated entities		0,00	1.073,52
Amounts payable - beneficiaries and suppliers		19.775.434,46	947.386,27
Amounts payable - staff	2.3.4	4.985,50	1.658,12
Other payables		3.395,36	0,00
Accrued charges		11.839.645,56	9.733.185,74
<b>Provision for risks and charges - short term</b>		<b>869.547,18</b>	<b>577.759,08</b>
Provision for risks and charges - short term		869.547,18	577.759,08
<b>TOTAL CURRENT LIABILITIES</b>		<b>106.677.698,56</b>	<b>83.684.546,81</b>
<b>TOTAL LIABILITIES</b>		<b>54.419.980,48</b>	<b>65.185.936,03</b>

## 1.2 Economic outturn account

ECONOMIC OUTTURN ACCOUNT			
	Ref.	2012	2011
<b>REVENUES</b>	<b>2.4.1</b>		
<b>NON-EXCHANGE REVENUES</b>			
Other revenue - reversal of claims previously expensed	2.4.1	5.029.283,15	2.337.547,90
Exchange gains		23,44	0,00
<b>TOTAL NON-EXCHANGE REVENUES</b>		<b>5.029.306,59</b>	<b>2.337.547,90</b>
<b>OPERATIONAL EXPENSES</b>			
Operational expenses funded by CSJU in cash	2.4.2	130.404.787,99	109.193.774,28
Operational expenses contributed in kind by members		93.520.379,99	89.003.119,05
<b>TOTAL OPERATIONAL EXPENSES</b>		<b>223.925.167,98</b>	<b>198.196.893,33</b>
<b>OPERATING EXPENSES</b>	<b>2.4.3</b>		
<b>Administrative expenses</b>			
Staff expenses		2.296.415,12	2.319.741,05
Depreciation & amortisation of fixed assets		30.212,55	14.509,45
Rent of building		367.331,02	302.402,02
Rent of furniture		0,00	1.673,71
Office suppliers & maintenance		10.454,20	54.640,16
Communication & publications		184.692,13	390.081,98
Transport expenses	2.4.3.1	3.544,75	2.337,05
Recruitment costs		2.989,34	2.472,62
Training costs		18.616,91	46.152,87
Missions		169.845,05	161.630,64
Experts and related expenditures		557.003,72	796.975,22
IT costs - external service		87.473,31	101.151,06
Other external service provider		577.168,09	381.901,12
Provisions for other liabilities		57.922,87	0,00
<b>Total administrative expenses</b>		<b>4.363.669,06</b>	<b>4.575.668,95</b>
<b>Other operating expenses</b>			
Exchange losses	2.4.3.2	445,61	110,50
<b>Total other operating expenses</b>		<b>445,61</b>	<b>110,50</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>4.364.114,67</b>	<b>4.575.779,45</b>
<b>OPERATING RESULT</b>		<b>(223.259.976,06)</b>	<b>(200.435.124,88)</b>
<b>FINANCIAL INCOME</b>			
Bank interest on pre-financing from EU	2.4.4.1	425.763,83	604.303,26
Interest on late payment (income)		0,00	29.973,93
Interests on pre-financing given to Members		13.181,68	96.448,04
<b>Total financial income</b>		<b>438.945,51</b>	<b>730.725,23</b>
<b>FINANCIAL EXPENSES</b>			
Financial expenses	2.4.4.2	0,30	8,87
<b>Total financial expenses</b>		<b>0,30</b>	<b>8,87</b>
<b>FINANCIAL RESULT</b>		<b>438.945,21</b>	<b>730.716,36</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(222.821.030,85)</b>	<b>(199.704.408,52)</b>



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### 1.3 Statement of changes in net assets 2012

Changes in Net Assets and Liabilities	EURO	EURO
<b>Net Assets</b>		
<b>Balance as of 31<sup>st</sup> December 2011</b>		<b>(18.498.610,78)</b>
<b>Contributions received from members during the year 2012:</b>		
EC (cash)	97.339.798,00	
Other members (cash)	2.470.368,23	
Other members contributions in kind from 2008-2012 validated in 2012	89.251.757,32	
<b>Total contributions in 2012</b>		<b>189.061.923,55</b>
<b>Economic Outturn for 2012</b>		<b>(222.821.030,85)</b>
<b>Balance as of 31<sup>st</sup> December 2012</b>		<b>-52.257.718,08</b>



### 1.4 Cash Flow Analysis

<b>Cash Flows from operating activities</b>	
<b>Surplus/(deficit) from operating activities</b>	<b>(222.821.030,85)</b>
<u>Adjustments</u>	
Depreciation and amortisation	30.212,55
Increase/(decrease) in Provisions for risks and liabilities	291.788,10
(Increase)/decrease in Stock	
(Increase)/decrease in Short term pre-financing	(8.429.776,34)
(Increase)/decrease in Short term Receivables	(5.639.052,71)
Increase/(decrease) in Long term liabilities	
Increase/(decrease) in Payables and Accruals	20.940.157,23
(Gains)/losses on sale of Property, plant and equipment	
Extraordinary items	
<b>Net Cash Flow from operating activities</b>	<b>(215.627.702,02)</b>
<b>Cash Flows from investing activities</b>	
Acquisition of tangible and intangible fixed assets	(184.115,24)
Proceeds from tangible and intangible fixed assets	0,00
Extraordinary items	0,00
<b>Net Cash Flow from investing activities</b>	<b>(184.115,24)</b>
<b>Financing activities</b>	
In cash contributions from Members (EC & Industry)	99.810.166,23
In kind expense contribution from Members	93.520.379,99
Reduction in members' contributions due to rejected and negative claims	(2.507.416,25)
Extraordinary items	0,00
<b>Net Cash Flow from financing activities</b>	<b>190.823.129,97</b>
Net increase/(decrease) in cash and cash equivalents	(24.988.687,29)
Cash and cash equivalents at the beginning of the period	50.706.320,57
<b>Cash and cash equivalents at the end of the period</b>	<b>25.717.633,28</b>



## 2 NOTES TO THE FINANCIAL STATEMENTS

The accounting principles and policies of the CSJU are described in the Clean Sky Joint Undertaking Accounting Policies<sup>1</sup>. These principles are based on the Financial Rules of the CSJU, which are in line with Council Regulations (EU, Euratom) No 966/2012 and No. 652/2008 ("Framework Financial Regulation").

The financial statements of the Clean Sky Joint Undertaking 2012 provide information about the financial position as of 31<sup>st</sup> December 2012 (Balance sheet), the financial performance during the accounting period 1<sup>st</sup> January to 31<sup>st</sup> December 2012 (Economic outturn account) and the development of the accumulated contribution from the JU's members during the year 2012 (Statement of changes in net assets and liabilities).

### 2.1 Accounting Principles

The accounting system of the Clean Sky Joint Undertaking consists of budgetary accounts and general financial accounts. The budgetary accounts present the implementation of the budget on a cash basis. The general financial accounts record in chronological order all events and operations which affect the economic situation of the Clean Sky Joint Undertaking and give the complete picture of the financial transactions during the financial year applying the accrual accounting method. The annual financial statements at the end of the year are prepared on the accrual based accounting method.

The accounting principles that have been applied in drawing up the financial statements 2012 are:

- True and fair presentation
- Accrual basis
- Reliability
- Going concern
- Comparability and consistency of information
- Aggregation
- No-netting
- Relevance

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<sup>1</sup> 1.8.0 Ed. 4, 10.02.2012



**Currency:**

The functional currency for the Accounts of the Clean Sky Joint Undertaking is the Euro (€, EUR).

**2.2 Accounting Rules**

The accounting rules applied by the Clean Sky Joint Undertaking allow for consolidation with the accounts of the EU institutions. In accordance with article 117 of the Financial Rules of the CSJU the Financial Statements 2012 comply with the set of accrual based accounting rules applicable to the European Union (referred to as "ABAC rules") which are based on the internationally accepted accounting standards for the public sector (International Public Sector Accounting Standards, "IPSAS").

**2.2.1 Assets****Tangible fixed assets**

Property and equipment are stated at historical cost less depreciation and impairment. Historic cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost are included either in the asset's carrying amount or recognised as a separate asset as appropriate and only when it is probable that future economic benefits associated with the item will flow to the Clean Sky Joint Undertaking and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred.

**Intangible fixed assets – Computer Software**

An item is recognised as intangible if it meets the definition of an intangible asset; it is probable that future economic benefits and/or service potential will flow to the Clean Sky Joint Undertaking and the cost of the asset can be reliably measured.

Computer software is carried at cost less accumulated amortisation and impairment losses.

Costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or service potential are capitalised to software. Costs capitalised include external direct costs of materials. All other repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred.



**Depreciation and Amortisation rates**

Depreciation and amortisation on tangible and intangible 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
Intangible assets – Computer software	25%
Plant machinery and equipment	12.5% to 25%
Furniture	10% to 25%
Fixtures and fittings	12.5% to 25%
Computer hardware	25%

The assets’ residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. An asset’s carrying amount is written down immediately when it is higher than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the economic outturn account.

**Pre-financing**

Pre-financing is intended to provide the beneficiary with a float. Pre-financing is a cash advance. If the beneficiary does not incur eligible expenditures, he has the obligation to return the pre-financing advance to the JU. This right of the JU is shown as an asset.

Under EU Accounting Rules and in the preparation of these accounts, the pre-financing balances are reduced at the year-end to the extent that costs relating to project execution for each individual project have been accrued. Where the executed project costs exceed the pre-financing reported on the balance sheet, a further accrual is recognised within the liabilities of the accounts. In the assets of the JU only the net amounts of the pre-financing is included - gross amounts and related accruals are presented in the notes to the accounts.

Pre-financing is legally cleared between the JU and recipient on approval of the final payment.



## Receivables

Receivables are evaluated at their liquidated value.

No provision for doubtful account is established for transactions between European institutions and bodies (consolidated entities).

## Contingent assets

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the CSJU. The CSJU does not recognise contingent assets but discloses their existence where inflows of economic benefits or service potential are probable, but not virtually certain.

### 2.2.2 Net assets and liabilities

#### Net assets

Net assets are the residual of assets and liabilities and comprise of accumulated contributions received from the members of the JU (EU and industry) less the accumulated contributions used. The contributions include funds received by the JU in-cash and contributions provided by the members to the funded projects in-kind. The net assets also contain reserves if applicable.

#### Members' contributions

##### *In-cash contribution:*

According to the notes of the Accounting Officer of the Commission (ARES (2010)303380 and ARES (2009)366251, Annex 2), subsidies and contributions that the JU receives from the European Union and other members are considered as investments of the members. They are not recognised in the financial statements of the JU as income from grants, but are treated as contributions from owners and are shown in the Net Assets of the JU as *Contribution received from Members (EU and industry)*. In-cash contributions comprise of funds for operational expenses of the JU as well as for its running costs.

##### *In-kind contributions:*

In-kind contributions are provided by CS members through the execution of projects. To the extent that project costs are born by the members and not funded in cash by the JU, members contribute in-kind to the CS programme. According to the provisions of the Grant Agreements for members (GAMs) the minimum for the in-kind contribution should represent 50% of the CS programme. The contributions are subject to evaluation and acceptance by the CS Governing Board.



The in-kind contributions are reflected in the annual accounts of the JU at the end of the year. Contributions related to transmitted cost claims validated by the CS management or calculated on the basis of estimates, are shown in the liabilities of the JU as *Contribution from members to be validated*. The related operational expense is included in the EOA and therefore appears in the *Contributions used during the year (EOA)*.

After approval of the in-kind contributions by the Governing Board the contributions are shifted from the liabilities to the net assets as *Contributions received from members*.

### **Provisions**

The Clean Sky JU makes provisions for liabilities of uncertain timing or amounts. Provisions are recognised in the accounts of the CSJU as liabilities, if they represent present obligations of the JU and can be estimated reliably. A future outflow of resources must be probable for settling the obligations. Provisions are distinguished from other liabilities, such as payables or accruals, because there is uncertainty about the timing and amounts of future expenditure required in settlement.

### **Contingent liabilities**

A contingent liability is not recognised in the accounts of the CSJU but is described in the notes to the accounts for information purposes. A liability is contingent, when it represents an obligation for the JU arising from past events and when its existence has still to be confirmed by the occurrence of uncertain future events, not wholly within the control of the CSJU. Furthermore, a contingent liability is assumed, when a present obligation of the JU, which arises from past events, cannot be recognised as provision, because an outflow of resources is not probable or the amount of the obligation cannot be estimated reliably.



## **2.3 Notes to the Balance Sheet**

### **BALANCE SHEET – ASSETS**

#### **2.3.1 Non-current assets**

##### **2.3.1.1 Tangible fixed assets:**

In 2012, the JU acquired laptops, beamers, one sound station and office furniture. CSJU also upgraded the network connections.

##### **2.3.1.2 Intangible fixed assets:**

The JU acquired back-up software licenses in 2012 which support the core IT infrastructure.

##### **Intangible assets under development**

The CSJU management decided to develop a grant management tool (GMT) to manage the Grant Agreements for Members (GAMs). The purpose of the database is to ensure a proper program control at CSJU level for the GAMs.

The development employs both internal and external resources. The attributed cost is recognised as intangible asset under development. The tool is fully operational from 2013.



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Fixed Assets Analysis									
Tangible Fixed Assets									
Category of Assets	Acquisition Costs			Ending balance cost as of 31/12/2012	Depreciation			Closing accumulated depreciation as of 31/12/2012	Residual value Balance as of 31/12/2012
	Opening balance at cost as of 01/01/2012	Additions in 2012	Disposals in 2012		Opening depreciation as at 01/01/12	Depreciation charge for 2012	Disposals in 2012		
Total Plant, machinery and equipment	18,037,50	3,937,02	-	21,974,52	3,739,16	5,411,56	-	9,150,72	12,823,80
Total Computer Hardware	39,968,05	18,186,25	-	58,154,30	5,733,77	13,900,94	-	19,634,71	38,519,59
Total Furniture and Fixtures	17,590,03	22,234,34	-	39,824,37	3,375,27	6,573,81	-	9,949,08	29,875,29
<b>Total Tangible Assets</b>	<b>75,595,58</b>	<b>44,357,61</b>	<b>-</b>	<b>119,953,19</b>	<b>12,848,20</b>	<b>25,886,31</b>	<b>-</b>	<b>38,734,51</b>	<b>81,218,68</b>
Intangible Fixed Assets									
Category of Assets	Acquisition Costs			Ending balance cost as of 31/12/2012	Amortisation			Closing accumulated depreciation as of 31/12/2012	Residual value Balance as of 31/12/2012
	Opening balance at cost as of 01/01/2012	Additions in 2012	Disposals in 2012		Opening amortisation as at 01/01/12	Amortisation charge for 2012	Disposals in 2012		
Software	17,038,57	532,74	-	17,571,31	2,129,82	4,326,24	-	6,456,06	11,115,25
Software under development	-	139,224,89	-	139,224,89	-	-	-	-	139,224,89
<b>Total Intangible Assets</b>	<b>17,038,57</b>	<b>139,757,63</b>	<b>-</b>	<b>156,796,20</b>	<b>2,129,82</b>	<b>4,326,24</b>	<b>-</b>	<b>6,456,06</b>	<b>150,340,14</b>
<b>TOTAL FA</b>	<b>92,634,15</b>	<b>184,115,24</b>	<b>-</b>	<b>276,749,39</b>	<b>14,978,02</b>	<b>30,212,55</b>	<b>-</b>	<b>45,190,57</b>	<b>231,558,82</b>



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## 2.3.2 Current assets

### 2.3.2.1 Short-term pre-financing

Analysis of net pre-financing as of 31.12.2012								
	Balance as of 31.12.2011	Reversal of accrued of operational expense against pre- financing for project execution in 2011	Pre-financing used in 2012 through execution of projects	Pre-financing paid by the JU for Grant Agreements 2012	Pre-financing recovered or reflected under receivables of the JU	Total amount of pre-financing before accrual as of 31.12.2012	Accrual of operational expense against pre- financing for project execution in 2012	Net pre-financing as of 31.12.2012
<b>Members</b>	<b>0,00</b>	81.949.284,20	(73.117.397,61)	89.553.807,30	(7.039.623,38)	91.346.070,51	(84.714.988,83)	<b>6.631.081,68</b>
<b>Partners</b>	<b>10.817.688,17</b>	22.102.896,11	(3.508.400,69)	26.385.014,24	0,00	55.797.197,83	(43.180.815,00)	<b>12.616.382,83</b>
<b>Total</b>	<b>10.817.688,17</b>	<b>104.052.180,31</b>	<b>(76.625.798,30)</b>	<b>115.938.821,54</b>	<b>(7.039.623,380)</b>	<b>147.143.268,34</b>	<b>(127.895.803,83)</b>	<b>19.247.464,51</b>



In the year 2012 an amount of Euro 2,200,804.91 recovery orders were issued for unused pre-financing pertaining to 2011 Grant Agreements for Members (GAMs) following the validation of related costs claimed by the beneficiaries. Out of this amount Euro 1,490,904.64 was outstanding on 31.12.2012.

At 31 December 2012, Euro 4,838,818.47 was outstanding for recovery and included in the receivables of the JU for projects executed in 2012 where project costs are anticipated to be lower than the pre-financing received. This amount has been determined using the claims provided by the ITDs.

New pre-financing has been provided in 2012 for projects funded by Grant Agreements with members and with partners carried out in 2012. In line with the CS accounting policies, pre-financing has been accrued at the year-end for the presentation in the Final Accounts according to the execution of the funded projects.

Projects managed through the GAMs lasted from 1<sup>st</sup> January 2012 to 31<sup>st</sup> December 2012. Based on the reports provided by the ITDs, the related operational expenditure for the year 2012 has been reflected in the Economic Outturn Account of the JU and the recovery of unused pre-financing has been accounted for as a receivable.

Projects managed through Grant Agreements for Partners (GAPs) last for different periods, which often deviate from the calendar year. Operational expense relating to the year 2012 has been recognised by taking into account validated cost claims for applicable projects and periods. The remaining costs have been accrued assuming a pro-rata temporis execution of the projects.

### 2.3.2.2 Short-term receivables

	2012	2011
<b>Short term receivables - recoveries from members and partners</b>	<b>8.770.689,69</b>	<b>3.355.558,13</b>
Running cost contribution for 2012	953.360,78	0,00
Running cost contribution for previous years	367.401,74	1.801.866,83
Recovery of unspent pre-financing	6.329.723,11	1.553.691,30
Recovery of ex-post result	1.120.204,06	0,00
<b>Other short term receivables</b>	<b>11.768,10</b>	<b>0,00</b>
Recovery of telecommunication cost paid in 2012 on behalf of other JUs	9.880,37	0,00
Recoveries from staff	1.373,13	0,00
Receivables from consolidated entities	514,60	0,00
<b>Deferred charges and accrued income</b>	<b>440.866,08</b>	<b>228.713,03</b>
Interest receivable declared by partners	6.629,10	53.193,03
Accrued income for negative claims issued by the beneficiaries (GAM)	370.067,87	0,00
Accrued bank interest	49.537,60	175.520,00
Deferred charges	14.631,51	0,00
<b>Total short term receivables</b>	<b>9.223.323,87</b>	<b>3.584.271,16</b>

The receivable deriving from unspent pre-financing contains the unpaid established recovery orders for the 2011 GAMs (Euro 1,490,904.64) and the foreseen recovery deriving from the 2012





GAMs (Euro 4,838,818.47).

The ex-post audits resulted GAM project adjustments in favour of CSJU where the original amount of the claim had previously been recognised as an expense by the CSJU. Several of these audits have been formally finalised and the recovery orders have been established (and cashed) before drawing up the final accounts. For these amounts Euro 1,120,204.06 short term receivable has been recognised.

At year end Euro 2,880,253.44 established recovery orders were outstanding out of which Euro 1,223,216.05 was overdue as of 31.12.2012:

Overdue recovery orders			
Age	Year of Origin	Number of RO	Open Amount (Eur)
> 1 yr	2010	1	15.006,12
< 1 yr	2011	2	352.395,62
< 30 days	2012	15	855.814,31
<b>Total</b>		<b>18</b>	<b>1.223.216,05</b>

Deferred expense (or prepaid expense, prepayment) is cash paid out to a counterpart for goods or services to be received in a later accounting period. The deferrals represent prepaid IT maintenance related expenses.

CSJU recognised as accrued income the declared interest earned on the pre-financing on the unpaid GAP claims and the revenue deriving from the negative retroactive corrective claims issued by the GAM beneficiaries.

**2.3.2.3 Cash and cash equivalents**

	<b>2012</b>	<b>2011</b>
	<b>Euro</b>	<b>Euro</b>
<b>Cash in bank</b>	<b>25,717,633.28</b>	<b>50,706,320.57</b>

The amount of Euro 25,717,633.28 represents the balance of the two bank accounts of the CSJU as of 31 December 2012.



**2.3.2.4 Contingent Assets**

	2012	2011
Potential recovery of costs from members resulting from ex-post audits	344.573,26	1.421.208,50
Ineligible cost claims under investigation by CS JU	0,00	572.408,00
<b>Total contingent assets</b>	<b>344.573,26</b>	<b>1.993.616,50</b>

Potential recoveries of costs from members resulting from ex-post audits

In 2011 and in 2012, the JU commissioned a number of ex-post audits of cost claims relating to GAMs 2008 - 2011. In a number of cases the auditors noted several adjustments, some in favour of the CSJU and some in favour of members.

Some of these audits have not been formally finalised before drawing up the final accounts. These ex-post audits highlighted total project adjustments of Euro 344,573.26 in favour of CSJU. Of this amount, 50% relates to the in-cash JU contribution paid in previous periods (Euro 172,286.63). The remaining Euro 172,286.63 represents the in-kind contribution made by the member.

As these audits have yet to be formally finalised and management has not yet issued formal recovery orders for these amounts, an asset has not been recognised in the Final Accounts 2012 as the inflows of economic benefit are not yet virtually certain. The amounts involved are however deemed to be reliably measurable by the CSJU and the flow of economic benefits to the CSJU is judged by management to be probable, and therefore a Contingent Asset is recognised for these amounts.

The CSJU has also noted that results of a number of separate ex-post audits have indicated balances in favour of the members, where the CSJU is likely to incur additional expenses to those originally claimed. These have been considered in Note 2.3.4.3 (Short-term provisions for risks and charges) and do not form part of the contingent asset above.

Summary table of the pending audit results:

Audit batch	Status	Treatment	Total adjustment	Cash	In-kind
Batch 01-03 in favour of beneficiary (GAM)	Final or Pre-final	Provision	1.152.768,08	576.384,04	576.384,04
Batch 01-03 in favour of CSJU (GAM)	Final or Pre-final	Contingent asset	334.861,02	167.430,51	167.430,51
Batch 01-03 part (A) in favour of beneficiary (GAM)	Final or Pre-final	Provision	61.803,39	30.901,70	30.901,70
Batch 01-03 part (A) in favour of CSJU (GAM)	Final or Pre-final	Contingent asset	5.648,12	2.824,06	2.824,06
Batch 04-06 in favour of beneficiary (GAP)	Final or Pre-final	Provision	17.271,28	17.271,28	0,00
Batch 04-06 in favour of CSJU (GAM)	Implemented (recovered)	Short-term Receivable	39.431,37	19.715,69	19.715,69
Batch 07-08 in favour of CSJU (GAM)	Final or Pre-final	Contingent asset	4.064,12	2.032,06	2.032,06
Batch 07-08 in favour of beneficiary (GAM)	Final or Pre-final	Provision	335.936,42	167.968,21	167.968,21
Batch 07-08 in favour of CSJU (GAM)	Implemented (recovered)	Short-term Receivable	2.191.836,18	1.095.918,09	1.095.918,09
<b>Total provision</b>			<b>1.567.779,17</b>	<b>792.525,23</b>	<b>775.253,95</b>
<b>Total short term receivable</b>			<b>2.231.267,55</b>	<b>1.115.633,78</b>	<b>1.115.633,78</b>
<b>Total contingent asset</b>			<b>344.573,26</b>	<b>172.286,63</b>	<b>172.286,63</b>



## BALANCE SHEET - LIABILITIES

### 2.3.3 Net Assets

Net assets	2012		2011	
Accumulated contributions received from Members (EC & others)	619.924.509,30		430.862.585,75	
Accumulated contributions used during previous years	(449.361.196,53)		(249.656.788,01)	
		170.563.312,77		181.205.797,74
Contributions used during the year (total expenses)	(228.289.282,65)		(202.772.681,65)	
Non-exchange and financial revenue	5.468.252,10		3.068.273,13	
<b>Economic Outturn of the year (EOA)</b>		(222.821.030,85)		(199.704.408,52)
<b>Net assets</b>		<b>(52.257.718,08)</b>		<b>(18.498.610,78)</b>

The *Accumulated contributions received from members* comprise of the entire funds received for the operational activity of the JU, which is managed through the Grant Agreements with members (GAMs) and partners (GAPs). Moreover, contributions to the running cost of the JU are included in this amount. For a detailed split up, see the table at the end of this section (Carry forward of Net Assets 2012).

The *Accumulated contributions used during previous years* represent the total expense of previous years.

The *Contributions used during the year (EOA)* include the total expense incurred by the JU during the year 2012 as shown in the Economic Outturn Account of 2012. The operational expense shown in this amount contains the expenses incurred in-cash by the JU in 2012 for projects executed as well as the corresponding resources provided by the industry members relating to the same projects in-kind (see comments in the chapter 'Introduction' on page 3 and in the chapter 'Accounting Rules' on page 11).

The in-kind contribution included in the Net Assets of the JU has been approved by the Governing Board. A detailed split up is shown in the following tables.

A part of the contribution provided by members to the research projects 2008 to 2012 which has not yet been validated by the JU's management has not yet been presented for the approval of the Governing Board. It is therefore not reflected in the Net Assets of the balance sheet but is shown as a current liability of the JU (see notes to 2.3.4.1. Members' contributions to be validated on page 23).



Note on negative net assets:

At 31 December 2012, the CSJU has reported negative net assets of Euro –52,257,718.08. This is due to the fact that the 2012 operational expenses are already booked on the EOA while only the in-kind contribution approved by the Governing Board is recognised in the Net Assets of the CSJU. Several cost claims related to previous periods have not been validated by management at the date of the preparation of the Final Accounts (“on-hold” claims not meeting with all the reporting requirements and delayed claims) which are recognised in the EOA but not yet in the Net Assets. The validated part of these in-kind contributions are planned to be approved by the Governing Board by December 2013.

The in-kind contributions for those cost claims not yet approved by the Governing Board are reflected in the liabilities of the Balance sheet as “contributions to be validated”. Following validation of cost claims by management and approval by the Governing Board later in 2013, these in-kind contributions will be transferred to the Net Assets of the CSJU. Therefore, the current status of the Net Assets has to be considered as transitional.

The negative Net Assets do not indicate any risk of solvency, but are the consequence of the accounting method applied according to the specific accounting rules and guidance provided by the Commission for Joint Undertakings.



Clean Sky

31.05.2013

Final accounts 2012

Carry forward of Net Assets 2012									
EC contribution to running costs									
Opening balance at 01/01/11	Contribution paid in 2011	Running costs 2011 (50% share)	Adjustments to contributions	Ending balance as of 31/12/11	Amount paid by EC in 2012	Running costs 2012 (50% share)	Adjustments to contributions	Ending balance of EC contribution at 31/12/12	
2,207,743.05	80,151.11	(2,287,894.16)	0.00	(0.00)	2,182,057.49	(2,182,057.49)	0.00	(0.00)	
Other members contribution to running costs									
Opening balance at 01/01/11	Contribution paid in 2011	Running costs 2011 (50% share)	Adjustments to contributions	Ending balance as of 31/12/11	Amount charged to other members in 2012	Running costs 2012 (50% share)	Adjustments to contributions	Ending balance of other members contribution at 31/12/12	
68,735.90	2,219,139.13	(2,287,894.16)	0.00	(19.13)	2,231,767.34	(2,182,057.49)	238,600.89	288,291.62	
EC contribution to operational costs									
Opening balance at 01/01/11	Contribution paid in 2011	Operational expense 2011	Adjustments to contributions	Ending balance as of 31/12/11	Amount received from the EC in 2012	Operational expense 2012 related to EC contribution (in cash)	Rejected cost claims previously expensed	Ending balance of EC contribution at 31/12/12	
43,512,576.96	116,919,848.89	(109,193,774.28)	1,168,773.95	52,407,425.52	95,157,740.52	(130,404,787.99)	2,521,866.90	19,682,244.95	
Other members contribution to operational expenses									
Opening balance at 01/01/11	Contribution made in 2011	Operational expense 2011	Adjustments to contributions	Ending balance as of 31/12/11	In-kind contribution made by other members in 2012	Operational expense 2012 related to in-kind contribution	Rejected cost claims previously expensed	Ending balance of other members contribution at 31/12/12	
(25,122,673.81)	40,533,534.83	(89,003,119.05)	1,168,773.95	(72,423,484.08)	89,251,757.32	(93,520,379.99)	2,507,416.25	(74,184,690.50)	



Clean Sky

Final accounts 2012

31.05.2013

Carry forward of Net Assets 2012 (totals)								
Opening balance at 01/01/11	Contribution received in 2011	Contribution used during 2011	Adjustments to contributions	Net Assets as of 31/12/2011	Contributions received during 2012	Contributions used during the year 2012 (total expenses)	Adjustments	Net Assets as of 31/12/2012 before financial income
20.666.382,10	159.752.673,96	(202.772.681,65)	2.337.547,90	(20.016.077,69)	188.823.322,66	(228.289.282,95)	5.267.884,04	(54.214.153,94)
Operating revenue & non-operating activities								
Total financial income received to 01/01/12				Total financial income received during the year 2012				Net Assets as of 31/12/2012 including financial income
1.517.466,91				438.968,95				(52.257.718,08)

The total EC contribution to the CSJU in 2012 was Euro 97,339,798.00. The 2012 EC contribution to running costs is determined as 50% of gross running costs incurred in the year (Euro (2,182,057.49) with the remaining 2012 EC contribution attributed to operational expenses.

The cumulative contributions made by the EC and other members to 31 December 2012 are as follows:

	Total Contributions to 01/01/12	Contributions in 2012	Total contributions to 31/12/12
EC Contribution to running costs	4.458.205,60	2.182.057,49	6.640.263,09
Other members' contribution to running costs	4.458.186,48	2.470.368,23	6.928.554,71
EC contribution to operational expenses	288.072.968,09	95.157.740,52	383.230.708,61
Other members' in-kind contribution to operational expenses	133.873.225,58	89.251.757,32	223.124.982,90
<b>Total contributions</b>	<b>430.862.585,75</b>	<b>189.061.923,55</b>	<b>619.924.509,30</b>



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**2012**  
**Euro**

**2011**  
**Euro**

**Details of in-kind contribution as of 31/12/2012: 223,124,982.90 133,873,225.57**

Approved In-Kind Contributions 2008 - 2012 projects									
ITD	Claims validated for 2010 Final Accounts (Written procedure 2011-06)			Claims validated for 2011 Final Accounts (Written procedure 2012-07)		Claims validated for 2012 Final Accounts (Written procedure 2013-02 and 2013-11)			Total contributions validated since CSJU inception
	Claims validated by GB for 2008	Claims validated by GB for 2009	Claims validated by GB for 2010	Claims validated by GB for 2011	Adjustments validated by GB for 2008-2010	Claims validated by GB for 2011	Claims validated by GB for 2012	Adjustments validated by GB for 2008-2011	
ED	478.287,50	3.888.400,66	5.327.636,80	2.051.508,11	727.538,11	4.588.631,09	1.581.538,81	451.183,10	<b>19.094.724,18</b>
GRA	1.049.293,15	6.621.704,64	8.645.045,84	-	439.341,56	10.610.522,24	1.784.892,24	- 258.302,52	<b>28.892.497,15</b>
GRC	725.621,71	2.761.420,92	4.470.786,94	-	2.493.498,26	7.198.870,90	2.902.692,48	- 4.007,10	<b>20.548.884,11</b>
SAGE	1.162.535,81	4.591.084,98	4.379.550,71	2.114.772,55	4.484.486,62	8.136.900,78	4.913.383,14	- 7.617,35	<b>29.775.097,24</b>
SFWA	1.794.737,47	11.639.961,45	11.691.066,27	9.201.835,38	12.445.445,81	14.168.427,34	12.853.048,05	- 1.340.529,89	<b>72.453.991,88</b>
SGO	1.690.004,64	8.590.919,39	10.291.264,95	-	6.322.645,73	15.968.832,28	4.050.763,81	- 833.294,65	<b>46.081.136,15</b>
TE	178.501,50	1.335.001,72	2.026.863,71	254,31	252.208,38	2.088.161,45	424.649,34	- 26.988,22	<b>6.278.652,19</b>
<b>TOTAL</b>	<b>7.078.981,78</b>	<b>39.428.493,76</b>	<b>46.832.215,22</b>	<b>13.368.370,35</b>	<b>27.165.164,47</b>	<b>62.760.346,08</b>	<b>28.510.967,87</b>	<b>- 2.019.556,63</b>	<b>223.124.982,90</b>

In 2012 the CSJU approved a number of negative value adjustments to members' contributions recognised in Net Assets in the previous years. In accordance with the accounting policies these amounts have been deducted from Net Assets in these Final Accounts.

### 2.3.4 Current liabilities

#### 2.3.4.1 Members' contributions to be validated

**2012**  
**Euro**

**2011**  
**Euro**

**Members' contributions to be  
validated**

**74,184.690.50**

**72,423,484.08**

The amounts represent the contributions provided by members in-kind for the execution of GAMs of the years 2008 to 2012. After validation of the contributions through the GB, the amounts will be shifted to Net Assets and presented as Contribution received from members (see notes to 2.3.3 Net Assets).



### 2.3.4.2 Accounts payable

	2012	2011
<b>Amounts payable -consolidated entities</b>	<b>0,00</b>	<b>1.073,52</b>
Other payables to EU bodies	0,00	1.073,52
<b>Amounts payable to beneficiaries and suppliers</b>	<b>19.775.434,46</b>	<b>947.386,27</b>
Amounts payable to members and partners for cost claims and payables concerning invoices for running costs not yet paid at the year-end.	19.775.434,46	947.386,27
<b>Amounts payable to staff</b>	<b>4.985,50</b>	<b>1.658,12</b>
Mission claims and other reimbursable for staff members	4.985,50	1.658,12
<b>Other payables</b>	<b>3.395,36</b>	<b>0,00</b>
Returned payment	3.395,36	0,00
<b>Accrued charges</b>	<b>11.839.645,56</b>	<b>9.733.185,74</b>
Expenses pertaining to the financial year 2012 for which invoices/claims are received only subsequently in 2013.	11.839.645,56	9.733.185,74
<b>Total accounts payable</b>	<b>31.623.460,88</b>	<b>10.683.303,65</b>

#### Accrued charges

For expenses pertaining to the financial year 2012, when invoices/cost claims were received only subsequently in 2013, the following amounts have been accrued:

	2012	2011
<b>Accrued administrative expenses</b>	<b>498.660,94</b>	<b>569.540,74</b>
Communications	3.030,00	0,00
Transport expenses	262,25	0,00
Recruitment	776,20	0,00
Training	1.958,00	20.000,00
Missions	7.252,98	8.352,00
Experts and related expenditure	159.401,17	250.476,00
IT operational expenditure	3.331,34	0,00
Other external service provider	269.786,51	238.573,74
Accrual for unpaid holiday	52.862,49	42.139,00
Office supplies	0,00	10.000,00
<b>Accrued operational expense</b>	<b>11.340.984,62</b>	<b>9.163.645,00</b>
Accrual of operational expense related to GAMs	9.905.801,73	4.167.586
Accrual of operational expense related to GAPs	1.435.182,89	4.996.059
<b>Total accrued charges</b>	<b>11.839.645,56</b>	<b>9.733.185,74</b>

The accrued operational expenses had not been covered by pre-financings before therefore it is accrued in the liabilities of the JU.





**2.3.4.3 Short-term provisions for risks and charges**

	2012	2011
Potential additional CS JU contribution (in cash) to members resulting from ex-post audits	792.525,23	558.660,00
Refused salary increase	77.021,95	19.099,08
<b>Total provision for risks and charges - short term</b>	<b>869.547,18</b>	<b>577.759,08</b>

Potential additional CSJU contribution (in cash) to members resulting from ex-post audits

As noted in Note 2.3.2.4 (Contingent Assets), in 2011 and in 2012 the JU commissioned a number of ex-post audits of cost claims relating to GAMs 2008-2011. As at the date of preparation of the Final Accounts 2012, several of these audits had yet to be formally provisioned. In a number of cases the auditors noted adjustments in favour of the members where the original amount of the claim had previously been validated by the CSJU. For the audits with approved final or pre-final report phase the CSJU has considered it more probable than not that additional amounts will be payable to these members as a result of the ex-post audits. The amounts involved are deemed to be reliably estimated by the CSJU, and the flow of economic benefits from the CSJU is judged by management to be more probable than not. A provision has therefore been recognised in the Final Accounts 2012 for these amounts.

This provision represents the value of the probable JU contribution to these additional claim adjustments (Euro 775,253.95 related to GAMs and Euro 17,271.28 related to GAPS).

Refused salary increase

In compliance with the EU accounting rules, the CSJU has recognised in its Final Accounts 2012 a short term provision for outstanding salary increase payments relating to July 2011-December 2012 which are currently under dispute between the European Commission and European Council, as it is probable that the payment will be made during 2013.

**2.3.4.4 Contingent liabilities**

	2012	2011
Tax on immovable property	27.928,07	0,00
<b>Total contingent liabilities</b>	<b>27.928,07</b>	<b>0,00</b>

CSJU recognised Euro 27,928.07 contingent liability for a potential payable tax on immovable property.



## 2.4 Notes to the Economic Outturn Account

### 2.4.1 Non-exchange revenue

	2012	2011
Other revenue - revenue from claims previously expensed	5.029.283,15	2.337.547,90
Exchange gains	23,44	0,00
<b>Total operational expenses</b>	<b>5.029.306,59</b>	<b>2.337.547,90</b>

In 2012 the CSJU received a number of negative claim adjustments from members and recovered ex-post audit findings related to previous periods' claims where the original amount had been approved as a valid in-kind contribution by the Governing Board previously.

In accordance with EU Accounting Rule 3 (IV.2.1.4), these negative claims and recoveries deriving from ex-post audits have been presented as 'Other Revenue' in the 2012 Final Accounts. (For the related in-kind contribution the corresponding liability in 'Members' Contributions to be validated' has been reduced accordingly.)

Aside from the income above, no other operational or administrative revenues have been generated by the CSJU in 2012. Funds received in cash from the Commission and from the other members of the JU are shown as Contributions received from members in the Net Assets of the Balance Sheet. They do not appear as income of the JU in the EOA.

Financial income is disclosed in section 2.4.4.1 below.

### 2.4.2 Operational expenses

Operational expenses are related to the projects funded by the CSJU to speed up technological breakthrough developments and shorten the time to market for new and cleaner solutions tested on full scale demonstrators with the aim to contribute significantly to reducing the environmental footprint of aviation.

	2012	2011
Operational expenses funded by CSJU in cash	130.404.787,99	109.193.774,28
Operational expenses contributed by members in-kind	93.520.379,99	89.003.119,05
<b>Total operational expenses</b>	<b>223.925.167,98</b>	<b>198.196.893,33</b>

#### Expenses per category of beneficiaries

	2012	2011
Members	187.040.704,68	178.006.293,40
Partners	36.884.463,30	20.190.599,93
<b>Total operational expenses</b>	<b>223.925.167,98</b>	<b>198.196.893,33</b>



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## 2.4.3 Operating Expenses

### 2.4.3.1 Administrative expenses

	2012	2011
<b>Staff expenses</b>	<b>2.296.415,12</b>	<b>2.319.741,05</b>
Salaries and medical costs	2.243.379,68	2.277.602,05
Accrual for unpaid holiday	53.035,44	42.139,00
<b>Depreciation &amp; amortisation of fixed assets</b>	<b>30.212,55</b>	<b>14.509,45</b>
Depreciation of tangible assets	25.886,31	12.379,63
Amortisation of intangible assets	4.326,24	2.129,82
<b>Rent of building</b>	<b>367.331,02</b>	<b>302.402,02</b>
Rental fee for the offices	367.331,02	302.402,02
<b>Rent of furniture</b>	<b>0,00</b>	<b>1.673,71</b>
Rental fee for office furniture	0,00	1.673,71
<b>Office suppliers &amp; maintenance</b>	<b>10.454,20</b>	<b>54.640,16</b>
Stationary and low value equipment, cables	10.454,20	54.640,16
<b>Communication &amp; publications</b>	<b>184.692,13</b>	<b>390.081,98</b>
Consultant	23.040,00	0,00
Events (incl General Forum)	57.875,37	235.009,00
Website	65.384,80	64.904,00
Printing	17.131,00	68.079,00
Promotion materials	11.246,70	0,00
Other (including catering)	10.014,26	22.089,00
<b>Transport expenses</b>	<b>3.544,75</b>	<b>2.337,05</b>
Contributions for staff for public transport scheme	3.544,75	2.337,05
<b>Recruitment costs</b>	<b>2.989,34</b>	<b>2.472,62</b>
Travel reimbursements and medical costs for candidates	2.989,34	2.472,62
<b>Training costs</b>	<b>18.616,91</b>	<b>46.152,87</b>
Language and other trainings	18.616,91	46.152,87
<b>Missions</b>	<b>169.845,05</b>	<b>161.630,64</b>
Project Officers attending project kick-off meetings, technical events, steering committees etc.	169.845,05	161.630,64
<b>Experts and related expenditures</b>	<b>557.003,72</b>	<b>796.975,22</b>
Expenses related to the evaluation of calls for proposals (daily allowances, travel expenses reimbursements and daily fees paid to internal and external experts)	557.003,72	796.975,22
<b>IT costs - external service</b>	<b>87.473,31</b>	<b>101.151,06</b>
Commission debit notes for the use of IT tools and applications	20.000,00	20.000,00
Service of IT tools provided by external company	57.270,91	60.794,00
Other	10.202,40	20.357,00
<b>Other external service provider</b>	<b>577.168,09</b>	<b>381.901,12</b>
Ex-post audits of operational expenditure	181.058,25	206.480,00
Telecommunication	13.019,87	49.045,00
Interim staff	234.962,43	78.331,00
Translation	17.823,75	3.906,00
Clean Sky 2 consultation	25.757,11	0,00
Team building	11.475,05	0,00
Other (postage, catering etc.)	93.071,63	44.139,12
<b>Provisions for other liabilities</b>	<b>57.922,87</b>	<b>0,00</b>
Provision for refused salary increase	57.922,87	0,00
<b>Total administrative expenses</b>	<b>4.363.669,06</b>	<b>4.575.668,95</b>

At 31 December 2012 the JU employed 17 Temporary Agents and 4 Contract Agents (2011: 19 Temporary Agents and 5 Contract Agents).

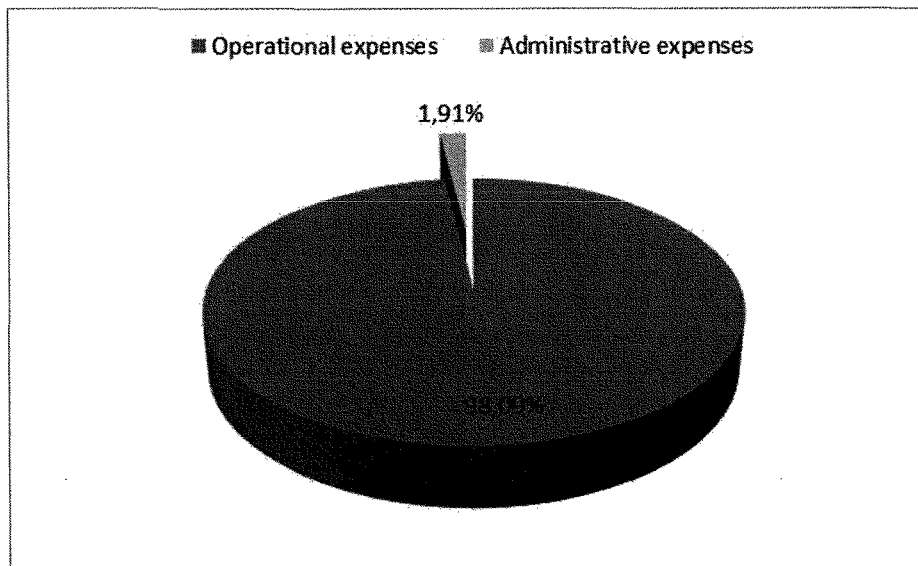
#### 2.4.3.2 Other operating expenses

	2012	2011
Exchange loss	445,61	110,50
<b>Total other operating expenses</b>	<b>445,61</b>	<b>110,50</b>

Exchange loss related to payments in other currency than EUR.

#### Administrative/total expenditure ratio

According to Article 12 of the Clean Sky decision<sup>2</sup> the running cost of the CSJU shall not exceed 3% of the overall cash contribution and of the contribution in kind of Members and Partners. The ratio between the administrative and total expenditure for 2012 is 1.91%.



<sup>2</sup> Council regulation (EC) No 71/2007



Final accounts 2012

31.05.2013

## 2.4.4 Financial Income and Expenses

### 2.4.4.1 Financial income

	2012	2011
Bank interest on pre-financing from EU	425.763,83	604.303,26
Interest on late payment (income)	0,00	29.973,93
Interest on pre-financing given to Members	13.181,68	96.448,04
<b>Total financial income</b>	<b>438.945,51</b>	<b>730.725,23</b>

According to Article 51 of the CS Financial Rules, the contributions paid to the CSJU by its Members shall bear interest to the benefit of its budget therefore the bank interest earned on the CSJU current accounts reflected in the EOA under revenues and thus adds to the total of the Net Assets in the Balance Sheet of the JU, see page 22.

The interest on pre-financing given to Members amount represents interest income gained by Members or Partners (co-ordinators) in their bank accounts from the Clean Sky JU pre-financing. According to the JU financial rules this interest has been declared to the JU and will be off-set from the next payment to the Members or Partners.

### 2.4.4.2 Financial expenses

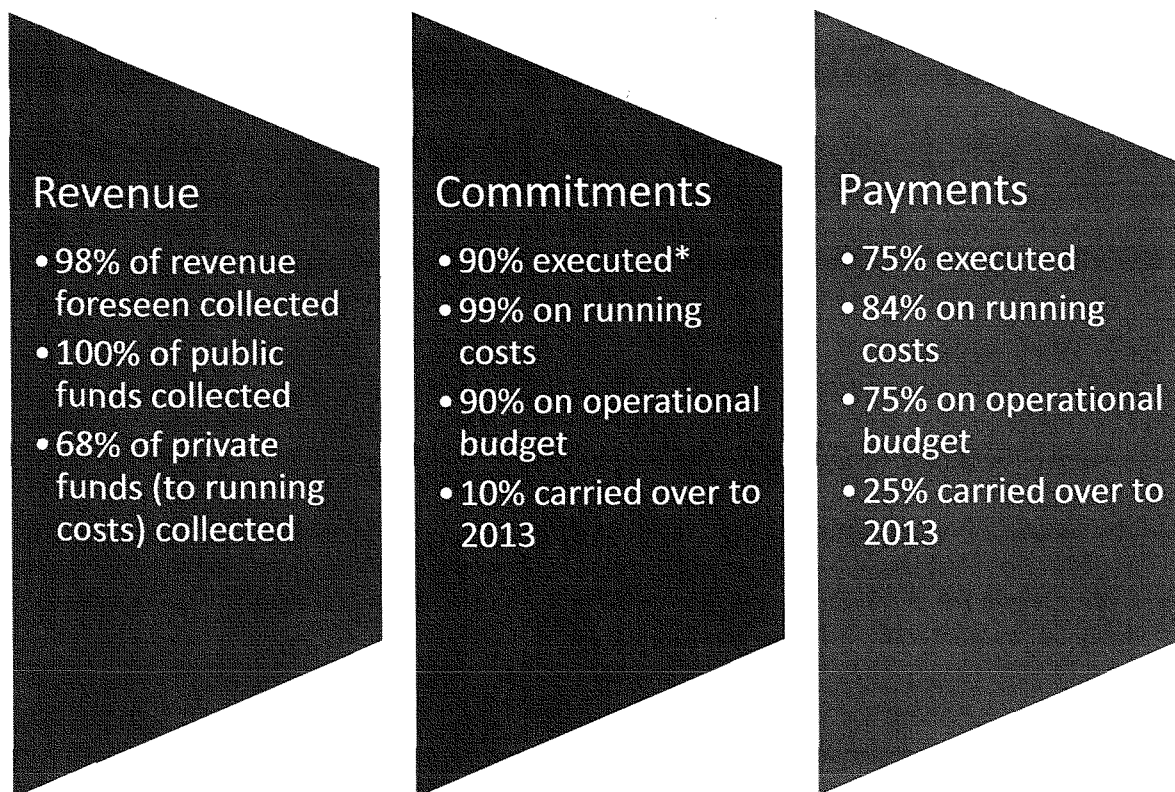
	2012	2011
Bank charges	0,30	8,87
<b>Total financial expenses</b>	<b>0,30</b>	<b>8,87</b>

## RELATED PARTIES

Highest grade description	Grade	Number of persons of this grade	Loans to related parties	
			Nominal amount	Remaining open amount as of 31/12
Executive Director	AD14	1	0,00	0,00

### 3 REPORT ON BUDGETARY IMPLEMENTATION 2012

#### Clean Sky JU budget implementation at a glance:



*\*excludes appropriations foreseen as 'unused'*

#### 3.1.1 Budgetary principles:

The Clean Sky budget is implemented in accordance with the Clean Sky JU Financial rules.

The budget is the instrument which, for each financial year, forecasts and authorizes the revenue and expenditure considered necessary for the Clean Sky Joint Undertaking.

The budget is established and implemented in compliance with the principles of unity, budgetary accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency. The applicability of the budgetary principle requires effective and efficient internal control.

The principle of unity and budget accuracy means that the expenditure and revenue must be incorporated in a single budget document must be booked on a budget line and expenditure must not exceed authorised appropriations by the budget. Also, an appropriation must not be entered in the budget if it is not for an item of expenditure considered necessary.

The principle of annuality implies that the appropriations entered in the budget shall be authorized for one financial year which shall run from 1 January to 31 December, and shall contain non-differentiated appropriations and differentiated appropriations.

The principle of equilibrium means that the revenue and expenditure shown in the budget must be in balance (estimated revenue must equal payment appropriations). The Clean Sky Joint Undertaking shall implement rigorous cash management, taking into account notably assigned revenue, in order to ensure that its cash balances are limited to duly justified requirements, in particular to avoid surpluses at year end. With its payment requests, it shall submit detailed and updated forecasts on its real cash requirements throughout the year, including information on assigned revenue.

The principle of unit of account refers to the fact that the budget is drawn up and implemented in euro (EUR) and the accounts of Clean Sky Joint Undertaking are presented in euro.

The principle of universality comprises two rules: the rule of non-assignment, meaning that budget revenue must not be earmarked for specific items of expenditure (total revenue must cover total expenditure) and the gross budget rule, meaning that revenue and expenditure are entered in full in the budget without any adjustment against each other. Adjustments may be made in respect of exchange differences occurring in the implementation of the budget. The final gain or loss shall be included in the balance for the year.

The principle of specification means that each appropriation is assigned to a specific purpose and a specific objective, by title and chapter; the chapters shall be further subdivided into articles and items.

The principle of sound financial management is applied to the Clean Sky Joint Undertaking budget by ensuring that the appropriations are used in accordance with the principle of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness. The principle of economy requires that the resources used by the Clean Sky Joint Undertaking for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of efficiency is concerned with the best relationship between resources employed and results achieved. The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

The principle of transparency implies that the budget is established and implemented and the accounts presented in compliance with the principle of transparency – the information on the budget and the accounts shall be easily accessible, transparent and comprehensive.

### **3.1.2 Use of Fund Sources in Budgetary management**

The Clean Sky JU uses 5 fund sources for its budgetary management through the ABAC system. A short explanation of each fund source is provided below.

C1: This represents the EU budget subsidy received from the European Commission for the current financial year.

C2: This represents the cancelled appropriations from the previous year(s) carried over to the next financial year. In Clean Sky, these can be used up to the following 3 financial years.

C4: This represents the appropriations which can be used again as a result of debit notes issued by the JU (otherwise known as internal assigned revenue) and received (cashed) within the same year.

C5: This represents the unused internal assigned revenue (C4) carried over from previous years.

C8: This represents the appropriations which are automatically carried forward to meet obligations arising from previous years. For administrative expenditure, both Commitment appropriations and payment appropriations are carried forward. These have to be used by 31.12 of the following financial year (from which they began as C1). For operational expenditure, only commitment appropriations can be carried forward and used until they are no longer needed for payment purposes. Any difference between what is carried forward and finally used shall be de-committed and converted into C2 fund source for the JU (see above).

### **3.1.3 Management Information Systems**

The Clean Sky JU used the following software during 2012:

- ABAC - Budgetary accounting system
- SAP R/3 – Accounting system and execution of payments
- GVM – Access database developed in-house to monitor grant agreements for partners' process
- GMT – Database of beneficiary information concerning the grant agreements for Members

These information systems allow for the efficient management of the appropriations allocated to the Clean Sky JU while respecting the principles of the financial rules.

The workflow system in ABAC allows the Authorising Officer to ensure that the “four eyes” principle has been observed for each transaction.

### **3.1.4 Initial budget and amending budgets**

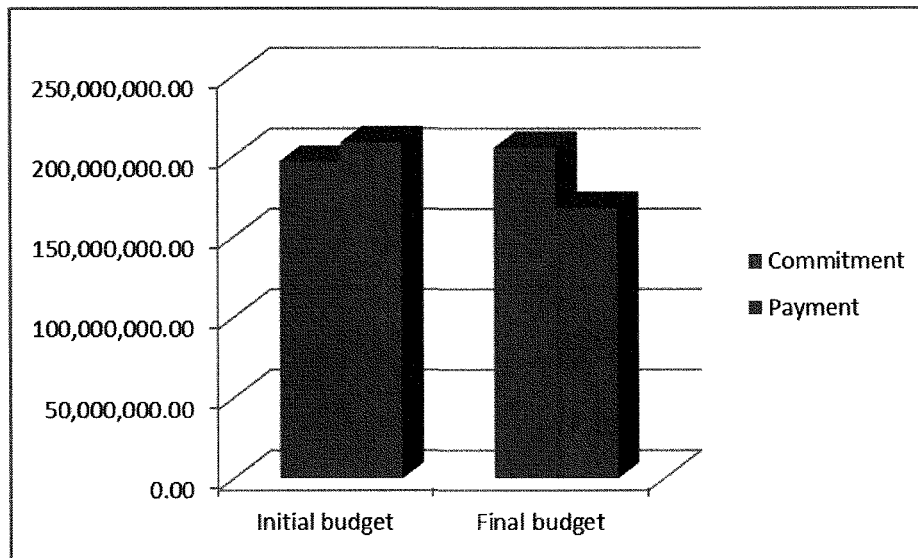
On 14th December 2011, the Governing Board adopted the original budget for Clean Sky JU for the global amount of 196.8m € in commitment appropriations and 208.7m € in payment appropriations. As the budgetary authority decided within days of this decision to slightly change the amounts being allocated to the JU, an amending budget was adopted by the Governing Board in March 2012 by written procedure.

Finally, in its October 2012 meeting, the Governing board adopted a second amendment to the budget to take into account a reduction in the payment credits available from the Commission subsidy. 40m € was reduced from the payment appropriations as a result of an internal analysis performed on the needs for grant agreement payments. Secondly, an update

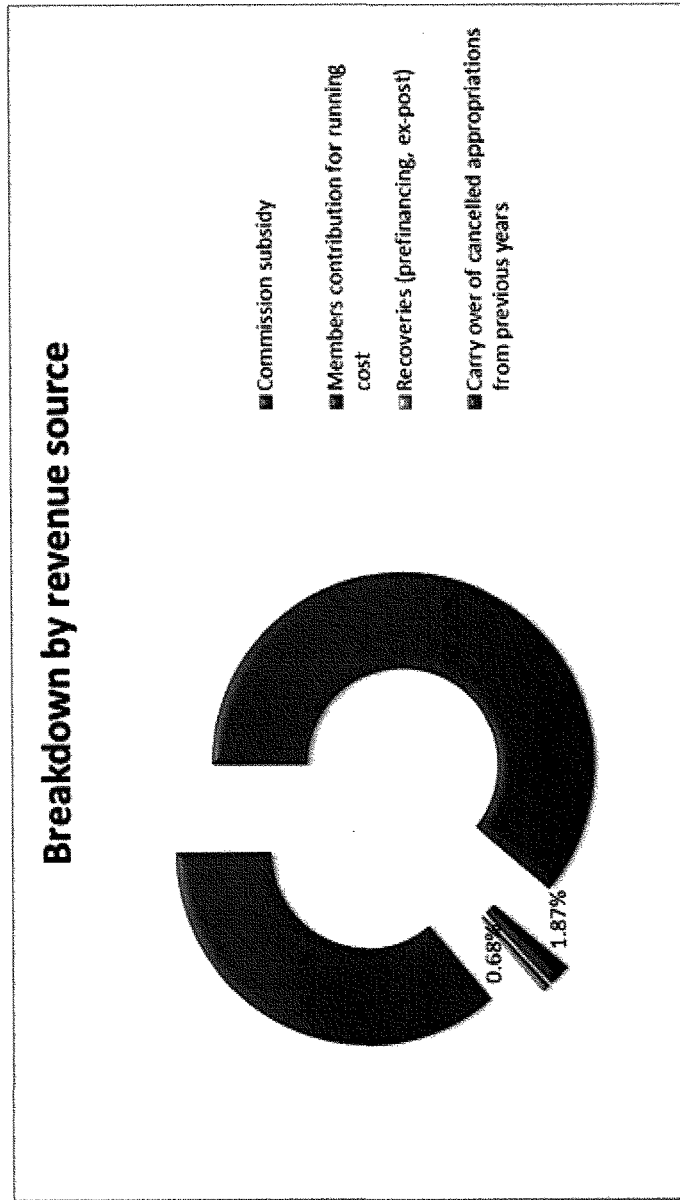


to the actual carry-over from 2011 to 2012 was completed and was reflected in the amendment. Lastly, internal transfers (as decided by the Executive Director in accordance with the CS Financial Rules) were incorporated into the amendment to show the final amounts on each budget line.

Note: The Clean Sky JU budget uses chapters for each type of expenditure and no further breakdown of budget is presented in the current budget structure as this is not necessary for the type of expenditure managed by the JU, i.e. there are no individual budget lines underneath the chapters displayed in the budget itself.



### 3.2 Statement of revenue



#### **EC contribution**

This refers to the subsidy which the JU receives from the European Commission as part of the 800 m € foreseen in the Council Regulation establishing Clean Sky JU. This is composed of the contribution for the annual operational payment needs and the running costs.

#### **Non- EC Members' contribution to running costs 2012**

Each year, the JU sends out debit notes to its non-EC members to receive their respective contributions to the running costs of the JU. In accordance with Article 12 (3) of the Statutes, the running costs shall not exceed 3% of the operational budget used by the programme. The

allocations per member were agreed at the beginning of the programme and committed to through the funding agreement signed by the non-EC members of the JU. This contribution makes up 50% of the running costs each year.

#### **Non- EC Members' contribution to running costs of previous years**

This represents the non-EC members' contribution to running costs of previous years where the JU had open recovery orders not yet cashed at year end 2011.

#### **Recovery of overpaid pre-financing**

This item relates to the recovery of pre-financing which the JU paid out in previous years but which, after having received the final reports for 2011, needed to be recovered as the execution of the operational projects (mainly GAMs) did not reach the level of pre-financing paid.

#### **Recovery of ex-post audit results**

In 2012, the JU continued to close ex-post audits launched in 2011. A consequence of the audits is to recover the over-payments made to beneficiaries following the detection of errors during the ex-post audit exercise. The JU is able to make these recoveries with at least 2 opportunities each year namely with the pre-financing payments and final payments for the GAMs. It can also launch separate recovery orders separated from these payments when needed. In 2012, it used the above opportunities to recover the over-payments.

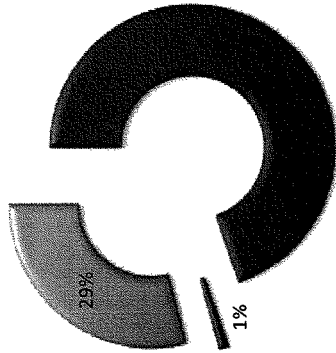
#### **Carry-over of cancelled appropriations from previous years**

In accordance with Article 10 of the Clean Sky financial rules, the JU may carry over appropriations which have been cancelled for up to 3 following financial years.

3.2.1 Evolution of the statement of revenue

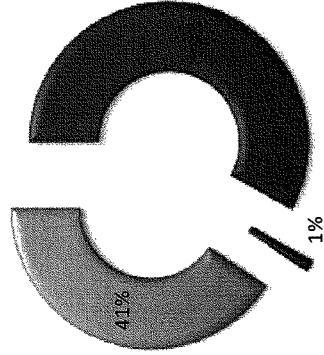
<i>Evolution of the Statement of Revenue 2012 (EUR) (fund sources C1 and C2)</i>					
<i>Commitment Appropriations</i>					
Heading of the Budget 2012	Initial Budget (1)	Amending Budget No.1 12/04/2012 (2)	Amending Budget No.2 11/10/2012 (3)	Final Budget for implementation (4)=SUM(1 to 3)	
100	142,800,000.00	598,292.00	0.00	143,398,292.00	
200	2,775,000.00	-410,668.00	0.00	2,364,332.00	
300	38,391,000.00	11,870,758.00	9,340,308.00	59,602,066.00	
<b>TOTAL REVENUE (COMMITMENTS)</b>	<b>183,966,000.00</b>	<b>12,058,382.00</b>	<b>9,340,308.00</b>	<b>205,364,690.00</b>	
<i>Evolution of the Statement of Revenue 2012 (EUR) (fund sources C1 and C2)</i>					
<i>Payment Appropriations</i>					
Heading of the Budget 2012	Initial Budget (1)	Amending Budget No.1 12/04/2012 (2)	Amending Budget No.2 11/10/2012 (3)	Final Budget for implementation (4)=SUM(1 to 3)	
100	150,494,880.00	-13,155,082.00	-40,000,000.00	97,339,798.00	
200	2,775,000.00	-410,668.00	0.00	2,364,332.00	
300	78,123,396.00	-9,872,306.00	-20,696.00	68,230,394.00	
<b>TOTAL REVENUE (PAYMENTS)</b>	<b>231,393,276.00</b>	<b>-23,438,056.00</b>	<b>-40,020,696.00</b>	<b>167,934,524.00</b>	

### Breakdown by contributors (Commitment appropriations)



- SUBSIDY OF THE COMMISSION
- CONTRIBUTION FROM MEMBERS (NON-EC)
- CARRY-OVER FROM 2010/2011

### Breakdown by contributors (Payment appropriations)



- SUBSIDY OF THE COMMISSION
- CONTRIBUTION FROM MEMBERS (NON-EC)
- CARRY-OVER FROM 2010/2011

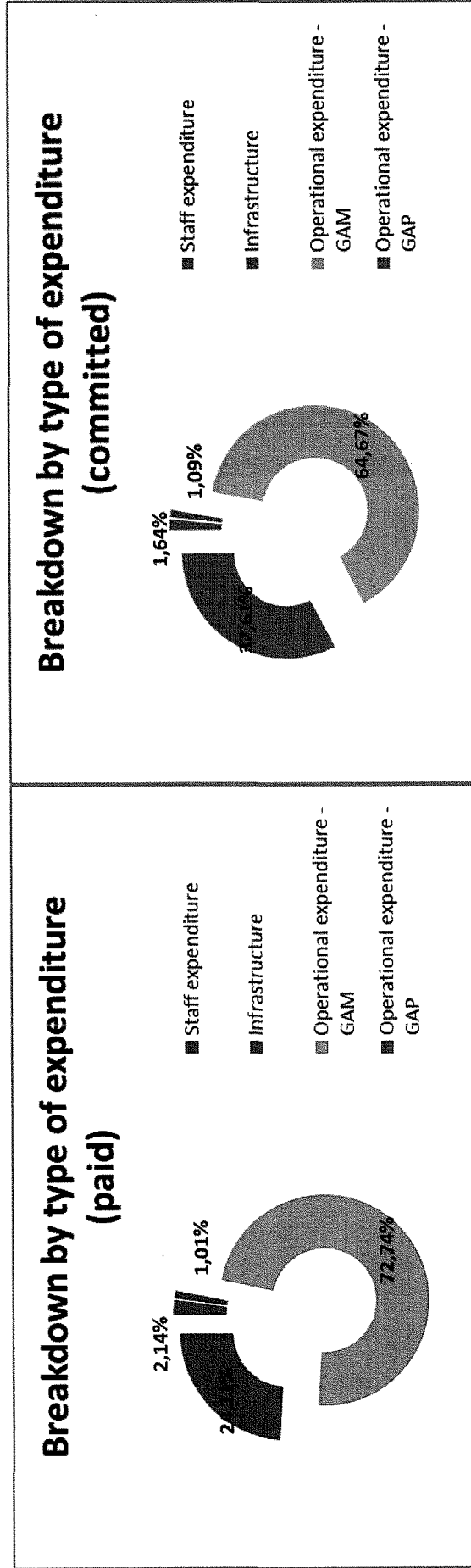
Type of revenue	Revenue Budget	Entitlements established	Revenue received	Outstanding at the end of the year
EC contribution	97,339,799.00	97,339,798.00	97,339,798.00	0.00
Non-EC Members' contribution for running cost 2012	2,364,332.00	2,364,332.00	1,420,497.08	943,834.92
Non-EC Members' contribution for running cost previous years*		1,994,753.64	1,554,324.64	440,429.00
Recovery of overpaid pre-financing		2,200,804.91	709,900.27	1,490,904.64
Recovery of ex-post audit results		381,449.55	376,879.27	4,570.28
Carry over of cancelled appropriations from previous years	68,230,393.00	57,606,831.60	57,606,831.60	0.00
<b>Total</b>	<b>167,934,524.00</b>	<b>161,887,969.70</b>	<b>159,008,230.86</b>	<b>2,879,738.84</b>

3.3 Statement of expenditure

<i>Evolution of the Statement of Expenditure 2012 (EUR) (fund sources C1 and C2)</i>						
Heading of the Budget 2012	Initial Budget (1)	Amending Budget No.1 12/04/2012 (2)	Amending Budget No.2 11/10/2012 (3)	Transfers adopted by CSJU Director or add.revenue (4)	Final Budget for implementation (6)=? (1to 5)	
<b>CH 1 STAFF</b>						
CH 1 1 STAFF IN ACTIVE EMPLOYMENT	2,780,000.00	-280,000.00	-160,000.00	-62,953.33	2,277,046.67	
CH 1 2 MISCELLANEOUS EXPENDITURE ON STAFF	300,000.00	-60,000.00	90,000.00	0.00	330,000.00	
CH 1 3 MISSIONS AND DUTY TRAVEL	170,000.00	-30,000.00	70,000.00	-20,000.00	190,000.00	
CH 1 4 SOCIO MEDICAL INFRASTRUCTURE	40,000.00	-2,000.00	0.00	-3,800.00	34,200.00	
CH 1 5 SOCIAL MEASURES	p.m.	p.m.	p.m.	p.m.	p.m.	
CH 1 7 RECEPTIONS AND EVENTS	20,000.00	-10,000.00	0.00	-1,000.00	9,000.00	
<b>TITLE 1 - Commitment and Payment</b>	<b>3,310,000.00</b>	<b>-382,000.00</b>	<b>0.00</b>	<b>-87,753.33</b>	<b>2,840,246.67</b>	
<b>CH 2 BUILDINGS, IT, EQUIPMENT, COMMUNICATION, MANAGEMENT OF CALLS AND MISCELLANEOUS EXPENDITURE FOR RUNNING ACTIVITIES</b>	<b>Initial Budget (1)</b>	<b>Amending Budget No.1 12/04/2012 (2)</b>	<b>Amending Budget No.2 11/10/2012 (3)</b>	<b>Transfers adopted by CSJU Director or add.revenue (4)</b>	<b>Final Budget (6)=? (1to 5)</b>	
CH 2 0 RENTAL OF BUILDINGS AND ASSOCIATED COSTS	330,000.00	-10,000.00	0.00	0.00	320,000.00	
CH 2 1 INFORMATION TECHNOLOGY PURCHASES	65,000.00	0.00	40,000.00	47,000.00	152,000.00	
CH 2 2 MOVABLE PROPERTY AND ASSOCIATED COSTS	40,000.00	-15,000.00	-3,500.00	-21,500.00	0.00	
CH 2 3 CURRENT EXPENDITURE FOR RUNNING COSTS	50,000.00	-10,000.00	0.00	-14,000.00	26,000.00	
CH 2 4 POSTAGE AND TELECOMMUNICATIONS	35,000.00	-3,500.00	3,500.00	0.00	35,000.00	
CH 2 5 EXPENDITURE ON FORMAL AND OTHER MEETINGS	250,000.00	-30,000.00	0.00	43,253.33	263,253.33	
CH 2 7 COMMUNICATION ACTIVITIES	250,000.00	-100,000.00	-40,000.00	22,500.00	132,500.00	
CH 2 8 STUDIES	400,000.00	-65,836.00	0.00	88,244.00	422,408.00	
CH 2 9 COSTS ASSOCIATED WITH CALLS	820,000.00	-205,000.00	0.00	-77,744.00	537,256.00	
<b>TITLE 2 - Commitment and Payment</b>	<b>2,240,000.00</b>	<b>-439,336.00</b>	<b>0.00</b>	<b>87,753.33</b>	<b>1,888,417.33</b>	
<b>Total TITLE 1 &amp; 2- Commitment &amp; Payment</b>	<b>5,550,000.00</b>	<b>-821,336.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,728,664.00</b>	

CH 3	OPERATIONAL EXPENDITURE COMMITMENTS	Initial Budget (1)	Amending Budget No.1 12/04/2012 (2)	Amending Budget No.2 11/10/2012 (3)	Transfers adopted by CSJU Director or add.revenue (4)	Final Budget (6)=? (1 to 5)
CH 30	SMART FIXED WING AIRCRAFT	28,000,000.00	0.00	0.00	0.00	28,000,000.00
CH 31	GREEN REGIONAL AIRCRAFT	12,260,000.00	0.00	0.00	0.00	12,260,000.00
CH 32	GREEN ROT ORCRAFT	12,000,000.00	0.00	0.00	0.00	12,000,000.00
CH 33	SUSTAINABLE AND GREEN ENGINES	41,790,000.00	0.00	-14,273,119.00	-10,936.00	27,505,945.00
CH 34	SYSTEMS FOR GREEN OPERATIONS	23,280,000.00	0.00	0.00	0.00	23,280,000.00
CH 35	ECO-DESIGN	9,200,000.00	0.00	0.00	0.00	9,200,000.00
CH 36	TECHNOLOGY EVALUATOR	1,886,000.00	0.00	10,936.00	0.00	1,896,936.00
CH 37	CALLS FOR PROPOSALS	50,000,000.00	23,613,426.00	0.00	0.00	73,613,426.00
	<b>TITLE 3 - Commitments</b>	<b>178,416,000.00</b>	<b>23,613,426.00</b>	<b>-14,262,183.00</b>	<b>-10,936.00</b>	<b>187,756,307.00</b>
CH 3	OPERATIONAL EXPENDITURE PAYMENTS	Initial Budget (1)	Amending Budget No.1 12/04/2012 (2)	Amending Budget No.2 11/10/2012 (3)	Transfers adopted by CSJU Director or add.revenue (4)	Final Budget (6)=? (1 to 5)
CH 30	SMART FIXED WING AIRCRAFT	29,060,738.00	0.00	0.00	0.00	29,060,738.00
CH 31	GREEN REGIONAL AIRCRAFT	12,334,564.00	0.00	0.00	0.00	12,334,564.00
CH 32	GREEN ROT ORCRAFT	11,717,365.00	0.00	0.00	0.00	11,717,365.00
CH 33	SUSTAINABLE AND GREEN ENGINES	34,423,378.00	0.00	-9,161,506.00	-10,936.00	25,250,936.00
CH 34	SYSTEMS FOR GREEN OPERATIONS	22,748,050.00	-20,000,000.00	0.00	20,000,000.00	22,748,050.00
CH 35	ECO-DESIGN	8,903,753.00	0.00	0.00	0.00	8,903,753.00
CH 36	TECHNOLOGY EVALUATOR	1,973,540.00	-10,936.00	0.00	10,936.00	1,973,540.00
CH 37	CALLS FOR PROPOSALS	64,260,000.30	0.00	-13,043,086.30	0.00	51,216,914.00
	<b>TITLE 3 - Payments</b>	<b>185,421,388.30</b>	<b>-20,010,936.00</b>	<b>-22,204,592.30</b>	<b>20,000,000.00</b>	<b>163,205,860.00</b>
CH 4	UNUSED APPROPRIATIONS NOT REQUIRED IN CURRENT YEAR	Initial Budget (1)	Amending Budget No.1 12/04/2012 (2)	Amending Budget No.2 11/10/2012 (3)	Transfers adopted by CSJU Director or add.revenue (4)	Final Budget (6)=? (1 to 5)
CH 40	TITLE 4 - Commitments	12,879,718.01	0.99	0.00	0.00	12,879,719.00
CH 40	TITLE 4 - Payments	17,805,168.35	-17,805,168.35	0.00	0.00	0.00
	<b>Total Budget in Commitment Appropriation</b>	<b>196,845,718.01</b>	<b>22,792,090.99</b>	<b>-14,262,183.00</b>	<b>-10,936.00</b>	<b>205,364,690.00</b>
	<b>Total Budget in Payment Appropriation</b>	<b>208,776,556.65</b>	<b>-38,637,440.35</b>	<b>-22,204,592.30</b>	<b>20,000,000.00</b>	<b>167,934,524.00</b>

### 3.3.1 Implementation of the statement of expenditure





**Implementation of the Statement of Expenditure 2012 (EUR) (fund sources C1 and C2)**

Heading of the Budget 2012		Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)
<b>CH 1</b>	<b>STAFF</b>	<b>Commitment Appropriation</b>			<b>Payment Appropriations</b>		
CH 1 1	STAFF IN ACTIVE EMPLOYMENT	2,277,046.67	2,276,991.56	100.0%	2,277,046.67	2,276,991.56	100.0%
CH 1 2	MISCELLANEOUS EXPENDITURE ON STAFF	330,000.00	330,000.00	100.0%	330,000.00	252,226.93	76.4%
CH 1 3	MISSIONS AND DUTY TRAVEL	190,000.00	190,000.00	100.0%	190,000.00	157,505.20	82.9%
CH 1 4	SOCIOMEDICAL INFRASTRUCTURE	34,200.00	34,200.00	100.0%	34,200.00	16,437.02	48.1%
CH 1 5	SOCIAL MEASURES	0.00	0.00	0.0%	0.00	0.00	0.0%
CH 1 7	RECEPTIONS AND EVENTS	9,000.00	620.00	6.9%	9,000.00	620.00	6.9%
	<b>TITLE 1 - Staff Expenditure</b>	2,840,246.67	2,831,811.56	99.7%	2,840,246.67	2,703,780.71	95.2%
<b>CH 2</b>	<b>BUILDINGS, IT, EQUIPMENT, COMMUNICATION, MANAGEMENT OF CALLS AND MISCELLANEOUS EXPENDITURE FOR RUNNING ACTIVITIES</b>	Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)
CH 2 0	RENTAL OF BUILDINGS AND ASSOCIATED	320,000.00	320,000.00	100.00%	320,000.00	320,000.00	100.0%
CH 2 1	INFORMATION TECHNOLOGY PURCHASES	152,000.00	152,000.00	100.00%	152,000.00	75,834.16	49.9%
CH 2 2	MOVABLE PROPERTY AND ASSOCIATED	0.00	0.00	0.00%	0.00	0.00	0.0%
CH 2 3	CURRENT EXPENDITURE FOR RUNNING	26,000.00	26,000.00	100.00%	26,000.00	14,629.64	56.3%
CH 2 4	POSTAGE AND TELECOMMUNICATIONS	35,000.00	35,000.00	100.00%	35,000.00	26,082.87	74.5%
CH 2 5	EXPENDITURE ON FORMAL AND OTHER	263,253.33	263,253.33	100.00%	263,253.33	223,016.01	84.7%
CH 2 7	COMMUNICATION ACTIVITIES	132,500.00	132,500.00	100.00%	132,500.00	104,570.42	78.9%
CH 2 8	STUDIES	422,408.00	422,297.94	99.97%	422,408.00	122,577.75	29.0%
CH 2 9	COSTS ASSOCIATED WITH CALLS	537,256.00	537,256.00	100.00%	537,256.00	388,229.10	72.3%
	<b>TITLE 2</b>	1,888,417.33	1,888,307.27	99.99%	1,888,417.33	1,274,939.95	67.5%
	<b>Total TITLE 1 &amp; 2</b>	4,728,664.00	4,720,118.83	99.8%	4,728,664.00	3,978,720.66	84.1%

<b>Implementation of the Statement of Expenditure 2012 (EUR) (fund sources C1 and C2)</b>						
	Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)
<b>CH 3 OPERATIONAL EXPENDITURE</b>						
CH 30 SMART FIXED WING AIRCRAFT	28,000,000.00	27,957,005.00	99.85%	29,060,738.00	22,365,603.70	77.0%
CH 31 GREEN REGIONAL AIRCRAFT	12,260,000.00	11,359,247.77	92.65%	12,334,564.00	10,161,494.87	82.4%
CH 32 GREEN ROTORCRAFT	12,000,000.00	11,284,525.00	94.04%	11,717,365.00	9,027,620.00	77.0%
CH 33 SUSTAINABLE AND GREEN ENGINES	27,505,945.00	27,505,945.00	100.00%	25,250,936.00	22,003,146.80	87.1%
CH 34 SYSTEMS FOR GREEN OPERATIONS	23,280,000.00	22,890,560.00	98.33%	22,748,050.00	18,312,448.00	80.5%
CH 35 ECO-DESIGN	9,200,000.00	9,050,052.00	98.37%	8,903,753.00	8,369,323.66	94.0%
CH 36 TECHNOLOGY EVALUATOR	1,896,936.00	1,896,936.00	100.00%	1,973,540.00	1,757,205.77	89.0%
CH 37 CALLS FOR PROPOSALS	73,613,426.00	56,448,811.70	76.68%	51,216,914.00	30,493,046.75	59.5%
<b>Total TITLE 3 -</b>	<b>187,756,307.00</b>	<b>168,393,082.47</b>	<b>89.69%</b>	<b>163,205,860.00</b>	<b>122,489,889.55</b>	<b>75.1%</b>
<b>CH 4 UNUSED APPROPRIATIONS NOT REQUIRED IN CURRENT YEAR</b>						
CH 40	12,879,719.00	0.00	0.00	0.00	0.00	0.00
<b>Total Budget</b>	<b>205,364,690.00</b>	<b>173,113,201.30</b>	<b>84.30%</b>	<b>167,934,524.00</b>	<b>126,468,610.21</b>	<b>75.3%</b>

### 3.3.2 Main highlights of the 2012 budget execution

As shown in the introduction to the budget implementation report above (page 31), the JU has had a 90% rate<sup>3</sup> of implementation for the commitment appropriations in 2012. The payments appropriations were executed to 75% of the available funds. However, as noted above, this is the result following the reduction of the overall payment appropriations to the JU for 2012 of 40m € (see section 3.1.4, page 32).

**Title 1 & 2:** The running costs of the JU had a very high rate of use in 2012 showing a reliable budgetary planning for this part of the JU budget. Staff expenditure budget (Chapter 11) was mainly used for the statutory staff of the JU (18 people at 31.12.12), although other external support was also hired in by the JU to cope with the increased workload (Chapter 12 used). The JU has also contracted the services of audit firms to perform the ex-post audits to beneficiaries of JU funding in 2012 (Chapter 28).

**Title 3:** The chapters relating to the ITD grant agreements for Members (chapters 30-36), show a high rate of commitment in all cases as this reflects the requested commitment appropriations for the year 2012 grant agreement. On the payments side however, as the JU pays the pre-

<sup>3</sup> This rate is calculated excluding Title 4 which was foreseen not to be used in 2012 although within the overall budget available commitment appropriations of the year.

financing of the current year and the final payment of the previous year, the execution rate ranges between 77% and 94% of the allocated amounts. The main reason for the lower execution is due to the lower than expected values of cost claims validated by the JU in combination with some compensation for recovery of over-paid pre-financing of 2011 and the implementation of ex-post audit results within these payments.

In general, the rate of payment execution is improving but 2012 was the first year the JU implemented the corrections needed due to the ex-post audit findings with the affected beneficiaries. This therefore lowered their overall payment execution during the year 2012. It is reminded that these ex-post audits covered three previous years (i.e. 2008-2010) and was the first exercise of the JU for ex-post audits.

With regard to chapter 37, which comprises of the funds allocated to the grant agreements for Partners, the budget execution has been slower than expected in 2012. This is due to a number of topics failing to have a successful proposal found following the publication of the call. In addition, the JU de-committed the amounts not needed directly within 2012 in order not to carry these forward as automatic carry forward. This allows a clearer picture of the actual budget consumption at year end for calls.

### Implementation of the Statement of Expenditure 2012 (EUR) (fund source C4)

CH 3	OPERATIONAL EXPENDITURE	Commitment Appropriations			Payment Appropriations		
		Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)
CH 30	SMART FIXED WING AIRCRAFT	70,900.90	0.00	0%	70,900.90	0.00	0%
CH 31	GREEN REGIONAL AIRCRAFT	158,968.58	0.00	0%	158,968.58	0.00	0%
CH 32	GREEN ROTORCRAFT	709,900.27	0.00	0%	709,900.27	0.00	0%
CH 33	SUSTAINABLE AND GREEN ENGINES	34,190.90	0.00	0%	34,190.90	0.00	0%
CH 34	SYSTEMS FOR GREEN OPERATIONS	30,009.79	0.00	0%	30,009.79	0.00	0%
CH 35	ECCO-DESIGN	56,057.87	0.00	0%	56,057.87	0.00	0%
CH 36	TECHNOLOGY EVALUATOR	26,751.23	0.00	0%	26,751.23	0.00	0%
CH 37	CALLS FOR PROPOSALS	0.00	0.00	0%	0.00	0.00	0%
<b>Total TITLE3 -</b>		<b>1,086,779.54</b>	<b>0.00</b>	<b>0%</b>	<b>1,086,779.54</b>	<b>0.00</b>	<b>0%</b>

This table shows a combination of two factors for the funds which can be re-entered in the JU budget. First due to overpaid pre-financing as a result of under execution and secondly the aforementioned recovery of ex-post audit corrections. The amounts entered on this funds source present the situation as 'cashed' by the JU at year end.

**Implementation of the Statement of Expenditure 2012 (EUR) (fund source C8)**

Heading of the Budget 2012		Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)
CH 1	STAFF	Commitment Appropriation		Payment Appropriations			
CH 1 1	STAFF IN ACTIVE EMPLOYMENT	0.00	0.00	n.a	0.00	0.00	n.a
CH12	MISCELLANEOUS EXPENDITURE ON STAFF	305,359.53	106,515.31	34.9%	305,359.53	106,515.31	34.9%
CH 13	MISSIONS AND DUTY TRAVEL	56,409.30	14,949.14	26.5%	56,409.30	14,949.14	26.5%
CH 14	SOCJOMEDICAL INFRASTRUCTURE	31,362.56	23,622.08	75.3%	31,362.56	23,622.08	75.3%
CH 15	SOCIAL MEASURES	0.00	0.00	n.a	0.00	0.00	n.a
CH 17	RECEPTIONS AND EVENTS	745.24	415.00	55.7%	745.24	415.00	55.7%
	<b>TITLE 1 - Staff Expenditure</b>	<b>393,876.63</b>	<b>145,501.53</b>	<b>36.9%</b>	<b>393,876.63</b>	<b>145,501.53</b>	<b>36.9%</b>
CH 2	<b>BUILDINGS, IT, EQUIPMENT, COMMUNICATION, MANAGEMENT OF CALLS AND MISCELLANEOUS EXPENDITURE FOR RUNNING ACTIVITIES</b>	<b>Final Budget for implementation (1)</b>	<b>Final Implementation (2)</b>	<b>% Implementation (3)=(2)/(1)</b>	<b>Final Budget for implementation (1)</b>	<b>Final Implementation (2)</b>	<b>% Implementation (3)=(2)/(1)</b>
CH 20	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	0.00	0.00	n.a	0.00	0.00	n.a
CH 21	INFORMATION TECHNOLOGY PURCHASES	162,935.96	140,522.91	86.24%	162,935.96	140,522.91	86.2%
CH 22	MOVABLE PROPERTY AND ASSOCIATED COSTS	28,241.06	25,465.28	90.17%	28,241.06	25,465.28	90.2%
CH 23	CURRENT EXPENDITURE FOR RUNNING COSTS	23,055.07	15,639.03	67.83%	23,055.07	15,639.03	67.8%
CH 24	POSTAGE AND TELECOMMUNICATIONS	20,868.83	6,605.26	31.65%	20,868.83	6,605.26	31.7%
CH 25	EXPENDITURE ON FORMAL AND OTHER MEETINGS	25,911.61	7,932.11	30.61%	25,911.61	7,932.11	30.6%
CH 27	COMMUNICATION ACTIVITIES	109,802.51	43,836.08	39.92%	109,802.51	43,836.08	39.9%
CH 28	STUDIES	80,336.00	43,808.80	54.53%	80,336.00	43,808.80	54.5%
CH 29	COSTS ASSOCIATED WITH CALLS	317,780.03	40,475.42	12.74%	317,780.03	40,475.42	12.7%
	<b>TITLE 2</b>	<b>768,931.07</b>	<b>324,284.89</b>	<b>42.17%</b>	<b>768,931.07</b>	<b>324,284.89</b>	<b>42.2%</b>
	<b>Total TITLE 1 &amp; 2</b>	<b>1,162,807.70</b>	<b>469,786.42</b>	<b>79.11%</b>	<b>1,162,807.70</b>	<b>469,786.42</b>	<b>79.11%</b>

**Implementation of the Statement of Expenditure 2012 (EUR) (fund source C8)**

CH 3 OPERATIONAL EXPENDITURE	Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final Implementation (2)	% Implementation (3)=(2)/(1)
CH 30 SMART FIXED WING AIRCRAFT	10,936,234.07	10,936,234.07	100.00%	0.00	0.00	n.a
CH 31 GREEN REGIONAL AIRCRAFT	5,225,232.30	4,338,213.30	83.02%	0.00	0.00	n.a
CH 32 GREEN ROTORCRAFT	2,849,570.87	2,849,570.87	100.00%	0.00	0.00	n.a
CH 33 SUSTAINABLE AND GREEN ENGINES	4,784,985.86	3,124,628.86	65.30%	0.00	0.00	n.a
CH 34 SYSTEMS FOR GREEN OPERATIONS	6,291,006.25	6,291,006.25	100.00%	0.00	0.00	n.a
CH 35 ECO-DESIGN	3,437,739.63	3,169,724.63	92.20%	0.00	0.00	n.a
CH 36 TECHNOLOGY EVALUATOR	1,084,059.41	842,719.27	77.74%	0.00	0.00	n.a
CH 37 CALLS FOR PROPOSALS	127,456,351.12	54,970,935.65	43.13%	0.00	0.00	n.a
<b>Total TITLE 3</b>	<b>162,065,179.51</b>	<b>86,523,032.90</b>	<b>53.39%</b>	<b>0.00</b>	<b>0.00</b>	<b>n.a</b>
<b>Total Budget implementation</b>	<b>163,227,987.21</b>	<b>86,992,819.32</b>	<b>53.30%</b>	<b>1,162,807.70</b>	<b>469,786.42</b>	<b>40.40%</b>

The C8 funds source shows the open commitments in the JU for previously committed grant agreements to beneficiaries. The remaining commitment appropriations are needed to meet expected future payments for the interim and final reports of the projects. Once the project is closed, these funds can be de-committed and converted to C2 funds source for re-use up to the following 3 financial years (Art. 10 of CS Financial rules).

## 4 Budgetary outturn account 2012

### 4.1 Budgetary outturn account 2012

	2012	2011
<b>REVENUE</b>		
Commission subsidy ( C1 )	+ 97.339.798,00	117.000.000,00
Non-EC Members' contribution for running cost for the current year (C1)	+ 1.420.497,08	
Members contribution for running cost previous years (C 8)	+ 1.554.324,64	2.180.853,95
Other income (recovery of prefinancing, ex-post) (C4)	+ 1.086.779,54	
Carry over of cancelled appropriations from previous years (C2 )	57.606.831,60	73.347.498,43
<b>TOTAL REVENUE (a)</b>	<b>159.008.230,86</b>	<b>192.528.352,38</b>
<b>EXPENDITURE</b>		
<i>Title I: Staff</i>		
Payments		
<i>Payments made on C1 appropriation</i>	- 2.703.780,71	2.555.875,12
<i>Payments made on C4 appropriation</i>	- 0,00	0,00
<i>Payment Appropriations automatically Carried-Over</i>	- 128.030,85	393.876,73
<i>Payment Appropriations non-automatically Carried-Over (to be re-entered)</i>	- 8.435,11	26.980,42
<i>Title II: Administrative Expenses</i>		
<i>Payments made on C1 appropriation</i>	- 1.274.939,95	1.954.639,08
<i>Payments made on C4 appropriation</i>	- 0,00	0,00
<i>Payment Appropriations automatically Carried-Over</i>	- 613.367,32	768.931,07
<i>Payment Appropriations non-automatically Carried-Over (to be re-entered)</i>	- 110,06	215.552,40
<i>Title III and IV: Operational Expenditure</i>		
<i>Payments made on C1 appropriation</i>	- 88.228.864,23	98.398.058,18
<i>Payments made on C2 appropriation</i>	- 34.261.025,32	324.024,67
<i>Payments made on C4 appropriation</i>	- 0,00	21.044.664,93
<i>Payment Appropriations automatically Carried-Over (C1)</i>	- 6.746.602,77	34.551.779,00
<i>Payment Appropriation automatically Carried-Over (C4)</i>	- 1.086.779,54	
<i>Payment Appropriations non-automatically Carried-Over (to be re-entered) (C2)</i>	- 33.969.367,68	32.293.970,78
<i>Adjustment for carry-over from the previous year of appropriations</i>	- -10.623.561,40	0,00
<b>TOTAL EXPENDITURE (b)</b>	<b>158.397.742,14</b>	<b>192.528.352,38</b>
<b>OUTTURN FOR THE FINANCIAL YEAR (a-b)</b>	<b>610.488,72</b>	<b>0,00</b>
Exchange differences for the year (gain +/-loss -)	+ -422,17	0,00
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>	<b>610.066,55</b>	<b>0,00</b>

Not included in the budget outturn:

Interest generated by 31/12/N on the Commission balancing subsidy funds (CSJU revenue) - will be incorporated in 2013 budget	+ 551.745,84
Recovered interest generated by 31/12/N on the pre-financing paid to beneficiaries - will be incorporated in 2013 budget	+ 2.312,25
Further carryover of unused payment admin appropriations carried over from previous year (C8-2012 CND -> C2-2013)	+ 693.021,28

### 4.2 Notes to the budgetary outturn account

The outturn for the financial year corresponds to the total revenues actually cashed during the year plus appropriations carried over from previous years minus the total payments made during the year, minus the appropriations carried over to the following year.

For the financial year, the balance of the budget outturn amounts to 610,066.55 €.

## **Revenue:**

The sources of revenue are explained in section 3.2. The amounts shown are the amounts cashed during 2012 and for the carry-over, the amount actually carried over from 2011.

**Adjustment for carry-over from the previous year of appropriations available at 31.12 (C2 correction):** In the budget adopted by the Governing Board, the estimated amount for carry over was 68.2 m €. Following an analysis made taking the figures from the beginning of the programme to the end of 2012, it was realised that this estimate was in fact too high by 10.6m €. The correct amount of 57.6m € represents the updated and definitive carry over amount for payment appropriations arising from the year 2011. This adjustment is presented here to show the correction needed in the funds source allocation in the JU budgetary system and to accurately reflect the balance of the budget outturn account.

## **Expenditure**

The expenses shown in Title I and II cover the JU's running costs.

The amount reflected in Title III includes pre-financing paid for GAMs and GAPs as well as interim and final payments for cost claims received.

Details are provided in the tables on the implementation of the statement of expenditure in section 3.3.

### 4.3 Reconciliation between budget outturn and economic outturn

The accounting system of the CSJU comprises general accounts and budgetary accounts. The budgetary accounts are based on the modified cash accounting principle while the general accounts are accruals based.

The application of these different accounting principles leads to a different result in the budget outturn than in the economic outturn.

The table below highlights the differently treated elements reconciling the results of the two methods.

Reconciliation of accrual result with budgetary result	Amount
<b>Economic result</b>	<b>-222.821.030,85</b>
<i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i>	
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-113.561.343,59
Adjustments for Accrual Cut-off (cut-off 31.12.N)	151.553.689,97
Operational expenses contributed in-kind by members	93.520.379,99
Other revenue from retroactive negative adjustments	-2.834.224,32
Unpaid invoices at year end but booked in charges (class 6)	7.701.631,04
Depreciation of intangible and tangible assets	30.212,55
Provisions for salary raise and ex-post results	850.448,10
Recovery Orders issued in 2012 in class 7 and not yet cashed and negative deductions on unpaid claims w/o RO	-1.818.179,56
Deduction of interest earned on pre-financing on unpaid claims	-4.240,33
GAM pre-financing cleared in the year 2012	73.117.397,61
GAP pre-financing cleared in the year 2012	3.409.900,69
Rejected on-hold GAM expenses from previous years (expensed in previous years)	-490.734,97
Negative deductions on unpaid GAM claims	1.870.964,80
Prepayments (deferrals) and accrued income	-21.260,61
Financial expenses	0,30
Interest	-425.763,83
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>	
Asset acquisitions (less unpaid amounts)	-184.115,24
GAM pre-financing paid in the year 2012 and open on 31.12.2012	-89.553.807,30
GAP pre-financing paid in the year 2012 and open on 31.12.2012	-26.385.014,24
Budgetary recovery orders issued before 2012 and cashed in the year	1.554.324,64
Cash contribution from EU	97.339.798,00
Cashed contribution from members for 2012 running cost	1.420.497,08
Invoices paid in 2012 but booked in charges in 2011 (class 6)	-24.491,26
Payment appropriations carried over from previous years	57.606.831,60
Payment appropriations carried over to 2013	-31.929.131,93
Payments on C8 payments credit	469.786,42
Payment of onhold GAM expenses from previous years (expensed in previous years)	-490.046,19
Deduction of interest earned on pre-financing on paid claims	-2.312,25
Cashed recovery orders for pre-financing recovery	709.900,27
<b>Total</b>	<b>610.066,55</b>
<b>Budgetary result</b>	<b>610.066,55</b>
<i>Delta not explained</i>	<i>0,00</i>



## 5 INDEX OF ABBREVIATIONS

Index of abbreviations	
ABAC	Accrual Based Accounting
ABP	Annual Budget Plan
BOA	Budgetary Outturn Account
BS	Balance Sheets
CS	Clean Sky (Joint Undertaking)
CSJU	Clean Sky Joint Undertaking
EC	European Commission
EOA	Economic Outturn Account
EU	European Union
FA	Fixed Assets
GAM	Grant Agreement for Members
GAP	Grant Agreement for Partners
GB	Governing Board
GMT	Grant Management Tool
GVM	Grant View Monitoring (grant management tool)
ITD	Integrated Technology Demonstrator
JU	Joint Undertaking

## 6 CERTIFICATE OF THE ACCOUNTING OFFICER

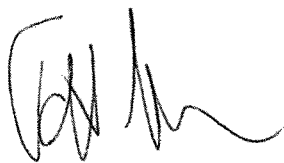
The Final Accounts of the Clean Sky Joint Undertaking for the financial year starting 1<sup>st</sup> January 2012 to 31<sup>st</sup> December 2012 have been prepared in accordance with the Financial Rules of the Clean Sky Joint Undertaking and in accordance with the accounting rules adopted by the Commission's 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 Clean Sky Joint Undertaking in accordance with article 43 of the Financial Rules of the Clean Sky Joint Undertaking.

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

I hereby certify that I have reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Clean Sky Joint Undertaking.

The significant negative balance of the Net Assets does not indicate any risk of solvency but results from the coinciding deadlines of establishing the final accounts and validating the cost claims of beneficiaries for the reporting period.



Andrea Tóth