Written Procedure 2015 – 02

Decision regarding the Governing Board’s opinion on the Final Accounts and Budgetary Implementation Report 2014 of the CSJU

Launch of the written procedure 2015 – 02

Brussels 08/06/2015

The Executive Director of Clean Sky 2 JU hereby launches the written procedure in accordance with the Rules of Procedure of the Governing Board for the opinion of the Governing Board on the Final Accounts and Budgetary implementation Report 2014 of the CSJU.

The approval is done through written procedure.

Annex I
Written procedure form

Annex II
Decision to be adopted

Annex III
Final Accounts and Budgetary Implementation Report 2014
Written procedure No 2015 - 02

Decision regarding the Governing Board’s opinion on the Final Accounts and Budgetary Implementation Report 2014 of the CSJU

Annex I
Written procedure form

To be sent to Governing-Board@cleansky.eu

The Undersigned
(name of the representative)

Name of the organisation

<table>
<thead>
<tr>
<th>Decision regarding the Governing Board’s opinion on the Final Accounts and Budgetary Implementation Report 2014 of the CSJU</th>
<th>Accept</th>
<th>Does not accept</th>
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</table>

(1) Indicate here the reason

Done at

Date

CS- GB- Written Procedure 2015 – 02 Final Accounts & Budgetary Implementation Report 2014
Annex II

Decision regarding the Governing Board’s opinion on the Final Accounts and Budgetary Implementation Report 2014 of the CSJU

THE GOVERNING BOARD OF THE CLEAN SKY 2 JOINT UNDERTAKING,

Having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing Clean Sky 2 Joint Undertaking, and in particular to Article 20 (3) of the Statutes,

Having regard to the Financial Rules of the Clean Sky 2 Joint Undertaking\(^1\), and in particular Article 43 (2),

Having regard to the Preliminary observations of the European Court of Auditors on the provisional accounts 2014 of the CSJU,

WHEREAS:

(1) In accordance with Article 43(2) of the Financial Rules of the Clean Sky 2 Joint Undertaking, the Court of Auditors shall by 1 June of the following year at the latest, make its observations on the provisional accounts of the CSJU.

(2) On receipt the Court of Auditor’s observations on the provisional accounts, the accounting officer shall draw up the final accounts of the CSJU. The Executive Director shall send them to the Governing Board which shall give an opinion on these accounts.

(3) The Governing Board shall deliver an opinion on the Clean Sky 2 Joint Undertaking’s final accounts.

(4) The Executive Director shall, by 1 July of the following financial year, send the final accounts to the European Parliament, the Council, the Commission and the Court of Auditors, together with the Governing Board’s opinion.

---

\(^1\) Doc. reference CS-GB-2014-03-07

CS- GB- Written Procedure 2015 – 02 Final Accounts & Budgetary Implementation Report 2014
HAS DECIDED:

Article 1

The Governing Board provides a favourable opinion on the Final Accounts and Budgetary Implementation Report of the CSJU 2014 as presented in the Annex III of this written procedure.

Article 2

The Governing Board of the Clean Sky 2 Joint Undertaking has taken note of the preliminary observations of the European Court of Auditors and requests to the Executive Director of CSJU to follow up the recommendations and remedy the shortcomings identified by the Court.

Article 3

This decision shall enter into force on the date of its adoption.

Done in Brussels, 06/07/2015

On behalf of the Governing Board, through written procedure No. 2015 – 02

Eric Dautriat

Executive Director
Clean Sky 2 Joint Undertaking

CS- GB- Written Procedure 2015 – 02 Final Accounts & Budgetary Implementation Report 2014
Annex III: Final Accounts and Budgetary Implementation Report 2014 of the CSJU
FINAL ACCOUNTS

&

BUDGETARY IMPLEMENTATION REPORT

OF

THE CLEAN SKY 2

JOINT UNDERTAKING

FOR THE YEAR

2014
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1 INTRODUCTION


The seat of the Clean Sky 2 Joint Undertaking is located in Brussels, Belgium.

The Clean Sky JTI (Joint Technology Initiative) represents a unique Public-Private Partnership between the European Union (represented by the European Commission) and the aeronautic industry, managed by the Clean Sky 2 Joint Undertaking.

Clean Sky is the most ambitious aeronautical research programme ever launched in Europe. Its mission is to develop breakthrough technologies to significantly increase the environmental performances of airplanes and air transport, resulting in less noisy and more fuel efficient aircraft, hence bringing a key contribution in achieving the Single European Sky environmental objectives. The new programme is leveraged by further research activities funded at national and regional level and by large private investments.

The objectives of the CSJU are to contribute to the finalisation of research activities of the Seventh Framework Programme initiated under Regulation (EC) No 71/2008, in particular Theme 7, Transport (including Aeronautics) of the Specific Programme Cooperation; and to contribute to improving the environmental impact of aeronautical technologies, including those relating to small aviation, as well as to developing a strong and globally competitive aeronautical industry and supply chain in Europe.

The objectives can be realised through speeding up the development of cleaner air transport technologies for earliest possible deployment, and in particular the integration, demonstration and validation of technologies capable of:

(a) increasing aircraft fuel efficiency, thus reducing CO₂ emissions by 20 to 30 % compared to 'state-of-the-art' aircraft entering into service as from 2014;
(b) reducing aircraft NOₓ and noise emissions by 20 to 30 % compared to 'state-of-the-art' aircraft entering into service as from 2014.

1 OJ L 169, 7.6.2014.
The Clean Sky 2 programme will continue this work in decreasing the environmental footprint of the aeronautical industry and falls under the societal challenge pillar in H2020, namely Smart, Green and Integrated transport.

These objectives will require both near-term solutions which can be implemented in the next generation of aircraft, and breakthrough innovations to address the longer term objectives — the air transport system from 2035 onward.

As technologies become more complex and interconnected, validation through demonstration is essential to enable industry to justify the substantial and increasing investment in new products.

The members of the Clean Sky 2 Joint Undertaking are:

(a) the Union, represented by the Commission;
(b) the Leaders and the Associates as listed in Annex II of Council Regulation No 558/2014, and the Core Partners who will be selected through an open, non-discriminatory and competitive call subject to an independent evaluation².

The members of the Clean Sky 2 Joint Undertaking other than the Union are referred to as the ‘private members’.

The Clean Sky 2 Joint Undertaking is jointly funded by the Union and the private members and their affiliated entities through financial contributions paid in instalments and contributions consisting of the costs incurred by them in implementing indirect actions that are not reimbursed by the Clean Sky 2 Joint Undertaking (in-kind contributions).

The maximum EU contribution to the CSJU under the 7th research framework programme (covering running costs and research activities) is Euro 800,000,000. Other members of the JU need to contribute resources (in-kind) at least equal to the EU contribution, excluding those allocated through calls for proposals, where special provisions exist. The running costs of the Clean Sky Joint Undertaking covered equally by the EU contribution and by the contribution of the private members (cash contribution). The running costs shall not exceed 3% of the overall cash contribution and of the contributions in kind of the private members.

The Union financial contribution to the Clean Sky 2 Joint Undertaking under Horizon 2020 (to cover both administrative and operational costs) will be up to Euro 1,755,000,000. The total in-kind contribution from the private members shall be of at least Euro 2,193,750,000.

The administrative costs under Horizon 2020 shall not exceed Euro 78,000,000 and will be covered through financial contributions divided equally on an annual basis between the Union.

² The first selection for Core Partners will be concluded in 2015.
and the private members. If part of the contribution for administrative costs is not used, it may be made available to cover the operational costs of the Clean Sky 2 Joint Undertaking.

**Governance**

The Governing Board of the Clean Sky 2 Joint Undertaking is composed of:

(a) one representative of the Commission on behalf of the Union;
(b) one representative of each Leader;
(c) one representative of Core Partners per ITD;
(d) one representative of Associates per ITD;
(e) one representative of Core Partners per IADP.

The Union holds 50% of the voting rights. The voting rights of the Union are indivisible. Each other representative holds an equal number of votes. Failing consensus, the Governing Board takes decisions by a majority of at least 80% of all votes, including the votes of those who are absent.

The financial reporting of the CSJU is governed by the provisions of the Financial Rules of the Clean Sky 2 Joint Undertaking\(^3\), which take into account the particular needs to combine public and private funding. The Annual Accounts comprise of the financial statements of the JU and the reports on implementation of the budget.

The Final Accounts 2014 cover the period 1\(^{st}\) January to 31\(^{st}\) December 2014. While the CS2 programme was launched on 9\(^{th}\) July 2014, these accounts reflect the financial figures relating to the 2 programmes together as the legal entity managing both programmes is the CSJU.

\(^3\) Governing Board decision CS-GB-2014-03-07
# 2 FINANCIAL STATEMENTS

## 2.1 Balance Sheet

### BALANCE SHEET

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>31/12/2014</th>
<th>31/12/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. NON CURRENT ASSETS</td>
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<td></td>
</tr>
<tr>
<td>Tangible fixed assets (net)</td>
<td>106,987.73</td>
<td>71,098.51</td>
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<tr>
<td>Intangible fixed assets (net)</td>
<td>247,622.99</td>
<td>208,813.14</td>
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<tr>
<td>TOTAL NON-CURRENT ASSETS</td>
<td>354,610.72</td>
<td>279,911.65</td>
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<tr>
<td>B. CURRENT ASSETS</td>
<td></td>
<td></td>
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<tr>
<td>Short-term pre-financing</td>
<td>41,817,687.83</td>
<td>14,014,675.82</td>
</tr>
<tr>
<td>Short-term pre-financing Clean Sky JU</td>
<td>41,027,687.83</td>
<td>14,014,675.82</td>
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<tr>
<td>Short-term receivables</td>
<td>2,911,113.07</td>
<td>3,695,849.37</td>
</tr>
<tr>
<td>Short term receivables - recoveries from members and partners</td>
<td>2,510,921.37</td>
<td>3,239,683.00</td>
</tr>
<tr>
<td>Other short term receivables</td>
<td>13,070.47</td>
<td>21,393.92</td>
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<tr>
<td>Deferred charges and accrued income</td>
<td>417,121.33</td>
<td>434,772.45</td>
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<tr>
<td>Cash and cash equivalents</td>
<td>20,176,791.28</td>
<td>24,769,712.62</td>
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<tr>
<td>TOTAL CURRENT ASSETS</td>
<td>64,115,592.18</td>
<td>42,480,237.81</td>
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<tr>
<td>TOTAL ASSETS</td>
<td>64,510,202.90</td>
<td>42,760,149.46</td>
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</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>31/12/2014</th>
<th>31/12/2013</th>
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</thead>
<tbody>
<tr>
<td>C. NET ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions received from Members (EU &amp; industry)</td>
<td>652,482.12</td>
<td>524,447,608.99</td>
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<td>Contributions in kind received from Members (Industry)</td>
<td>448,242,340.47</td>
<td>365,726,978.60</td>
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<tr>
<td>Contributions used during previous years</td>
<td>(929,587,297.05)</td>
<td>(672,182,227.38)</td>
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<td>Contributions used during the year (EDA)</td>
<td>(237,042,632.41)</td>
<td>(527,805,069.67)</td>
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<td>TOTAL NET ASSETS</td>
<td>(66,123,466.47)</td>
<td>(39,812,789.46)</td>
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<th>D. CURRENT LIABILITIES</th>
<th>31/12/2014</th>
<th>31/12/2013</th>
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<tr>
<td>Members contribution to be validated</td>
<td>44,293,777.56</td>
<td>33,356,975.06</td>
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<td>Accounts payable and accrued charges</td>
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<td>Amounts payable - consolidated entities</td>
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<td>Amounts payable - beneficiaries and suppliers</td>
<td>32,718,025.21</td>
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<td>Amounts payable - staff</td>
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<td>Other payables</td>
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<td>Accrued charges</td>
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<tr>
<td>Provision for risks and charges - short term</td>
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<td>TOTAL CURRENT LIABILITIES</td>
<td>130,623,669.37</td>
<td>82,572,858.92</td>
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| TOTAL LIABILITIES | 64,510,202.90 | 42,760,149.46 |

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*Clean Sky*

*Final Accounts 2014*

*08.05.2015*
## 2.2 Statement of Financial Performance

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<th>2013</th>
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<td><strong>REVENUES</strong></td>
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<td>Non-exchange revenues</td>
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<td>3,986,365.64</td>
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<td>Other revenue</td>
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<td><strong>TOTAL NON-EXCHANGE REVENUES</strong></td>
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<td>3,989,069.10</td>
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<td><strong>OPERATIONAL EXPENSES</strong></td>
<td>3.4.2</td>
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<td>Operational expenses funded by CSU in cash</td>
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<td>Operational expenses contributed in kind by members</td>
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<td><strong>TOTAL OPERATIONAL EXPENSES</strong></td>
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<td><strong>OPERATING EXPENSES</strong></td>
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<td>Administrative expenses</td>
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<td>Staff expenses</td>
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<td>Transport expenses</td>
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<td>Recruitment costs</td>
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<td>7,569.49</td>
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<td>Training costs</td>
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<td>Missions</td>
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<td>Experts and related expenditures</td>
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<td>JT costs - external service</td>
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<td>Provisions for other liabilities</td>
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<td>Exchange losses</td>
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<td><strong>TOTAL OPERATING EXPENSES</strong></td>
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<td><strong>OPERATING RESULT</strong></td>
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<td>(258,003,631.14)</td>
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<tr>
<td><strong>FINANCIAL INCOME</strong></td>
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<tr>
<td>Bank interest on pre-financing from EU</td>
<td>3.4.4.1</td>
<td>66,600.55</td>
<td>185,699.01</td>
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<tr>
<td>Interest on late payment (Income)</td>
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<td>Interests on pre-financing given to Members</td>
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<td>32,190.66</td>
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<td><strong>TOTAL FINANCIAL INCOME</strong></td>
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<td>198,561.47</td>
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<td><strong>FINANCIAL EXPENSES</strong></td>
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<td>Financial expenses</td>
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<td><strong>TOTAL FINANCIAL EXPENSES</strong></td>
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<td><strong>FINANCIAL RESULT</strong></td>
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<td>198,561.47</td>
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<tr>
<td><strong>ECONOMIC RESULT OF THE YEAR</strong></td>
<td></td>
<td>(237,942,632.41)</td>
<td>(257,805,069.67)</td>
</tr>
</tbody>
</table>
2.3 Statement of changes in net assets 2014

<table>
<thead>
<tr>
<th>Changes in Net Assets and Liabilities</th>
<th>EURO</th>
<th>EURO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of 31st December 2013</td>
<td></td>
<td>(39,812,709,46)</td>
</tr>
<tr>
<td>Contributions received from members during the year 2014:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC Clean Sky Programme (FP7) (cash)</td>
<td>98,585,440,00</td>
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</tr>
<tr>
<td>EC Clean Sky 2 Programme (H2020) (cash)</td>
<td>26,262,093,00</td>
<td></td>
</tr>
<tr>
<td>Other members Clean Sky Programme (FP7) (cash)</td>
<td>2,142,584,48</td>
<td></td>
</tr>
<tr>
<td>Other members Clean Sky 2 Programme (H2020) (cash)</td>
<td>1,044,396,05</td>
<td></td>
</tr>
<tr>
<td>Other members contributions in kind from 2008-2013 validated in 2014</td>
<td>82,697,361,87</td>
<td></td>
</tr>
<tr>
<td>Total contributions in 2014</td>
<td>210,731,875,40</td>
<td></td>
</tr>
<tr>
<td>Economic Outturn for 2014</td>
<td>(237,042,632,41)</td>
<td></td>
</tr>
<tr>
<td>Balance as of 31st December 2014</td>
<td>(66,123,466,47)</td>
<td></td>
</tr>
</tbody>
</table>
## 2.4 Cash Flow Analysis

### Cash Flows from operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus/(deficit) from operating activities</td>
<td>(237,042,632.41)</td>
</tr>
<tr>
<td>Adjustments</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>107,161.40</td>
</tr>
<tr>
<td>Increase/(decrease) in Provisions for risks and liabilities</td>
<td>524,582.26</td>
</tr>
<tr>
<td>(Increase)/decrease in Stock</td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in Short term pre-financing</td>
<td>(27,013,012.01)</td>
</tr>
<tr>
<td>(Increase)/decrease in Short term Receivables</td>
<td>754,736.30</td>
</tr>
<tr>
<td>Increase/(decrease) in Long term liabilities</td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in Payables and Accruals</td>
<td>36,589,425.69</td>
</tr>
<tr>
<td>(Gains)/losses on sale of Property, plant and equipment</td>
<td></td>
</tr>
<tr>
<td>Extraordinary items</td>
<td></td>
</tr>
<tr>
<td>Net Cash Flow from operating activities</td>
<td>(224,079,738.77)</td>
</tr>
</tbody>
</table>

### Cash Flows from investing activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of tangible and intangible fixed assets</td>
<td>(181,860.47)</td>
</tr>
<tr>
<td>Proceeds from tangible and intangible fixed assets</td>
<td>0.00</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>0.00</td>
</tr>
<tr>
<td>Net Cash Flow from investing activities</td>
<td>(181,860.47)</td>
</tr>
</tbody>
</table>

### Financing activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>In cash contributions from Members (EC &amp; Industry)</td>
<td>28,034,513.53</td>
</tr>
<tr>
<td>In kind expense contribution from Members</td>
<td>95,652,537.52</td>
</tr>
<tr>
<td>Reduction in members' contributions due to rejected and negative claims</td>
<td>(2,018,373.15)</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>0.00</td>
</tr>
<tr>
<td>Net Cash Flow from financing activities</td>
<td>221,668,677.90</td>
</tr>
</tbody>
</table>

Net increase/(decrease) in cash and cash equivalents                  | (4,592,921.34) |
Cash and cash equivalents at the beginning of the period               | 24,769,712.62  |
Cash and cash equivalents at the end of the period                      | 20,176,791.28  |
3 NOTES TO THE FINANCIAL STATEMENTS

The financial statements for the financial year 2014 are prepared on the basis of the EU Accounting Rules which adapt the International Public Sector Accounting Standards (and in some cases the International Financial Reporting Standards) to the specific environment of the European Union, while the reports on implementation of the budget continue to be primarily based on movements of cash. They are in line as well with Council Regulation (EU, Euratom) No 966/2012 ("Financial Regulation") and with the CSJU Financial Rules.

The objectives of the financial statements are to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. In the particular case of the CSJU, considering its nature and activities, the objectives are to provide information for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

The annual accounts shall present a true and fair view of the financial position of the CSJU and supply clear and comprehensible information to describe the nature and range of its activities, explain how it is financed and supply definitive information on its operations, in such a manner that allows comparisons between financial years.

3.1 Accounting Principles

The accounting system of the Clean Sky 2 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 2 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 policies listed and described in this document are derived from the EU Accounting Rules and constitute the basis of the general accounts (accrual accounting). They apply to all CSJU transactions but the list is not necessarily exhaustive. The fact that a principle is not mentioned does not mean that it is considered inapplicable.

The accounting principles that have been applied in drawing up the financial statements 2014 are:

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

Use of estimates

In accordance with generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management. Significant estimates include, but are not limited to, amounts for employment benefits, provisions for future charges, financial risk on accounts receivables, accrued income and charges, contingent assets and liabilities, and degree of impairment of fixed assets. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

Currency:

The financial statements are presented in euro, which is the CSJU’s functional and reporting currency. Foreign currency transactions are converted into euro 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 euro on the basis of the exchange rates applicable on 31 December 2014.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the economic outturn account.

3.2 Accounting Rules

The accounting rules applied by the Clean Sky 2 Joint Undertaking allow for consolidation with the accounts of the EU institutions. In accordance with Article 40 of the Financial Rules of the CSJU the financial statements shall be drawn in accordance with generally accepted accounting principles as outlined in the accounting rules according to Article 143 of Regulation (EU, Euratom) No 966/2012 or the accrual based International Public Sector Accounting Standards (hereafter "IPSAS").
3.2.1 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 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 associated with the item will flow to the Clean Sky 2 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
Intangible assets are fixed assets that lack physical substance. An item is recognised as an 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 2 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 and internal direct cost. 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:

<table>
<thead>
<tr>
<th>Type of asset</th>
<th>Straight line depreciation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets – Computer software</td>
<td>25%</td>
</tr>
<tr>
<td>Plant machinery and equipment</td>
<td>12.5% to 25%</td>
</tr>
<tr>
<td>Furniture</td>
<td>10% to 25%</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>12.5% to 25%</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>25%</td>
</tr>
</tbody>
</table>
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 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 reported cost.

Receivables

Receivables are carried at original invoice amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the CSJU will not be able to collect all amounts due according to the original terms. The amount of the write-down is recognised in the economic outturn account statement.

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

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at their equivalent euro value. They include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

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 its
existence where inflows of economic benefits or service potential are probable, but not virtually certain.

3.2.2 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 Council Regulation No 71/2008 under FP7 the private members of the JU contribute resources (in-kind) equal to the EU contribution (50%).

Under Horizon 2020 programme the total in-kind contribution from the private members shall be of at least Euro 2,193,750,000. The in-kind contribution consists of the following:
(a) _in-kind contributions to operational activities: _in-kind contributions by private members and their affiliated entities consisting of the costs incurred by them in implementing indirect actions less the contribution of the Clean Sky 2 Joint Undertaking and any other Union contribution to those costs.
(b) _additional activities: _in-kind contributions of at least Euro 965,250 000 consisting of the costs incurred by private members in implementing additional activities outside the work plan of the Clean Sky 2 Joint Undertaking contributing to the objectives of the Clean Sky Joint Technology Initiative.

The in-kind contributions to operational activities (IKOP) are linked to the work plan of the JU and co-financed by the Joint Undertaking. These contributions reflect the involvement of
the private sector within the Joint Undertaking. These contributions are recognised as contributions from owners under the net assets heading of the balance sheet according to EU Accounting Rule 1.

The in-kind contributions from additional activities (IKAA) are not part of CSJU work programme and not co-financed by the Joint Undertaking. The IKAA contributions contribute to the overall Joint Technology Initiative, but they are not linked to the statutory tasks of the JU. Consequently the IKAA contributions, contrary to the IKOP contributions, are not recognised in the accounts of the JU. Additional information about the IKAA contributions is disclosed in the Annual Report of CSJU.

The in-kind 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 the acceptance 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 to be confirmed still 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.
3.3 Notes to the Balance Sheet

**BALANCE SHEET – ASSETS**

3.3.1 Non-current assets

3.3.1.1 Tangible fixed assets:

In 2014 the JU acquired laptops, upgraded the WiFi and phone network and purchased furniture for the new offices.

3.3.1.2 Intangible fixed assets:

The JU capitalised new functionalities of the internally developed grant management tool (GMT). GMT manages the Grant Agreements for Members (GAMs). The purpose of the database is to ensure a proper program control at CSJU level for the GAMs.

**Intangible assets under development**

According to the EU Accounting Rules an intangible asset shall be recognised if it is probable that the expected future economic benefits or service potential that are attributable to that asset will flow to the JU and the cost or fair value of the asset can be measured reliably.

The CSJU management further develops the grant management tool (GMT) to manage the Grant Agreements for Members (GAMs). The attributed cost is recognised as intangible asset under development until the new set of functions are accepted by the management and put in production.
### Tangible Fixed Assets

<table>
<thead>
<tr>
<th>Category of Assets</th>
<th>Acquisition Costs</th>
<th>Depreciation</th>
<th>Residual value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opening balance at cost as of 01/01/2014</td>
<td>Additions in 2014</td>
<td>Disposals in 2014</td>
</tr>
<tr>
<td>Total Plant, machinery and equipment</td>
<td>25,145.43</td>
<td>3,386.78</td>
<td>-</td>
</tr>
<tr>
<td>Total Computer Hardware</td>
<td>74,798.58</td>
<td>40,041.66</td>
<td>-</td>
</tr>
<tr>
<td>Total Furniture and Fixtures</td>
<td>39,824.37</td>
<td>35,602.03</td>
<td>-</td>
</tr>
<tr>
<td>Total Tangible Assets</td>
<td>139,760.40</td>
<td>79,030.47</td>
<td>-</td>
</tr>
</tbody>
</table>

### Intangible Fixed Assets

<table>
<thead>
<tr>
<th>Category of Assets</th>
<th>Acquisition Costs</th>
<th>Amortisation</th>
<th>Residual value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opening balance at cost as of 01/01/2014</td>
<td>Additions in 2014</td>
<td>Disposals/Reclassifications in 2014</td>
</tr>
<tr>
<td>Software</td>
<td>706,710.60</td>
<td>76,240.00</td>
<td>-</td>
</tr>
<tr>
<td>Software under development</td>
<td>53,970.00</td>
<td>89,300.00</td>
<td>-62,710.00</td>
</tr>
<tr>
<td>Total Intangible Assets</td>
<td>260,680.60</td>
<td>165,540.00</td>
<td>-62,710.00</td>
</tr>
<tr>
<td>TOTAL FA</td>
<td>400,441.00</td>
<td>244,590.47</td>
<td>-62,710.00</td>
</tr>
</tbody>
</table>
3.3.2 Current assets

3.3.2.1 Short-term pre-financing

<table>
<thead>
<tr>
<th>Analysis of net pre-financing as of 31.12.2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of 31.12.2013</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>Members CS Programme (FP7)</td>
</tr>
<tr>
<td>Members CS2 programme (H2020)</td>
</tr>
<tr>
<td>Partners CS Programme (FP7)</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

The pre-financing remains property of the CSJU until the performance of clearance through the acceptance of the expenditure reported in the cost claims. Under EU Accounting Rules the pre-financing balances are reduced at the year-end to the extent that costs relating project execution for each individual project have been accrued.
In the year 2014 for an amount of Euro 604,765,40 recovery orders were issued for unused pre-financing pertaining to Grant Agreements for Partners (GAPs) following the validation of related costs claimed by the beneficiaries. Out of this amount Euro 112,010,84 was outstanding on 31.12.2014.

New pre-financing has been provided in 2014 for projects funded by Grant Agreements with members and with partners carried out in 2014.

Projects managed through the GAMs lasted from 1st January 2014 to 31st December 2014. Based on the cost claims provided by the ITDs about the incurred project cost the related operational expenditure for the year 2014 has been reflected in the Economic Outturn Account of the JU.

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 2014 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.

3.3.2.2 Short-term receivables

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term receivables - recoveries from members and partners</td>
<td>2,510,921,37</td>
<td>3,239,683,00</td>
</tr>
<tr>
<td>Running cost contribution for 2014</td>
<td>1,157,472,62</td>
<td>1,876,304,97</td>
</tr>
<tr>
<td>Recovery of unspent pre-financing</td>
<td>112,010,84</td>
<td>55,109,19</td>
</tr>
<tr>
<td>Recovery of ex-post result</td>
<td>1,241,437,91</td>
<td>1,308,268,84</td>
</tr>
<tr>
<td>Other short term receivables</td>
<td>13,070,37</td>
<td>21,393,92</td>
</tr>
<tr>
<td>Recovery of telecommunication cost paid in 2013 on behalf of other JUs</td>
<td>11,413,42</td>
<td>9,122,42</td>
</tr>
<tr>
<td>Recoveries from staff</td>
<td>1,656,95</td>
<td>11,715,53</td>
</tr>
<tr>
<td>Receivables from consolidated entities</td>
<td>0,00</td>
<td>555,97</td>
</tr>
<tr>
<td>Deferred charges and accrued income</td>
<td>417,121,33</td>
<td>434,772,45</td>
</tr>
<tr>
<td>Accrued income for negative claims issued by the beneficiaries (GAM)</td>
<td>412,361,05</td>
<td>403,285,93</td>
</tr>
<tr>
<td>Accrued bank interest</td>
<td>4,760,28</td>
<td>31,486,52</td>
</tr>
<tr>
<td>Deferred charges</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td>Total short term receivables</td>
<td>2,941,115,07</td>
<td>3,695,849,37</td>
</tr>
</tbody>
</table>

According to the provisions of the Funding Agreement the running cost contribution is invoiced to the private members on the basis of the adopted administrative budget of the year. For the purpose of the financial statements the receivable from running cost contribution has been recalculated (reduced) to reflect the contribution related to the realised administrative expenses of the year (Euro -223,625,48).

The recovery of unspent pre-financing contains the unpaid established recovery orders for the 2014 GAPs (Euro 112,010,84).
The ex-post audits resulted GAM and GAP project adjustments in favour of CSIU where the original amount of the claim had previously been recognised as an expense by the CSIU. Several of these audits have been finalised and the recovery orders have been or are going to be established. For these amounts Euro 1.233.493,61 short term receivable has been recognised.

At year end 1.501.053,24 Euro of the established recovery orders were outstanding:

<table>
<thead>
<tr>
<th>RO type</th>
<th>Number of RO</th>
<th>RO Open Amount (Eur)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Running cost</td>
<td>30</td>
<td>1.381.098,10</td>
</tr>
<tr>
<td>Recovery of prefinancing</td>
<td>4</td>
<td>112.010,84</td>
</tr>
<tr>
<td>Recovery of ex-post results</td>
<td>2</td>
<td>7.944,30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
<td><strong>1.501.053,24</strong></td>
</tr>
</tbody>
</table>

out of which Euro 185.625,00 was overdue as of 31.12.2014:

<table>
<thead>
<tr>
<th>Age</th>
<th>Year of origin</th>
<th>Number of RO</th>
<th>Open amount (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 1 year</td>
<td>2013</td>
<td>1</td>
<td>18.249,53</td>
</tr>
<tr>
<td>Between 365-90 days</td>
<td>2013</td>
<td>1</td>
<td>210,79</td>
</tr>
<tr>
<td>Between 365-90 days</td>
<td>2014</td>
<td>1</td>
<td>60.000,00</td>
</tr>
<tr>
<td>Less than 90 days</td>
<td>2014</td>
<td>12</td>
<td>100.545,01</td>
</tr>
<tr>
<td>Less than 60 days</td>
<td>2014</td>
<td>2</td>
<td>6.619,67</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17</strong></td>
<td><strong>185.625,00</strong></td>
<td></td>
</tr>
</tbody>
</table>

The JU has not impaired yet any of the established receivables:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross short term receivables</strong></td>
<td>2.941.113,07</td>
<td>3.695.849,37</td>
</tr>
<tr>
<td>Impairment allowance opening balance</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td>Impairment allowance movement of the year</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td>Impairment allowance closing balance</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td><strong>Total short term receivables</strong></td>
<td><strong>2.941.113,07</strong></td>
<td><strong>3.695.849,37</strong></td>
</tr>
</tbody>
</table>

3.3.2.3 Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro Cash in bank</td>
<td>20.176.791,28</td>
<td>24.769.712,62</td>
</tr>
</tbody>
</table>

20
The amount of Euro 20,176,791,28 represents the balance of the three bank accounts of the CSJU as of 31 December 2014. The bank accounts are held with ING Bank Belgium.

3.3.2.4 Financial instruments and risk management policies

Financial instruments comprise cash, current receivables, current payables, and amounts due to and from consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks, information about which and how they are managed is set out below.

The carrying amounts of financial instruments are as follows:

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term pre-financing</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td>Short term receivables - recoveries from members and partners</td>
<td>2,510,921,37</td>
<td>3,239,683,00</td>
</tr>
<tr>
<td>Other short term receivables</td>
<td>13,070,37</td>
<td>21,393,92</td>
</tr>
<tr>
<td>Deferred charges and accrued income</td>
<td>417,121,33</td>
<td>434,772,45</td>
</tr>
<tr>
<td>Short term pre-financing</td>
<td>41,027,687,83</td>
<td>14,014,675,82</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>20,176,791,28</td>
<td>24,769,712,62</td>
</tr>
<tr>
<td>Total financial assets - A</td>
<td>64,145,592,18</td>
<td>42,480,237,81</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables - long term liabilities</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td>Amounts payable - beneficiaries and other</td>
<td>32,718,025,21</td>
<td>23,994,703,55</td>
</tr>
<tr>
<td>Accrued charges</td>
<td>49,060,213,81</td>
<td>24,935,125,77</td>
</tr>
<tr>
<td>Amounts payable - consolidated entities</td>
<td>3,741,150,20</td>
<td>134,21</td>
</tr>
<tr>
<td>Total financial liabilities - B</td>
<td>85,519,389,12</td>
<td>48,929,963,53</td>
</tr>
<tr>
<td>Total net financial instruments (A-B)</td>
<td>-21,373,797,04</td>
<td>-6,449,725,72</td>
</tr>
</tbody>
</table>

Liquidity risk

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

CSJU’s liabilities have remaining contractual maturities as summarised below:

<table>
<thead>
<tr>
<th>At 31 December 2014</th>
<th>&lt; 1 year</th>
<th>1 - 5 years</th>
<th>&gt; 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables with third parties</td>
<td>81,778,239,02</td>
<td></td>
<td></td>
<td>81,778,239,02</td>
</tr>
<tr>
<td>Payables with consolidated entities</td>
<td>3,741,150,20</td>
<td></td>
<td></td>
<td>3,741,150,20</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>85,519,389,22</td>
<td>0,00</td>
<td>0,00</td>
<td>85,519,389,22</td>
</tr>
</tbody>
</table>

Regarding treasury, bank accounts opened in the name of CSJU cannot have negative balances. Payment operations are automated and rely on modern information systems. CSJU’s budget principles ensure that overall cash resources for a given year are always sufficient for
the execution of all payments. In order to ensure that available treasury resources are always sufficient to cover the payments to be executed in a given month, procedures regarding cash forecasting are in place.

Credit risk
Credit risk is the risk of loss due to a debtor's non-payment or other failure to meet a contractual obligation.

Treasury resources are kept with a commercial bank. The subsidy from EC is requested 3-4 times a year based on cash forecasts. Member contribution to the running cost is collected in one instalment per year. CSJU commercial bank has been selected by call for tenders and the credit rating of the commercial bank where CSJU has bank accounts is reviewed regularly.

The maximum exposure to credit risk is:

<table>
<thead>
<tr>
<th>Receivables</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term pre-financing</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td>Short term receivables - recoveries from members and partners</td>
<td>2,510,921,37</td>
<td>3,239,683,00</td>
</tr>
<tr>
<td>Other short term receivables</td>
<td>13,070,37</td>
<td>21,393,92</td>
</tr>
<tr>
<td>Deferred charges and accrued income</td>
<td>417,121,33</td>
<td>434,772,45</td>
</tr>
<tr>
<td>Short term pre-financing</td>
<td>41,027,687,83</td>
<td>14,014,675,82</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>20,176,791,28</td>
<td>24,769,712,62</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>64,145,592,18</td>
<td>42,480,237,81</td>
</tr>
<tr>
<td>Impairment</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td>Guarantees</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td><strong>Total credit risk</strong></td>
<td>64,145,592,18</td>
<td>42,480,237,81</td>
</tr>
</tbody>
</table>

Credit quality of the JU's receivables:

<table>
<thead>
<tr>
<th>Counterparties with external credit rating:</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime and high grade</td>
<td>0,00</td>
</tr>
<tr>
<td>Upper medium grade*</td>
<td>21,912,596,21</td>
</tr>
<tr>
<td>Lower medium grade</td>
<td>16,942,37</td>
</tr>
<tr>
<td>Non-investment grade</td>
<td>23,633,57</td>
</tr>
<tr>
<td>Unassigned</td>
<td>0,00</td>
</tr>
<tr>
<td><strong>Counterparties without external credit rating:</strong></td>
<td>42,092,420,03</td>
</tr>
<tr>
<td>Group 1 - Debtors who never defaulted**</td>
<td>0,00</td>
</tr>
<tr>
<td>Group 2 - Debtors who defaulted in the past</td>
<td></td>
</tr>
<tr>
<td>Total credit risk</td>
<td>64,145,592,18</td>
</tr>
</tbody>
</table>

*including cash and cash equivalents
**including all the open pre-financings
Analysis of the age of the receivables:

<table>
<thead>
<tr>
<th>Available for sale financial assets (including accrued interest)</th>
<th>Neither past due nor impaired (1)</th>
<th>Past due but not impaired</th>
<th>Total (1+2+3+4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2014</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>20,176,791.28</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Receivables with Member States</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>31 December 2014</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Receivables with third parties</td>
<td>43,789,194.63</td>
<td>161,231.92</td>
<td>18,460.32</td>
</tr>
<tr>
<td>Receivables with consolidated entities</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>31 December 2014</td>
<td>63,965,895.94</td>
<td>161,231.92</td>
<td>18,460.32</td>
</tr>
</tbody>
</table>

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

Foreign currency risk

All financial assets and liabilities are in EUR therefore CSJU has no currency exposure. When miscellaneous receipts are received in currencies other than EUR, they are converted into EUR and transferred to accounts held in EUR. All bank accounts held by CSJU are in EUR, no material foreign currency risk with regard to these assets.

Interest rate risk

Cash held on the commercial bank accounts earns interest on a daily basis but are paid to CSJU on a quarterly basis. The bank accounts held by CSJU are linked for interest calculation to the ECB rate for its main refinancing operations. As a result no risk exists that CSJU earns interest at rates lower than market rates.

3.3.2.5 Contingent Assets

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential recovery of costs from members resulting from ex-post audits</td>
<td>1,320,374.82</td>
<td>1,635,705.51</td>
</tr>
<tr>
<td><strong>Total contingent assets</strong></td>
<td>1,320,374.82</td>
<td>1,635,705.51</td>
</tr>
</tbody>
</table>
Potential recoveries of costs from members resulting from ex-post audits

The JU commissioned a number of ex-post audits of cost claims relating to GAMs and GAPs 2008 - 2013. As at the date of preparation of the Final Accounts 2014, the results of several of these audits had yet to be formally finalised. In a number of cases the auditors noted several adjustments, some in favour of the CSJU, and some in favour of members.

The ex-post audits highlighted total project adjustments of Euro 1,320,374.82 in favour of CSJU where the original amount of the claim had previously been recognised as an expense by the CSJU. Of this amount, Euro 653,862.04 relates to the in-cash JU contribution GAM paid in previous periods while Euro 653,862.04 represents the in-kind contribution made by the members. Additional Euro 12,650.74 relates to GAPs.

As these audits have yet to be formally provisionalised (only draft audit reports are available), and management has not yet issued formal recovery orders for these amounts, an asset has not been recognised in the Final Accounts 2014 as the inflows of economic benefit are not yet virtually certain. Consequently a Contingent Asset is disclosed for these amounts.

The CSJU has also noted that results of a smaller 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 3.3.4.3 (Short-term provisions for risks and charges) and do not form part of the contingent asset above.

Summary table of the pending audit results:

<table>
<thead>
<tr>
<th>Audit result</th>
<th>Status of audit report</th>
<th>Treatment</th>
<th>Total adjustment</th>
<th>Cash</th>
<th>In-kind</th>
</tr>
</thead>
<tbody>
<tr>
<td>In favour of the beneficiary - GAM</td>
<td>Final or Pre-final</td>
<td>Provision</td>
<td>1,016,646.85</td>
<td>508,323.43</td>
<td>508,323.43</td>
</tr>
<tr>
<td>In favour of the beneficiary - GAP</td>
<td>Final or Pre-final</td>
<td>Provision</td>
<td>7,677.47</td>
<td>7,677.47</td>
<td>0.00</td>
</tr>
<tr>
<td>In favour of the beneficiary - GAM</td>
<td>Draft</td>
<td>Contingent liability</td>
<td>1,715,566.38</td>
<td>857,783.19</td>
<td>857,783.19</td>
</tr>
<tr>
<td>In favour of the beneficiary - GAP</td>
<td>Draft</td>
<td>Contingent liability</td>
<td>74,904.00</td>
<td>74,904.00</td>
<td>0.00</td>
</tr>
<tr>
<td>In favour of the JU - GAM</td>
<td>Final or Pre-final</td>
<td>Short-term Receivable</td>
<td>2,445,133.98</td>
<td>1,222,567.99</td>
<td>1,222,567.99</td>
</tr>
<tr>
<td>In favour of the JU - GAP</td>
<td>Final or Pre-final</td>
<td>Short-term Receivable</td>
<td>10,925.62</td>
<td>10,925.62</td>
<td>0.00</td>
</tr>
<tr>
<td>In favour of the JU - GAM</td>
<td>Draft</td>
<td>Contingent asset</td>
<td>1,307,720.08</td>
<td>653,862.04</td>
<td>653,862.04</td>
</tr>
<tr>
<td>In favour of the JU - GAP</td>
<td>Draft</td>
<td>Contingent asset</td>
<td>12,650.74</td>
<td>12,650.74</td>
<td>0.00</td>
</tr>
<tr>
<td>Total provision</td>
<td></td>
<td></td>
<td>1,424,324.32</td>
<td>516,990.00</td>
<td>508,323.43</td>
</tr>
<tr>
<td>Total contingent liability</td>
<td></td>
<td></td>
<td>1,790,470.38</td>
<td>913,687.19</td>
<td>857,783.19</td>
</tr>
<tr>
<td>Total short term receivable</td>
<td></td>
<td></td>
<td>2,456,061.68</td>
<td>1,233,493.61</td>
<td>1,222,567.99</td>
</tr>
<tr>
<td>Total contingent asset</td>
<td></td>
<td></td>
<td>1,320,374.82</td>
<td>666,512.78</td>
<td>653,862.04</td>
</tr>
</tbody>
</table>

24
### Balance Sheet - Liabilities

#### 3.3.3 Net Assets

<table>
<thead>
<tr>
<th>Net assets</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated contributions received from Members (EC &amp; others)</td>
<td>3.100906,462,99</td>
<td>890,174,587,59</td>
</tr>
<tr>
<td>Accumulated contributions used during previous years</td>
<td>(929,987,297,05)</td>
<td>(672,182,227,38)</td>
</tr>
<tr>
<td></td>
<td>170,919,165,94</td>
<td>211,992,360,28</td>
</tr>
<tr>
<td>Contributions used during the year (total expenses)</td>
<td>(24,130,492,72)</td>
<td>(261,846,597,19)</td>
</tr>
<tr>
<td>Non-exchange and financial revenue</td>
<td>1,087,860,31</td>
<td>4,041,527,32</td>
</tr>
<tr>
<td>Economic Outturn of the year (EOA)</td>
<td>(227,042,632,41)</td>
<td>(237,805,069,67)</td>
</tr>
<tr>
<td>Net assets</td>
<td>(66,123,466,47)</td>
<td>(59,812,789,46)</td>
</tr>
</tbody>
</table>

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 2014).

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 2014 as shown in the Economic Outturn Account of 2014. The operational expense shown in this amount contains the expenses incurred in-cash by the JU in 2014 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, page 4 and in the chapter Accounting Rules on page 14).

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 2014 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 3.3.4.1. Members' contributions to be validated.
Note on negative net assets:

As at 31 December 2014, the CSJU has reported negative net assets of Euro -66,123,466.47 (for details please consult the table on the next page).

The main element derives from the non-validated member in-kind contribution. The reported 2014 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. The cost claims related to 2014 and some of them related to the previous periods have not been validated by management at the date of the preparation of the Final Accounts which are recognised in the EOA but not yet in the Net Assets.

The in-kind contributions for those cost 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 2015, these in-kind contributions will be transferred to the Net Assets of the CSJU.

Another element of the negative net assets is the EU cash contribution which shows negative balance. The JU calls in the cash contribution according to its payment needs. The 2014 operational expenses are already included in the economic outturn, while in 2014 the JU had to pay (and requested from the EU as cash contribution) only the pre-financing for the 2014 GAMs. The remaining cash contribution related to the 2014 operational expenses will be requested in 2015.

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.
<table>
<thead>
<tr>
<th>Carryforward of Net Assets 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC contribution to running costs Clean Sky Programme (FP7) (cash)</td>
</tr>
<tr>
<td>Opening balance as of 01/01/14</td>
</tr>
<tr>
<td>(0.00)</td>
</tr>
<tr>
<td>EC contribution to running costs Clean Sky 2 Programme (H2020) (cash)</td>
</tr>
<tr>
<td>Opening balance as of 01/01/14</td>
</tr>
<tr>
<td>0.00</td>
</tr>
<tr>
<td>Other members contribution to running costs Clean Sky Programme (FP7) (cash)</td>
</tr>
<tr>
<td>Opening balance as of 01/01/14</td>
</tr>
<tr>
<td>452,809.70</td>
</tr>
<tr>
<td>Other members contribution to running costs Clean Sky 2 Programme (H2020) (cash)</td>
</tr>
<tr>
<td>Opening balance as of 01/01/14</td>
</tr>
<tr>
<td>0.00</td>
</tr>
<tr>
<td>EC contribution to operational costs Clean Sky Programme (FP7) (cash)</td>
</tr>
<tr>
<td>Opening balance as of 01/01/14</td>
</tr>
<tr>
<td>(9,063,541.43)</td>
</tr>
<tr>
<td>EC contribution to operational costs Clean Sky 2 Programme (H2020) (cash)</td>
</tr>
<tr>
<td>Opening balance as of 01/01/14</td>
</tr>
<tr>
<td>0.00</td>
</tr>
<tr>
<td>Other members contribution to operational expenses Clean Sky Programme (FP7) (in-kind)</td>
</tr>
<tr>
<td>Opening balance as of 01/01/14</td>
</tr>
<tr>
<td>(33,356,975.06)</td>
</tr>
<tr>
<td>Other members contribution to operational expenses Clean Sky 2 Programme (H2020) (in-kind)</td>
</tr>
<tr>
<td>Opening balance as of 01/01/14</td>
</tr>
<tr>
<td>0.00</td>
</tr>
</tbody>
</table>
### Garry forward of Net Assets 2014 (totals)

<table>
<thead>
<tr>
<th>Net Assets as of 01/01/2014 before financial income</th>
<th>Contributions received during 2014</th>
<th>Contributions used during the year 2014 (total expenses)</th>
<th>Adjustments</th>
<th>Net Assets as of 31/12/2014 before financial income</th>
</tr>
</thead>
<tbody>
<tr>
<td>(41,967,706.79)</td>
<td>210,720,433.61</td>
<td>-241,130,492.72</td>
<td>4,000,510.89</td>
<td>(68,377,255.01)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cumulative financial income received to 01/01/14</th>
<th>Total financial income received during the year 2014</th>
<th>Net Assets as of 31/12/2014 including financial income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,154,997,33</td>
<td>98,791,21</td>
<td>(66,123,466,47)</td>
</tr>
</tbody>
</table>

The total EC contribution to the CSJU in 2014 was Euro 124,847,533.00. The 2014 EC contribution to running costs is determined as 50% of gross running costs incurred in the year (Euro 2,865,114,13) with the remaining 2014 EC contribution attributed to operational expenses.

The cumulative contributions made by the EC and other members to 31 December 2014 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total Contributions to 01/01/14</th>
<th>Contributions in 2014</th>
<th>Total contributions to 31/12/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC Contribution to running costs</td>
<td>9,510,261.59</td>
<td>2,865,114.13</td>
<td>12,375,375.72</td>
</tr>
<tr>
<td>Other members’ contribution to running costs</td>
<td>9,663,071.30</td>
<td>3,186,680.53</td>
<td>13,849,751.83</td>
</tr>
<tr>
<td>EC contribution to operational expenses</td>
<td>504,974,276.10</td>
<td>121,982,418.87</td>
<td>626,956,694.97</td>
</tr>
<tr>
<td>Other members’ contribution to operational expenses</td>
<td>365,726,978.60</td>
<td>82,697,361.87</td>
<td>448,424,340.47</td>
</tr>
<tr>
<td>Total contributions</td>
<td>890,174,587.59</td>
<td>210,731,875.40</td>
<td>1,100,906,462.99</td>
</tr>
</tbody>
</table>

### Details of the approved in-kind contribution as of 31/12/2014

<table>
<thead>
<tr>
<th></th>
<th>Total Contributions to 01/01/14</th>
<th>Contributions in 2014</th>
<th>Total contributions to 31/12/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC Contribution to running costs CS Programme (FP7)</td>
<td>9,510,261.59</td>
<td>1,820,718.08</td>
<td>11,330,979.67</td>
</tr>
<tr>
<td>EC Contribution to running costs CS2 Programme (HP2020)</td>
<td>0.00</td>
<td>1,044,396.05</td>
<td>1,044,396.05</td>
</tr>
<tr>
<td>Other members’ contribution to running costs CS Programme (FP7)</td>
<td>9,663,071.30</td>
<td>2,142,864.48</td>
<td>12,805,935.78</td>
</tr>
<tr>
<td>Other members’ contribution to running costs CS2 Programme (HP2020)</td>
<td>0.00</td>
<td>1,044,396.05</td>
<td>1,044,396.05</td>
</tr>
<tr>
<td>EC contribution to operational expenses CS Programme (FP7)</td>
<td>504,974,276.10</td>
<td>96,764,721.92</td>
<td>601,738,998.02</td>
</tr>
<tr>
<td>EC contribution to operational expenses CS2 Programme (HP2020)</td>
<td>0.00</td>
<td>25,217,696.95</td>
<td>25,217,696.95</td>
</tr>
<tr>
<td>Other members’ in-kind contribution to operational expenses CS Programme (FP7)</td>
<td>365,726,978.60</td>
<td>82,697,361.87</td>
<td>448,424,340.47</td>
</tr>
<tr>
<td>Other members’ in-kind contribution to operational expenses CS2 Programme (HP2020)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total contributions</td>
<td>890,174,587.59</td>
<td>210,731,875.40</td>
<td>1,100,906,462.99</td>
</tr>
</tbody>
</table>

In 2014 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.
3.3.4 Current liabilities

3.3.4.1 Members' contributions to be validated

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members' contributions to be validated</td>
<td>44,293,777,56</td>
<td>33,356,975,06</td>
</tr>
</tbody>
</table>

The amounts represent the not yet validated contributions provided by members in-kind for the execution of GAMs of the years 2008 to 2014. After validation of the contributions through the Governing Board, the amounts will be shifted to Net Assets and presented as Contribution received from members (see notes to 3.3.3 Net Assets).

Breakdown of the open balance of the Members’ contribution to be validated:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not yet validated 2014 GAM related expenditure</td>
<td>38,894,919,73</td>
</tr>
<tr>
<td>Not validated on-hold GAM claims for previous periods</td>
<td>6,113,102,39</td>
</tr>
<tr>
<td>Other cut-off adjustments (ex-post audit results in-kind effect)</td>
<td>-714,244,56</td>
</tr>
<tr>
<td><strong>Members' contribution to be validated</strong></td>
<td><strong>44,293,777,56</strong></td>
</tr>
</tbody>
</table>

3.3.4.2 Accounts payable

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amounts payable -consolidated entities</strong></td>
<td>3,741,150,20</td>
<td>134,21</td>
</tr>
<tr>
<td>Payable to the H2020 Guarantee Fund</td>
<td>3,741,150,20</td>
<td>134,21</td>
</tr>
<tr>
<td><strong>Amounts payable to beneficiaries and suppliers</strong></td>
<td>32,718,025,21</td>
<td>23,886,891,47</td>
</tr>
<tr>
<td>Amounts payable to members and partners for cost claims and payables concerning invoices for running costs not yet paid at the year-end.</td>
<td>32,718,025,21</td>
<td>23,886,891,47</td>
</tr>
<tr>
<td><strong>Amounts payable to staff</strong></td>
<td>0,00</td>
<td>249,50</td>
</tr>
<tr>
<td>Mission claims and other reimbursable for staff members</td>
<td>0,00</td>
<td>249,50</td>
</tr>
<tr>
<td><strong>Other payables</strong></td>
<td>0,00</td>
<td>107,562,58</td>
</tr>
<tr>
<td>Returned payment</td>
<td>0,00</td>
<td>107,562,58</td>
</tr>
<tr>
<td><strong>Accrued charges</strong></td>
<td>49,060,213,81</td>
<td>24,935,125,77</td>
</tr>
<tr>
<td>Expenses pertaining to the financial year 2014 for which invoices/claims are received only subsequently in 2015</td>
<td>49,060,213,81</td>
<td>24,935,125,77</td>
</tr>
<tr>
<td><strong>Total accounts payable</strong></td>
<td>85,519,389,22</td>
<td>48,928,963,53</td>
</tr>
</tbody>
</table>
Accrued charges

For expenses pertaining to the financial year 2014, when Invoices/cost claims were received only subsequently in 2015, the following amounts have been accrued:

<table>
<thead>
<tr>
<th></th>
<th>2014 CS Programme</th>
<th>2014 CS2 Programme</th>
<th>2014 Total</th>
<th>2013 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued administrative expenses</td>
<td>348,388.78</td>
<td>296,102.51</td>
<td>644,491.29</td>
<td>881,956.42</td>
</tr>
<tr>
<td>Accrual for unpaid holiday</td>
<td>63,372.47</td>
<td>0.00</td>
<td>63,372.47</td>
<td>60,300.53</td>
</tr>
<tr>
<td>Communications</td>
<td>625.00</td>
<td>0.00</td>
<td>625.00</td>
<td>26,525.05</td>
</tr>
<tr>
<td>Expenses and related expenditure</td>
<td>13,679.33</td>
<td>122,270.59</td>
<td>135,949.92</td>
<td>278,433.77</td>
</tr>
<tr>
<td>IT operational expenditure</td>
<td>4,978.49</td>
<td>13,587.77</td>
<td>18,566.26</td>
<td>24,850.35</td>
</tr>
<tr>
<td>Missions</td>
<td>5,787.86</td>
<td>1,322.99</td>
<td>7,110.85</td>
<td>14,958.39</td>
</tr>
<tr>
<td>Office equipment</td>
<td>0.00</td>
<td>1,959.78</td>
<td>1,959.78</td>
<td>0.00</td>
</tr>
<tr>
<td>Office supplies</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>1,114.21</td>
</tr>
<tr>
<td>Other external service provider</td>
<td>259,420.63</td>
<td>156,961.38</td>
<td>416,382.01</td>
<td>475,784.52</td>
</tr>
<tr>
<td>Recruitment</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Training</td>
<td>525.90</td>
<td>0.00</td>
<td>525.90</td>
<td>0.00</td>
</tr>
<tr>
<td>Accrued financial expenses</td>
<td>40,201.69</td>
<td>0.00</td>
<td>40,201.69</td>
<td>0.00</td>
</tr>
<tr>
<td>Accrual for interest on late payments</td>
<td>40,201.69</td>
<td>0.00</td>
<td>40,201.69</td>
<td>0.00</td>
</tr>
<tr>
<td>Accrued operational expenses</td>
<td>47,814.272.94</td>
<td>561,297.89</td>
<td>609,110.83</td>
<td>24,053,159.35</td>
</tr>
<tr>
<td>Accrual of operational expense related to GAMs</td>
<td>36,500.207.33</td>
<td>561.298</td>
<td>36,551.59</td>
<td>24,020,543.92</td>
</tr>
<tr>
<td>Accrual of operational expense related to GAPs</td>
<td>11,314.015.61</td>
<td>0.00</td>
<td>11,314.016</td>
<td>32,615.43</td>
</tr>
<tr>
<td>Total accrued charges</td>
<td>48,202,813.41</td>
<td>857,400.40</td>
<td>49,060,213.81</td>
<td>24,935,125.77</td>
</tr>
</tbody>
</table>

The part of the accrued operational expenses which exceeds the paid pre-financings has been accrued in the liabilities of the JU.

3.3.4.3 Short-term provisions for risks and charges

<table>
<thead>
<tr>
<th>Provision for risks and charges - shortterm</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential additional CS JU contribution (in cash) to members resulting from ex-post audits</td>
<td>516,000.90</td>
<td>257,595.52</td>
</tr>
<tr>
<td>Provision for non-received H2020 GAM claims</td>
<td>294,501.69</td>
<td>0.00</td>
</tr>
<tr>
<td>Refixed salary increase</td>
<td>0.00</td>
<td>28,324.81</td>
</tr>
<tr>
<td>Total provisions for risks and charges - shortterm</td>
<td>810,502.59</td>
<td>285,920.33</td>
</tr>
</tbody>
</table>

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

As noted in Note 3.3.2.5 (Contingent Assets), the JU commissioned a number of ex-post audits of cost claims relating to GAMs and GAPs 2008-2013. As at the date of preparation of the Final Accounts 2014, several of these audits had yet to be formally finalised. 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 2014 for these amounts.
This provision represents the value of the probable JU contribution to these additional claim adjustments (Euro 508.323,43 for GAMs and 7.677,47 for GAPs). Additional Euro 508.323,43 has been recognised as an in-kind contribution to be validated within liabilities. A total additional expense of Euro 1.024.324,32 has thus been recognised in the Final Accounts 2014 relating to the results of these ex-post audits.

For the audits in process where only draft reports are available contingent liability is disclosed in the accounts.

3.3.4.4 Contingent liabilities

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft ex-post audit results in favour of the beneficiary</td>
<td>1.790.470,38</td>
<td>1.019.774,93</td>
</tr>
<tr>
<td>Total contingent liabilities</td>
<td>1.790.470,38</td>
<td>1.019.774,93</td>
</tr>
</tbody>
</table>

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

As noted in Note 3.3.2.5 (Contingent Assets), the JU commissioned a number of ex-post audits of cost claims relating to GAMs and GAPs 2008-2013. As at the date of preparation of the Final Accounts 2014, some of the audit reports are still in draft status.

The CSJU management considers that the outcome of the audits in the draft audit report stage are possible obligations, as it has yet to be confirmed whether CSJU has a present obligation. Taking into account the immature status of these audit results sufficiently reliable estimate of the amount of the obligation cannot be made. These audit results are disclosed as contingent liabilities.

The ex-post audits with reports in draft stage highlighted total additional project adjustments of Euro 1.790.470,38 in favour of members and partners. Of this amount, Euro 932.687,19 relates to potential additional in-cash JU contributions. The remaining Euro 857.782,19 represents the additional potential in-kind contribution made by the member.

Amounts relating to legal cases

CSJU has no on-going legal case.
3.4 Notes to the Economic Outturn Account

3.4.1 Non-exchange revenue

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other revenue - revenue from claims previously expensed</td>
<td>3,974,651,52</td>
<td>3,773,764,68</td>
</tr>
<tr>
<td>Miscellaneous administrative revenues</td>
<td>11,714,12</td>
<td>69,201,37</td>
</tr>
<tr>
<td>Exchange gains</td>
<td>2,703,46</td>
<td>0,00</td>
</tr>
<tr>
<td><strong>Total non-exchange revenues</strong></td>
<td><strong>3,989,069,10</strong></td>
<td><strong>3,842,966,05</strong></td>
</tr>
</tbody>
</table>

In 2014 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 have been presented as 'Other Revenue' in the 2014 Final Accounts, and the corresponding liability in 'Members' Contributions to be validated' has been reduced accordingly.

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 3.4.4.1 below.

3.4.2 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.

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational expenses funded by CSJU in cash Clean Sky Programme (FP7)</td>
<td>132,154,646,83</td>
<td>152,332,937,34</td>
</tr>
<tr>
<td>Operational expenses funded by CSJU in cash Clean Sky 2 Programme (H2020)</td>
<td>7,593,080,11</td>
<td>0,00</td>
</tr>
<tr>
<td>Operational expenses contributed by members in-kind Clean Sky Programme (FP7)</td>
<td>89,239,000,15</td>
<td>103,773,662,84</td>
</tr>
<tr>
<td>Operational expenses contributed by members in-kind Clean Sky 2 Programme (H2020)</td>
<td>6,413,537,37</td>
<td>0,00</td>
</tr>
<tr>
<td><strong>Total operational expenses</strong></td>
<td><strong>235,400,264,46</strong></td>
<td><strong>256,106,600,18</strong></td>
</tr>
</tbody>
</table>
Expenses per category of beneficiaries

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members Clean Sky Programme (FP7)</td>
<td>178,478,006.30</td>
<td>207,547,325.66</td>
</tr>
<tr>
<td>Members Clean Sky 2 Programme (H2020)</td>
<td>14,006,617.48</td>
<td>0.00</td>
</tr>
<tr>
<td>Partners Clean Sky Programme (FP7)</td>
<td>42,915,646.68</td>
<td>48,559,274.50</td>
</tr>
<tr>
<td><strong>Total operational expenses</strong></td>
<td><strong>235,400,264.46</strong></td>
<td><strong>256,106,600.18</strong></td>
</tr>
</tbody>
</table>

3.4.3 Operating Expenses

3.4.3.1 Administrative expenses

<table>
<thead>
<tr>
<th></th>
<th>2014 Programme</th>
<th>2014 Programme</th>
<th>2014 Total</th>
<th>2013 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and medical costs</td>
<td>1,659,654.62</td>
<td>1,636,282.15</td>
<td>2,559,915.49</td>
<td>2,378,642.23</td>
</tr>
<tr>
<td>Accrual for unpaid holiday</td>
<td>63,372.47</td>
<td>0.00</td>
<td>63,372.47</td>
<td>60,300.53</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation of fixed assets</td>
<td>107,161.40</td>
<td>0.00</td>
<td>107,161.40</td>
<td>75,338.78</td>
</tr>
<tr>
<td>Depreciation of tangible assets</td>
<td>43,141.25</td>
<td>0.00</td>
<td>43,141.25</td>
<td>20,927.37</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>64,020.15</td>
<td>0.00</td>
<td>64,020.15</td>
<td>45,411.40</td>
</tr>
<tr>
<td><strong>Rent of building</strong></td>
<td>412,082.61</td>
<td>206,079.68</td>
<td>618,162.29</td>
<td>249,384.29</td>
</tr>
<tr>
<td><strong>Renal fee for the offices</strong></td>
<td>412,082.61</td>
<td>206,079.68</td>
<td>618,162.29</td>
<td>249,384.29</td>
</tr>
<tr>
<td><strong>Office suppliers &amp; maintenance</strong></td>
<td>-97.44</td>
<td>77,928.83</td>
<td>77,928.83</td>
<td>14,515.49</td>
</tr>
<tr>
<td><strong>Stationary, and low value equipment, cables</strong></td>
<td>-97.44</td>
<td>77,928.83</td>
<td>77,928.83</td>
<td>14,515.49</td>
</tr>
<tr>
<td>Communication &amp; publications</td>
<td>357,291.34</td>
<td>38,640.00</td>
<td>355,931.34</td>
<td>293,711.02</td>
</tr>
<tr>
<td>Events, website, consultant, promotion materials</td>
<td>357,291.34</td>
<td>38,640.00</td>
<td>355,931.34</td>
<td>293,711.02</td>
</tr>
<tr>
<td><strong>Transport expenses</strong></td>
<td>2,315.92</td>
<td>0.00</td>
<td>2,315.92</td>
<td>3,623.55</td>
</tr>
<tr>
<td><strong>Contributions for staff for public transport scheme</strong></td>
<td>3,315.92</td>
<td>0.00</td>
<td>3,315.92</td>
<td>3,623.55</td>
</tr>
<tr>
<td>Recruitment costs</td>
<td>0.00</td>
<td>7,569.49</td>
<td>7,569.49</td>
<td>1,371.18</td>
</tr>
<tr>
<td>Travel reimbursements and medical costs for candidates</td>
<td>0.00</td>
<td>7,569.49</td>
<td>7,569.49</td>
<td>1,371.18</td>
</tr>
<tr>
<td>Training costs</td>
<td>2,975.25</td>
<td>0.00</td>
<td>2,975.25</td>
<td>11,740.21</td>
</tr>
<tr>
<td>Language and other trainings</td>
<td>2,975.25</td>
<td>0.00</td>
<td>2,975.25</td>
<td>11,740.21</td>
</tr>
<tr>
<td><strong>Missions</strong></td>
<td>169,552.69</td>
<td>37,143.35</td>
<td>206,696.04</td>
<td>176,516.61</td>
</tr>
<tr>
<td>Project Officers attending meetings, technical events, steering committees etc.</td>
<td>169,552.69</td>
<td>37,143.35</td>
<td>206,696.04</td>
<td>176,516.61</td>
</tr>
<tr>
<td><strong>Expenses and related expenditures</strong></td>
<td>302,422.23</td>
<td>241,624.82</td>
<td>544,047.05</td>
<td>905,262.36</td>
</tr>
<tr>
<td>Expenses related to the evaluation of calls for proposals (experts)</td>
<td>302,422.23</td>
<td>241,624.82</td>
<td>544,047.05</td>
<td>905,262.36</td>
</tr>
<tr>
<td>IT costs - external services</td>
<td>83,966.12</td>
<td>25,801.06</td>
<td>109,767.18</td>
<td>117,851.12</td>
</tr>
<tr>
<td>Commission debit notes for the use of IT tools</td>
<td>20,000.00</td>
<td>0.00</td>
<td>20,000.00</td>
<td>20,000.00</td>
</tr>
<tr>
<td>Maintenance and support of IT systems</td>
<td>63,966.12</td>
<td>25,801.06</td>
<td>89,767.18</td>
<td>97,051.12</td>
</tr>
<tr>
<td><strong>Other external service provider</strong></td>
<td>460,943.31</td>
<td>593,744.00</td>
<td>1,054,687.31</td>
<td>1,452,512.94</td>
</tr>
<tr>
<td>Meetings, consultants, in-house staff, ex-post audits etc</td>
<td>460,943.31</td>
<td>593,744.00</td>
<td>1,054,687.31</td>
<td>1,452,512.94</td>
</tr>
<tr>
<td><strong>Provisions for other liabilities</strong></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total administrative expenses</strong></td>
<td>3,599,268.08</td>
<td>2,088,752.10</td>
<td>5,688,020.15</td>
<td>5,739,978.31</td>
</tr>
</tbody>
</table>

At 31 December 2014 the JU employed 26 Temporary Agents and 5 Contract Agents.
3.4.3.2 Other operating expenses

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange loss</td>
<td>1,956,42</td>
<td>26,70</td>
</tr>
<tr>
<td>Total other operating expenses</td>
<td>1,956,42</td>
<td>26,70</td>
</tr>
</tbody>
</table>

Exchange loss related to payments in other currency than EUR.

Administrative/total expenditure ratio

According to Article 12 of the original Clean Sky decision⁴ the running cost of the Clean Sky programme (FP7) shall not exceed 3% of the overall cash contribution and of the contribution in kind of Members and Partners over the whole programme lifetime. The ratio between the administrative and total expenditure for 2014 is 1.60%.

The ratio between the administrative and total expenditure (including both Clean Sky and Clean Sky 2 Programmes) for 2014 is 2.36%.

⁴ Council regulation (EC) No 71/2008
3.4.4 Financial Income and Expenses

3.4.4.1 Financial income

According to Art.30(2) 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 26.

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.

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank interest on pre-financing from EU</td>
<td>66,600,55</td>
<td>185,699,01</td>
</tr>
<tr>
<td>Interest on pre-financing given to Members</td>
<td>32,190,66</td>
<td>12,862,46</td>
</tr>
<tr>
<td><strong>Total financial income</strong></td>
<td>98,791,21</td>
<td>198,561,47</td>
</tr>
</tbody>
</table>

3.4.4.2 Financial expenses

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial expenses</td>
<td>40,211,69</td>
<td>0,00</td>
</tr>
<tr>
<td><strong>Total financial expenses</strong></td>
<td>40,211,69</td>
<td>0,00</td>
</tr>
</tbody>
</table>

Financial expenses comprise of the paid bank fees and late payment interests.
# RELATED PARTIES

<table>
<thead>
<tr>
<th>Highest grade description</th>
<th>Grade</th>
<th>Number of persons of this grade</th>
<th>Nominal amount</th>
<th>Remaining open amounts as of 31/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td>AD14</td>
<td>1</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Clean Sky 2 Joint Undertaking budget implementation at a glance:

**Revenue**
- 99% of revenue foreseen collected
- 100% of public funds collected
- 57% of private funds (to running costs) collected

**Commitments**
- 94% executed*
- 99% on running costs
- 94% on operational budget
- 15% carried over to 2015

**Payments**
- 90% executed
- 80% on running costs
- 91% on operational budget
- 12% carried over to 2015

*excludes appropriations foreseen as ‘unused’

4.1.1 Budgetary principles:

The Clean Sky budget is implemented in accordance with the Clean Sky 2 Joint Undertaking 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 2 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. In addition, 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 a 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 2 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 2 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 Provisional 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 2 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 2 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 internal control of budget implementation means the budget of the Clean Sky 2 Joint Undertaking shall be implemented in compliance with effective and efficient internal control in order to provide reasonable assurance of achieving effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multi-annual character of programmes as well as the nature of the payments concerned.

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.
4.1.2 Use of Fund Sources in Budgetary management

The Clean Sky 2 Joint Undertaking uses 5 fund sources for its budgetary management through the ABAC system. A short explanation of each fund source is provided below. As a further explanation, commitment appropriations are referred to as ‘CA’ and payment appropriations are referred to as ‘PA’.

C1: This represents the EU budget subsidy received from the European Commission and the member contribution to the running cost 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 represented the appropriations which can be used as a result of debit notes issued by the JU (otherwise known as internal assigned revenue) and have been received in the previous year.
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)\(^5\). 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 provisionally used shall be de-committed and converted into C2 fund source for the JU (see above).

4.1.3 Management Information Systems

The Clean Sky 2 Joint Undertaking used the following software during 2014:

- ABAC - Budgetary accounting system
- SAP R/3 – Accounting system and execution of payments
- GVM (Grant View Manager) – Access database developed in-house to monitor grant agreements for partners’ process
- GVP (Grant View Payment) – Access database developed in-house and linked to GVM for monitoring the partners’ payment process
- GMT (Grant Management Tool) – 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 2 Joint Undertaking 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. In addition, the Delegations put in place by the authorising officer ensure that enough actors are involved in the workflow to ensure segregation of duties.

\(^5\) Following the new Financial Rules of the Clean Sky 2 Joint Undertaking art. 6 – principle of annuity— the carrying forward of payment appropriations associated with administrative commitments created as of 2014 is no longer possible. As a consequence the C8 fund source will only be used for commitment appropriations (for both administrative and operational expenditure) in the future (as from 2015).
4.1.4 Overall Clean Sky Programme (FP7) implementation

The JU monitors the overall programme implementation of both the technical activities and the financial execution of the requested appropriations. Based on the results of 2008-2013, the JU took various steps in 2014 to discuss and understand, from an operational point of view the various issues in the ITDs which could explain their performance in terms of Commitment Appropriations (CA) and Payment Appropriations (PA). In 2013, the JU proposed that a decision to revise the budgetary envelope of the ITDs should be taken in the second half of 2014. Indeed the review of CS running costs implementation showed that an estimated amount of 10M€ could be instead allocated to operational activities as set out in the regulation. Furthermore, interest gained on the JU bank account as well as the cancellation of GAP projects (due to unsuccessful negotiations or less than 100% final execution of the allocated funding) makes it possible to re-allocate some additional funding for the GAM activities.

The JU programme office performed a programme review of activities and in late 2013 offered the possibility to ITDs, where appropriate, to request either complementary funding for the same scope of technical activity or additional funding for new scope of activity. This exercise led to lengthy discussions which resulted in a list of proposed new funding options across ITDs. The funding list and the order of priority were agreed by the Governing Board in October 2014 based on a proposal from the Executive Director.

As a consequence, the JU was able to propose a second revision\(^6\) of the overall budgetary envelopes by ITD to the Governing Board in October 2014. The outcome of this revision is shown below:

Before the October 2014 Governing Board decision:

<table>
<thead>
<tr>
<th>Revision 1 (2013)</th>
<th>SAGE</th>
<th>SFWA</th>
<th>SGO</th>
<th>GRA</th>
<th>GRC</th>
<th>ED</th>
<th>TE</th>
<th>JU figure Mar 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget to completion</td>
<td>26.117%</td>
<td>24.426%</td>
<td>18.582%</td>
<td>11.501%</td>
<td>10.068%</td>
<td>7.327%</td>
<td>1.988%</td>
<td>100% of 776m €</td>
</tr>
<tr>
<td>Leaders</td>
<td>203.78</td>
<td>190.60</td>
<td>144.99</td>
<td>89.74</td>
<td>78.56</td>
<td>57.13</td>
<td>15.45</td>
<td>780.3 101%</td>
</tr>
<tr>
<td>Associates</td>
<td>99.19</td>
<td>93.32</td>
<td>76.72</td>
<td>45.45</td>
<td>38.68</td>
<td>27.59</td>
<td>5.32</td>
<td>386.3 50%</td>
</tr>
<tr>
<td>Partners</td>
<td>50.59</td>
<td>47.16</td>
<td>32.70</td>
<td>22.39</td>
<td>17.72</td>
<td>13.96</td>
<td>10.13</td>
<td>194.7 25%</td>
</tr>
<tr>
<td></td>
<td>54.00</td>
<td>50.13</td>
<td>35.57</td>
<td>21.90</td>
<td>22.16</td>
<td>15.58</td>
<td>0.00</td>
<td>199.3 28%</td>
</tr>
</tbody>
</table>

The Governing Board adopted the following revision on 24th October 2014:

<table>
<thead>
<tr>
<th>Revision 2 (2014)</th>
<th>SAGE</th>
<th>SFWA</th>
<th>SGO</th>
<th>GRA</th>
<th>GRC</th>
<th>ED</th>
<th>TE</th>
<th>JU figure Oct 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget to completion</td>
<td>26.938%</td>
<td>24.633%</td>
<td>18.539%</td>
<td>11.476%</td>
<td>9.541%</td>
<td>6.900%</td>
<td>2.614%</td>
<td>100% of 790m €</td>
</tr>
<tr>
<td>Leaders &amp; Associates</td>
<td>154.28</td>
<td>146.98</td>
<td>109.42</td>
<td>67.84</td>
<td>56.40</td>
<td>40.79</td>
<td>15.45</td>
<td>591.2 75%</td>
</tr>
<tr>
<td>Partners (estimated)</td>
<td>198.8</td>
<td>25%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As the status of the calls and the actual GAP allocation became apparent by September 2014, it was clear that the new estimated amount for the Partners is now 198.8M€. As the JU is no longer entitled to launch FP7 calls for proposals, this amount will be the maximum that can be

\(^6\) Governing Board decision reference “CS-GB-2014-24 Doc6a Compl funding Budg rev nr 3- Backgr note & Doc6b Proposal of ED Compl funding”
allocated to GAPs under the CS programme. Any further unused GAP allocation will be redirected to the GAMs where appropriate (following the funding list agreed at GB level mentioned above).

Overall Clean Sky 1 Programme implementation state of play as of 31.12.2014

Implementation of CS Programme commitment appropriations:

<table>
<thead>
<tr>
<th>Grant Agreement with Partners (GAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts paid in 2010-2014</td>
</tr>
<tr>
<td>Open payable on contracted projects (RAL on L2 commitments)</td>
</tr>
<tr>
<td>Projects under negotiation</td>
</tr>
<tr>
<td><strong>Total GAP (1)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grant Agreement with Members (GAM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
</tr>
<tr>
<td>2009</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2014**</td>
</tr>
<tr>
<td>2015**</td>
</tr>
<tr>
<td><strong>Total GAM validated contributions</strong></td>
</tr>
</tbody>
</table>

**Total operational envelope**

| Total GAP | 203,934,167 |
| Total GAM | 499,024,738 |
| **Total** | **702,958,905** |

| % of programme consumption | 88.98% |

(1) including amounts to be de-committed due to projects closure

* 2014 presented figure shows the estimated consumption provided by industries

** 2015 represents the 2015 funding contribution part of the multi-annual grants of GRA and ECO

The JU took the strategic decision to publish call funding values which surpassed the 200m € minimum value set out in the CS regulation knowing that, between the publication funding values (commitment values) to Provisional amounts actually implemented by partners there could be significant differences due to call topics failing due to various factors (no eligible proposal, failed negotiations, no applications). Therefore, the current figure of 203m € as committed for the GAP funding reflects for the latter call 15 and 16, the higher figures while some few projects from call 15 and 16 are still under negotiation. The JU will continue to monitor the GAP negotiations in order to update the estimation of corresponding committed amounts. However, all GAPs will be signed by the JU in 2015 (18 projects remaining under negotiation). It is currently estimated that the current figure of 203m € will fall below 199m€ in reality.

---

7 For the GAM, as some de-commitments still need to be performed, displaying the commitment amounts would have shown an excess of the global operational envelope. For this reason, the commitment appropriations are presented based on the validated cost of the Members for the period of 2008 - 2013. For the year 2014 the estimated consumption declared by the members is presented (which differs from the committed amount in the 2014 statement of expenditure).
Implementation of payment appropriations:

<table>
<thead>
<tr>
<th>Year</th>
<th>Payments for Grant Agreement with Members</th>
<th>Payments for Grant Agreement with Partners</th>
<th>TOTAL*</th>
<th>Operational envelope</th>
<th>% of programme paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>13,568,063,20</td>
<td>0,00</td>
<td>13,568,063,20</td>
<td>790,000,000,00</td>
<td>79,86%</td>
</tr>
<tr>
<td>2009</td>
<td>0,00</td>
<td>0,00</td>
<td>0,00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>117,026,920,53</td>
<td>10,996,929,47</td>
<td>128,023,850,00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>95,548,082,02</td>
<td>24,218,665,76</td>
<td>119,766,747,78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>91,996,842,80</td>
<td>30,493,046,75</td>
<td>122,489,889,55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>93,336,882,59</td>
<td>40,789,845,65</td>
<td>134,126,728,24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>71,114,278,67</td>
<td>41,829,156,49</td>
<td>112,943,435,16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>482,591,069,81</td>
<td>148,327,644,12</td>
<td>630,918,713,93</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Totals are not showing the amounts recovered from industries

Implementation of payment appropriations: schedule of payments

<table>
<thead>
<tr>
<th>CS Schedule of payments</th>
<th>Year</th>
<th>Commitments</th>
<th>Payments 2014</th>
<th>Payments 2015</th>
<th>Payments 2016</th>
<th>Outstanding amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAP</td>
<td>2009</td>
<td>1,106,238</td>
<td>667,536</td>
<td>278,721</td>
<td>159,981</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>1,890,191</td>
<td>987,274</td>
<td>609,086</td>
<td>293,831</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>13,386,932</td>
<td>3,945,132</td>
<td>5,689,637</td>
<td>3,752,163</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>12,395,013</td>
<td>4,188,717</td>
<td>6,518,330</td>
<td>1,887,965</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>28,443,730</td>
<td>11,224,087</td>
<td>7,890,812</td>
<td>5,485,664</td>
<td>3,843,166</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>32,207,190</td>
<td>20,816,410</td>
<td>7,110,497</td>
<td>2,086,037</td>
<td>2,194,206</td>
</tr>
<tr>
<td>TOTAL GAP</td>
<td>89,429,392</td>
<td>41,829,156</td>
<td>28,097,882</td>
<td>13,465,642</td>
<td>6,037,412</td>
<td></td>
</tr>
<tr>
<td>GAM</td>
<td>2009</td>
<td>400,000</td>
<td>7,334</td>
<td>0</td>
<td>0</td>
<td>392,667</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>3,155,000</td>
<td>342,177</td>
<td>0</td>
<td>0</td>
<td>2,812,823</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>4,664,758</td>
<td>222,846</td>
<td>0</td>
<td>0</td>
<td>4,441,911</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>4,652,859</td>
<td>902,774</td>
<td>0</td>
<td>0</td>
<td>5,750,084</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>58,967,329</td>
<td>26,460,746</td>
<td>9,357,578</td>
<td>2,302,409</td>
<td>20,846,556</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>87,652,066</td>
<td>43,178,402</td>
<td>37,019,605</td>
<td>4,444,236</td>
<td>2,962,824</td>
</tr>
<tr>
<td>TOTAL GAP</td>
<td>159,445,011</td>
<td>71,114,279</td>
<td>46,377,183</td>
<td>6,746,645</td>
<td>35,206,904</td>
<td></td>
</tr>
<tr>
<td>TOTAL CS1 Operational</td>
<td>248,874,303</td>
<td>112,943,435</td>
<td>74,474,265</td>
<td>20,212,287</td>
<td>41,244,316</td>
<td></td>
</tr>
</tbody>
</table>

The amount showed in the payments 2015 represents:

- The interim and final payments for the GAP
- The interim/final payments for the GAM for Leaders 2014 (interim for the multi-annual GAM for GRA and ECO)
- The payments of amount kept as on-hold by the JU (mainly due to ex-post audit)

---

8 Including Euro 13,568,063.20 pre-financing for GAMs paid out in 2008 by the European Commission before CSJU autonomy.

The 2009 pre-financing payments (amounting to 56,5 million euro) could only be made in January 2010.
The amount showed in the payments 2016 represents:

- The interim and final payments for the GAP
- The interim payment of the multi-annual GAM GRA
- The final payment of the multi-annual GAM for Eco-design

The amount showed as outstanding amount represents:

- The final payments for the GAP
- The estimated amount to be de-committed and re-allocated to the GAM in 2016.

4.1.5 Overall Clean Sky 2 Programme (H2020) implementation

The entire Innovation package where all JTIs from the Research and Innovation area was launched on 9th July 2014 by the European Commission. The Clean Sky 2 programme was launched on the same day with the opening of the first Call for Core Partners. These core partners will work with the leaders of the programme over a multi-annual basis and according to the regulation are entitled to receive up to 30% funding from the JU. While this call was being prepared and launched, the leaders were also working on the technical activities to be performed within 2014 and eligible for funding from the GAMs to be signed with them for the period 2014-2015. The overall description of those activities by SPD are described in the Work plan 2014-2015 adopted by the Board on 3rd July 2014. Many activities were deemed eligible for funding from end July to end August 2014. The JU then launched the first call for proposals (where partners will be funded for up to a maximum of 30% of available operational funding together with calls for tender) in December 2014. The addition of the preparation of all of these grant agreements put a significant extra workload on the JU not only in terms of technical activity monitoring but also in terms of funds management.

The programme office has established, for the CS2 programme an estimated spending profile for both commitment and payment appropriations. This will need regular updating but provides a first oversight of what is expected to be implemented from a budget point of view. As the programme matures, this profile can be updated. Presently this shows a slow ramp-up and more significant peak in the years 2017 and 2019 This needs to be aligned with the Commission profiles for CS2.

Despite this reality check, the overall envelopes by ITD are set out in an indicative way in the regulation and its Annex II. The three transverse areas are treated as a ‘tax’ on the main SPDs. the results currently calculated are as follows for the distribution of the 1201m € available for SPD activity (this includes leaders and core partners activity). There remains a further 514,8m € for calls for proposals and calls for tender relating to the SPD work. These indicative envelopes merely follow the regulation and in 2014, no GB decision was proposed to adopt anything other than what is set out in the regulation itself. The distribution by SPD is as follows:

---

9 The distribution will be revised in 2015 in order to re-allocate the Transverse Activities funding to ITDs/SPDs when appropriate

43
In 2014, the first Call for Core Partners was launched which covers several years of planned technical activity. The overall envelope launched was 206 m €. This will then be granted through the biannual or multi annual grant agreements with core partners as they join the leaders’ grant agreements in due course and following successful funding applications and negotiations. This represents 40% of the entire envelope available for core partners.

**Overall Clean Sky 2 Programme implementation state of play as of 31.12.2014**

**Implementation of CS2 Programme commitment appropriations:**

<table>
<thead>
<tr>
<th>Grant Agreement with Partners (GAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 2014</td>
</tr>
<tr>
<td>Total GAP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grant Agreement with Members (GAM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
</tr>
<tr>
<td>Total GAM Committed</td>
</tr>
</tbody>
</table>

| Total operational envelope        | 1,716,000,000 |
| Total GAP                         | 0 |
| Total GAM                         | 95,248,924 |
| Total                             | 95,248,924 |

| % of programme consumption        | 5.55% |

The first CS2 Call for Partners was launched in December 2014. The negotiation phase is planned to start in May 2015. Therefore, the first commitments and pre-financing payments for Partners are planned in the 3rd Quarter 2015 and are budgeted in 2015 only.

The first grant agreements for Leaders 2014-2015 were signed in December 2014 with the following SPDs: LPA, REG, FRC, AIR, ENG and SYS. No grant agreement was signed for TE and ECO. A provisional budgetary envelope was allocated for their 2015 activities.
Implementation of payment appropriations 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Payments for Grant Agreement with Members</th>
<th>Payments for Grant Agreement with Partners</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>20,460,993</td>
<td>0</td>
<td>20,460,993</td>
</tr>
<tr>
<td>TOTAL</td>
<td>20,460,992,77</td>
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<td>20,460,993</td>
</tr>
</tbody>
</table>

Operational envelope 1,716,000,000

% of programme paid 1,19%

This amount of 20,460,993 represents the first pre-financings paid for the first grant agreements for Leaders 2014-2015.

Implementation of payment appropriations: schedule of payments

<table>
<thead>
<tr>
<th>CS2 Schedule of payments</th>
<th>Year</th>
<th>Commitments</th>
<th>Payments 2014</th>
<th>Payments 2015</th>
<th>Payments 2016</th>
<th>Outstanding amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAM</td>
<td>2014</td>
<td>95,248,924</td>
<td>20,460,993</td>
<td>37,204,805</td>
<td>37,583,126</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>95,248,924</td>
<td>20,460,993</td>
<td>37,204,805</td>
<td>37,583,126</td>
<td>0</td>
</tr>
</tbody>
</table>

The amount showed in the payments 2015 represents:
- the second pre-financing paid to the SPDs that have signed a multi-annual GAM covering the period 2014-2015
- the interim payments covering the activities performed in 2014
- the pre-financings for the new grant agreements for Leaders for TE and ECO

The amount showed in the payments 2016 represents:
- the final payments of the multi-annual grant agreements for Leaders 2014-2015

4.1.6 Initial budget and amending budgets

The Governing Board adopted the original budget for Clean Sky 2 Joint Undertaking for the global amount of 138 m € in commitment appropriations and 98.3 m € in payment appropriations in December 2013.

In April 2014, the JU had to prepare its amendment n°1 in order to reduce the commitment appropriations by 14.3 m€ and the payment appropriations by 2 m€ - as a consequence of the correction of the estimated carry-over 2013-2014 amount as well as a reduction of running costs EC subsidy until the CS2 Programme running costs budget became available. At the same moment, the new Clean Sky 2 Programme was entering in its last preparatory phase. A significant increase of budget had to be submitted to the adoption of the Governing Board, representing the financial resources needed by the JU in order to cover the new H2020 activities. In July 2014, the first bi-annual budget 2014-2015, supporting both Programmes
CS and CS2 presented an increase of commitment appropriations for 107.4 m€ for the CS2 activities and of payment appropriations for 29.8 m€ (CS) and for 27.5m€ (CS2).

In December, the first annual budget 2014-2015 amendment had to be done in order to reduce the CS2 operational commitment appropriations from 104.9 m€ to 103 m€ in accordance with a request from EC to align the operational budget with the final decision on EC subsidy for the CS2 Programme.

Lastly, internal transfers (as decided by the Executive Director in accordance with the CS Financial Rules) were operated in order to better allocate the resources needed for the running costs and operational activities implementation.

Note: The Clean Sky 2 Joint Undertaking budget uses chapters for each type of expenditure and no further breakdown of budget is presented in these reports.

### Evolution of the Statement of Revenue 2014 (€UR) (fund sources G1, G2 and G3)

#### Commitment Appropriations

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
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<td></td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>200 CONTRIBUTION FROM MEMBERS (NON-EC)</td>
<td>3,273,000</td>
<td>-1,359,554</td>
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<td>0</td>
<td>1,913,446</td>
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<tr>
<td>300 CARRY-OVER FROM 2011/2012</td>
<td>134,577,669</td>
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<td>0</td>
<td>121,568,895</td>
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<tr>
<td>400 FINANCIAL REVENUES</td>
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<td>35,238</td>
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<td>235,238</td>
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<tr>
<td><strong>TOTAL REVENUE (COMMITMENTS)</strong></td>
<td><strong>138,050,669</strong></td>
<td><strong>-14,333,090</strong></td>
<td>0</td>
<td>0</td>
<td><strong>123,717,579</strong></td>
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</tbody>
</table>

| **CS2 Programme**         |                                 |                                    |                                   |                                 |                                   |
| 100 SUBSIDY OF THE COMMISSION | 0                              | 0                                  | 0                                 | 0                               | 0                                 |
| 200 CONTRIBUTION FROM MEMBERS (NON-EC) | 0                              | 0                                  | 1,262,093                         | 0                               | 1,262,093                         |
| 300 CARRY-OVER FROM 2011/2012 | 0                              | 0                                  | 1,262,093                         | 0                               | 1,262,093                         |
| 400 FINANCIAL REVENUES     | 0                              | 0                                  | 0                                 | 0                               | 0                                 |
| **TOTAL REVENUE (COMMITMENTS)** | **0**                          | **0**                              | **107,381,900**                   | **1,857,715**                   | **109,234,615**                   |

**TOTAL REVENUE (Commitments) CLEAN SKY 2 JU** | **138,050,669** | **-14,333,090** | **107,381,901** | **1,857,715** | **129,241,705**

#### Payment Appropriations

<table>
<thead>
<tr>
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<th></th>
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<th></th>
<th></th>
</tr>
</thead>
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<td></td>
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</tr>
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<td>98,585,440</td>
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<td>1,913,446</td>
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<td>0</td>
<td>0</td>
<td>235,238</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE (PAYMENTS)</strong></td>
<td><strong>98,364,758</strong></td>
<td><strong>-2,608,567</strong></td>
<td><strong>29,847,000</strong></td>
<td><strong>0</strong></td>
<td><strong>126,043,191</strong></td>
</tr>
</tbody>
</table>

| **CS2 Programme**         |                                 |                                    |                                   |                                 |                                   |
| 100 SUBSIDY OF THE COMMISSION | 0                              | 0                                  | 26,262,093                        | 0                               | 26,262,093                       |
| 200 CONTRIBUTION FROM MEMBERS (NON-EC) | 0                              | 0                                  | 1,262,093                         | 0                               | 1,262,093                         |
| 300 CARRY-OVER FROM 2011/2012 | 0                              | 0                                  | 0                                 | 0                               | 0                                 |
| 400 FINANCIAL REVENUES     | 0                              | 0                                  | 0                                 | 0                               | 0                                 |
| **TOTAL REVENUE (COMMITMENTS)** | **98,364,758**             | **-2,608,567**                     | **29,571,184**                    | **0**                           | **153,577,377**                   |

**TOTAL REVENUE (Payments) CLEAN SKY 2 JU** | **98,364,758** | **-2,608,567** | **57,371,184** | **0**                           | **153,577,377**
4.2 Statement of revenue

![Breakdown by Revenue source](image)

**EC contribution**

This refers to the subsidy which the JU receives from the European Commission as part of the 800 m € (for the Clean Sky Programme) and the 1.755 m€ (for the Clean Sky 2 Programme) foreseen in the Council Regulation establishing Clean Sky 2 Joint Undertaking. This is composed of the contribution for the annual operational payment needs and the running costs.
Non-EC Members’ contribution to running costs 2014

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 15 (2) of the Statutes, the running costs shall be shared equally between the EC and private members. For the CS programme they may not exceed 3% of the operational budget used by the programme. For the Clean Sky 2 Programme, the running costs shall not exceed 78m €. The allocations per member are set out in their respective funding agreements per programme.

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 2013.

Recovery of ex-post audit results

In 2014, the JU continued to close ex-post audits launched. 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 by offsetting with at least 2 opportunities each year namely with the pre-financing payments and Provisional payments for the GAMs. It also launches separate recovery orders separated from these payments when needed. In 2014, it used the above opportunities to recover the over-payments.

Carry-over of cancelled appropriations from previous years

In accordance with Article 6 of the Clean Sky 2 Joint Undertaking financial rules, the JU may carry over appropriations which have been cancelled for up to the 3 following financial years.
### 4.3 Statement of expenditure

#### Evolution of the Statement of Expenditure 2014 All Programmes (EUR) (fund sources C1, C2 and C5)

<table>
<thead>
<tr>
<th></th>
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<td></td>
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<tr>
<td>STAFF</td>
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<tr>
<td>CH 11</td>
<td>STAFF IN ACTIVE EMPLOYMENT</td>
<td>2,585,000</td>
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<td>1,260,000</td>
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<td>MISCELLANEOUS EXPENDITURE ON STAFF</td>
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<td>340,000</td>
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<td>0</td>
<td>53,301</td>
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<td>CH 13</td>
<td>MISSIONS AND DUTY TRAVEL</td>
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<td>-100,000</td>
<td>140,000</td>
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<tr>
<td>CH 14</td>
<td>SOCIOMEDICAL INFRASTRUCTURE</td>
<td>38,000</td>
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<td>CH 15</td>
<td>SOCIAL MEASURES</td>
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<td>p.m</td>
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<td>RECEPTIONS AND EVENTS</td>
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<td><strong>TITLE 1 - Commitment and Payment</strong></td>
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<td>0</td>
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<tr>
<td>CH 2</td>
<td>BUILDINGS, IT, EQUIPMENT, COMMUNICATION, MANAGEMENT OF CALLS AND MISCELLANEOUS EXPENDITURE FOR RUNNING ACTIVITIES</td>
<td></td>
<td></td>
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<td>CH 20</td>
<td>RENTAL OF BUILDINGS AND ASSOCIATED COSTS</td>
<td>772,000</td>
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<td>0</td>
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<td>INFORMATION TECHNOLOGY PURCHASES</td>
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<td>MOVABLE PROPERTY AND ASSOCIATED COSTS</td>
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<td>-40,000</td>
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<td>CURRENT EXPENDITURE FOR RUNNING COSTS</td>
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<td>CH 24</td>
<td>POSTAGE AND TELECOMMUNICATIONS</td>
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<td>CH 25</td>
<td>EXPENDITURE ON FORMAL AND OTHER MEETINGS</td>
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<td>COMMUNICATION ACTIVITIES</td>
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<td>COSTS ASSOCIATED WITH CALLS</td>
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<td><strong>TITLE 2 - Commitment and Payment</strong></td>
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<td><strong>Total TITLE 1 &amp; 2 - Commitment and Payment</strong></td>
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<td>-2,719,108</td>
<td>2,524,186</td>
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**TITLE 3: Commitments**

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**TITLE 3: Payments**
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<th>CS2 OPERATIONAL EXPENDITURE COMMITMENTS</th>
<th>Initial Budget (1)</th>
<th>Amending Budget No.1 22/04/2014 (2)</th>
<th>Annual Budget 2014-2015 03/07/2014 (3)</th>
<th>Transfers adopted by CSJU Director (4)</th>
<th>Annual Budget 2014-2015 amendment n°1 09/12/2014 (5)</th>
<th>Transfers adopted by CSJU Director (6)</th>
<th>Final Budget (7=∑1to6)</th>
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**TITLE 4 - Commitments**

<table>
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<tr>
<th>CH 4</th>
<th>CS2 OPERATIONAL EXPENDITURE PAYMENTS</th>
<th>Initial Budget (1)</th>
<th>Amending Budget No.1 22/04/2014 (2)</th>
<th>Annual Budget 2014-2015 03/07/2014 (3)</th>
<th>Transfers adopted by CSJU Director (4)</th>
<th>Annual Budget 2014-2015 amendment n°1 09/12/2014 (5)</th>
<th>Transfers adopted by CSJU Director (6)</th>
<th>Final Budget (7=∑1to6)</th>
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</thead>
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<tr>
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<td>LARGE PASSENGER AIRCRAFT</td>
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<td>12,785</td>
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<td>1,458,193</td>
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<td>-953,552</td>
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**TITLE 4 - Payments**

<table>
<thead>
<tr>
<th>CH 5</th>
<th>UNUSED APPROPRIATIONS NOT REQUIRED IN CURRENT YEAR</th>
<th>Initial Budget (1)</th>
<th>Amending Budget No.1 22/04/2014 (2)</th>
<th>Annual Budget 2014-2015 03/07/2014 (3)</th>
<th>Transfers adopted by CSJU Director (4)</th>
<th>Annual Budget 2014-2015 amendment n°1 09/12/2014 (5)</th>
<th>Transfers adopted by CSJU Director (6)</th>
<th>Final Budget (7=∑1to6)</th>
</tr>
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<tbody>
<tr>
<td>CH 50</td>
<td>TITLE 5 - Commitments</td>
<td>34,856,195</td>
<td>-7,215,359</td>
<td>0</td>
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<td>0</td>
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<td>27,640,836</td>
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<td>TITLE 5 - Payments</td>
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**TOTAL BUDGET - Commitment Appropriation**

<table>
<thead>
<tr>
<th>CH 5</th>
<th>TOTAL BUDGET - Commitment Appropriation</th>
<th>Initial Budget (1)</th>
<th>Amending Budget No.1 22/04/2014 (2)</th>
<th>Annual Budget 2014-2015 03/07/2014 (3)</th>
<th>Transfers adopted by CSJU Director (4)</th>
<th>Annual Budget 2014-2015 amendment n°1 09/12/2014 (5)</th>
<th>Transfers adopted by CSJU Director (6)</th>
<th>Final Budget (7=∑1to6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CH 50</td>
<td>138,050,669</td>
<td>-14,333,390</td>
<td>107,381,901</td>
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<td>-1,857,714</td>
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**TOTAL BUDGET - Payment Appropriation**

<table>
<thead>
<tr>
<th>CH 5</th>
<th>TOTAL BUDGET - Payment Appropriation</th>
<th>Initial Budget (1)</th>
<th>Amending Budget No.1 22/04/2014 (2)</th>
<th>Annual Budget 2014-2015 03/07/2014 (3)</th>
<th>Transfers adopted by CSJU Director (4)</th>
<th>Annual Budget 2014-2015 amendment n°1 09/12/2014 (5)</th>
<th>Transfers adopted by CSJU Director (6)</th>
<th>Final Budget (7=∑1to6)</th>
</tr>
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<tbody>
<tr>
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<td>98,264,758</td>
<td>-2,068,867</td>
<td>76,731,886</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>153,567,377</td>
</tr>
</tbody>
</table>
4.3.1 Implementation of the statement of expenditure

Breakdown by type of expenditure (committed)

- Staff Expenditure
- Infrastructure
- Operational Expenditure - CS GAP
- Operational Expenditure - CS GAM
- Operational Expenditure - CS2 GAM

Breakdown by type of expenditure (paid)

- Staff Expenditure
- Infrastructure
- Operational Expenditure - CS GAP
- Operational Expenditure - CS GAM
- Operational Expenditure - CS2 GAM
<table>
<thead>
<tr>
<th>Heading of the Budget 2014</th>
<th>Final Budget for implementation (1)</th>
<th>Final implementation (2)</th>
<th>% of Implementation (3)=(2)/(1)</th>
<th>Final Budget for implementation (1)</th>
<th>Final implementation (2)</th>
<th>% of Implementation (3)=(2)/(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHI 1 STAFF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHI 11 STAFF IN ACTIVE EMPLOYMENT</td>
<td>2,603,834</td>
<td>2,585,168</td>
<td>99,28%</td>
<td>2,603,834</td>
<td>2,585,168</td>
<td>99,28%</td>
</tr>
<tr>
<td>CHI 12 MISCELLANEOUS EXPENDITURE ON STAFF</td>
<td>993,301</td>
<td>993,266</td>
<td>100,00%</td>
<td>993,301</td>
<td>631,090</td>
<td>63,33%</td>
</tr>
<tr>
<td>CHI 13 MISSIONS AND DUTY TRAVEL</td>
<td>270,667</td>
<td>227,115</td>
<td>83,91%</td>
<td>270,667</td>
<td>198,321</td>
<td>73,22%</td>
</tr>
<tr>
<td>CHI 14 SOCIOMEDICAL INFRASTRUCTURE</td>
<td>29,610</td>
<td>29,610</td>
<td>100,00%</td>
<td>29,610</td>
<td>5,896</td>
<td>19,91%</td>
</tr>
<tr>
<td>CHI 15 SOCIAL MEASURES</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CHI 17 RECEPTIONS AND EVENTS</td>
<td>4,124</td>
<td>1,920</td>
<td>46,56%</td>
<td>4,124</td>
<td>1,920</td>
<td>46,56%</td>
</tr>
<tr>
<td><strong>TITLE 1 - Commitment and Payment</strong></td>
<td><strong>3,901,536</strong></td>
<td><strong>3,837,079</strong></td>
<td><strong>98,35%</strong></td>
<td><strong>3,901,536</strong></td>
<td><strong>3,422,396</strong></td>
<td><strong>87,72%</strong></td>
</tr>
<tr>
<td>CH 2 BUILDINGS, IT EQUIPMENT, COMMUNICATION, MANAGEMENT OF CALLS AND MISCELLANEOUS EXPENDITURE FOR RUNNING ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHI 20 RENTAL OF BUILDINGS AND ASSOCIATED COSTS</td>
<td>618,241</td>
<td>618,241</td>
<td>100,00%</td>
<td>618,241</td>
<td>618,241</td>
<td>100,00%</td>
</tr>
<tr>
<td>CHI 21 INFORMATION TECHNOLOGY PURCHASES</td>
<td>398,357</td>
<td>397,783</td>
<td>99,86%</td>
<td>398,357</td>
<td>173,189</td>
<td>43,48%</td>
</tr>
<tr>
<td>CHI 22 MOVABLE PROPERTY AND ASSOCIATED COSTS</td>
<td>81,986</td>
<td>81,986</td>
<td>100,00%</td>
<td>81,986</td>
<td>81,986</td>
<td>100,00%</td>
</tr>
<tr>
<td>CHI 23 CURRENT EXPENDITURE FOR RUNNING COSTS</td>
<td>60,000</td>
<td>60,000</td>
<td>100,00%</td>
<td>60,000</td>
<td>34,088</td>
<td>56,81%</td>
</tr>
<tr>
<td>CHI 24 POSTAGE AND TELECOMMUNICATIONS</td>
<td>51,502</td>
<td>42,910</td>
<td>83,32%</td>
<td>51,502</td>
<td>31,344</td>
<td>60,80%</td>
</tr>
<tr>
<td>CHI 25 EXPENDITURE ON FORMAL AND OTHER MEETINGS</td>
<td>226,878</td>
<td>226,878</td>
<td>100,00%</td>
<td>226,878</td>
<td>195,988</td>
<td>86,38%</td>
</tr>
<tr>
<td>CHI 27 COMMUNICATION ACTIVITIES</td>
<td>293,621</td>
<td>292,134</td>
<td>99,40%</td>
<td>293,621</td>
<td>173,414</td>
<td>59,06%</td>
</tr>
<tr>
<td>CHI 28 STUDIES</td>
<td>235,510</td>
<td>225,861</td>
<td>95,56%</td>
<td>235,510</td>
<td>153,149</td>
<td>65,03%</td>
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<tr>
<td>CHI 29 COSTS ASSOCIATED WITH CALLS</td>
<td>483,447</td>
<td>483,447</td>
<td>100,00%</td>
<td>483,447</td>
<td>213,389</td>
<td>44,14%</td>
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<tr>
<td><strong>TITLE 2 - Commitment and Payment</strong></td>
<td><strong>2,449,542</strong></td>
<td><strong>2,428,439</strong></td>
<td><strong>99,14%</strong></td>
<td><strong>2,449,542</strong></td>
<td><strong>1,674,789</strong></td>
<td><strong>68,37%</strong></td>
</tr>
<tr>
<td><strong>Total TITLE 1 &amp; 2 - Commitment and Payment</strong></td>
<td>6,351,078</td>
<td>6,265,518</td>
<td>98,65%</td>
<td>6,351,078</td>
<td>5,097,185</td>
<td>80,26%</td>
</tr>
<tr>
<td>CH 3</td>
<td>CS OPERATIONAL EXPENDITURE</td>
<td>COMMITMENTS</td>
<td>PAYMENTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>-------------</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Final Budget for implementation (1)</td>
<td>Final implementation (2)</td>
<td>% of implementation (3)=(2)/(1)</td>
<td></td>
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<tr>
<td></td>
<td>Final Budget for implementation (1)</td>
<td>Final implementation (2)</td>
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<td></td>
<td></td>
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<tr>
<td>CH 30</td>
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<tr>
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<td>GREEN REGIONAL AIRCRAFT</td>
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<td>CH 32</td>
<td>GREEN ROTORCRAFT</td>
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<td>CH 33</td>
<td>SUSTAINABLE AND GREEN ENGINES</td>
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<td>96.29%</td>
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<td>CH 37</td>
<td>CALLS FOR PROPOSALS</td>
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<td>7.23%</td>
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<td></td>
<td><strong>TITLE 3 - Commitment and Payment</strong></td>
<td>92,249,851</td>
<td>87,802,351</td>
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<tr>
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<td><strong>COMMITMENTS</strong></td>
<td>122,216,299</td>
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<tr>
<td></td>
<td><strong>PAYMENTS</strong></td>
<td>122,216,299</td>
<td>112,943,435</td>
<td>92.44%</td>
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<table>
<thead>
<tr>
<th>CH 4</th>
<th>CS2 OPERATIONAL EXPENDITURE COMMITMENTS</th>
<th>COMMITMENTS</th>
<th>PAYMENTS</th>
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<tbody>
<tr>
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<td>Final Budget for implementation (1)</td>
<td>Final implementation (2)</td>
<td>% of implementation (3)=(2)/(1)</td>
</tr>
<tr>
<td></td>
<td>Final Budget for implementation (1)</td>
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<td>% of implementation (3)=(2)/(1)</td>
</tr>
<tr>
<td>CH 40</td>
<td>LARGE PASSENGER AIRCRAFT</td>
<td>12,548,506</td>
<td>12,548,506</td>
</tr>
<tr>
<td>CH 41</td>
<td>REGIONAL AIRCRAFT</td>
<td>4,414,473</td>
<td>4,414,473</td>
</tr>
<tr>
<td>CH 42</td>
<td>FAST ROTORCRAFT</td>
<td>13,530,453</td>
<td>13,530,453</td>
</tr>
<tr>
<td>CH 43</td>
<td>AIRFRAME</td>
<td>33,834,355</td>
<td>33,143,579</td>
</tr>
<tr>
<td>CH 44</td>
<td>ENGINES</td>
<td>17,186,293</td>
<td>17,186,293</td>
</tr>
<tr>
<td>CH 45</td>
<td>SYSTEMS</td>
<td>14,285,920</td>
<td>14,285,920</td>
</tr>
<tr>
<td>CH 46</td>
<td>TECHNOLOGY EVALUATOR</td>
<td>720,000</td>
<td>720,000</td>
</tr>
<tr>
<td>CH 47</td>
<td>ECO-DESign TA</td>
<td>5,430,000</td>
<td>5,430,000</td>
</tr>
<tr>
<td>CH 48</td>
<td>SMALL AIR TRANSPORT TA</td>
<td>1,060,000</td>
<td>0</td>
</tr>
<tr>
<td>CH 49</td>
<td>CALLS FOR PROPOSALS</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td><strong>TITLE 4 - Commitment and Payment</strong></td>
<td>103,000,000</td>
<td>95,248,924</td>
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<tr>
<td></td>
<td><strong>COMMITMENTS</strong></td>
<td>25,000,000</td>
<td>20,460,993</td>
</tr>
<tr>
<td></td>
<td><strong>PAYMENTS</strong></td>
<td>25,000,000</td>
<td>20,460,993</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CH 5</th>
<th>UNUSED APPROPRIATIONS NOT REQUIRED IN CURRENT YEAR</th>
<th>COMMITMENTS</th>
<th>PAYMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Final Budget for implementation (1)</td>
<td>Final implementation (2)</td>
<td>% of implementation (3)=(2)/(1)</td>
</tr>
<tr>
<td></td>
<td>Final Budget for implementation (1)</td>
<td>Final implementation (2)</td>
<td>% of implementation (3)=(2)/(1)</td>
</tr>
<tr>
<td>CH 50</td>
<td>TITLe 5 - Commitment and Payment</td>
<td>27,640,836</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>TOTAL BUDGET - Commitment and Payment</td>
<td>229,241,765</td>
<td>189,316,793</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL BUDGET excluding TITLE 5</strong></td>
<td>201,600,929</td>
<td>189,316,793</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL BUDGET</strong></td>
<td>153,567,377</td>
<td>138,501,613</td>
</tr>
</tbody>
</table>
4.3.2 Main highlights of the 2014 budget execution

As shown in the introduction to the budget implementation report above (page 37), the JU has had a 94% rate\textsuperscript{10} of implementation for the commitment appropriations in 2014. The payments appropriations were executed to 90% of the available funds. For a comparison in 2013 CS executed its payment appropriations with a rate of 87.7% of the available funds.

Title 1 & 2: The running costs of the JU had a very high rate of use in 2014 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 (32 posts as of 31.12.2014), 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 2014 (Chapter 28).

Title 3: The chapters relating to the ITD grant agreements for Members (chapters 30-36), show a high rate of commitment (95% + 4.8% compared to 2013). In the case of chapter 32, the Green Rotorcraft ITD did not commit the amount originally foreseen due to technical reasons. Most of the CS Programme activities were executed in accordance with the original planning.

On the payments side the payment execution rate for 2014 comes up to 92.5% versus 88.3% in 2013. Particularly high is the execution rate for the GAM payment of 98.5%.

The JU could not execute more than 84% of the GAP payment while it reached 99% in 2013. Even though the ratio shows a decrease, the GAP payment execution in absolute terms slightly increased (41.8M€ in 2014 versus 40.8M€ in 2013). The 8 M€ that could not be executed in 2014 for the GAP was the consequence of two main factors:

- The JU received more and more final payments (more complex to process) as we are reaching the end of the activities;
- In December 2014, several projects were still under negotiation (7 were finalised by the end of the year) and this late process did not allow CS to execute as much pre-financing payment as originally planned.

Title 4: The JU put in many efforts to have the first Grant agreements for members of CS2 signed before the end of the year and to have as much 'eligible' costs for the programme foreseen within 2014. This objective was largely reached by mid-November. This implied an execution rate on the commitments of 92%. At the payments side, the JU had been cautious in its request of subsidy and requested just 25m € in budget. It executed 82% of this amount with just one SPD not yet pre-financed at year end due to the late signature of the grant agreement.

\textsuperscript{10} This rate is calculated excluding Title 5 which was foreseen not to be used in 2014 although within the overall budget available commitment appropriations of the year.
## Implementation of the Statement of Expenditure 2014 (EUR) (fund sources C4)

<table>
<thead>
<tr>
<th>Heading of the Budget 2014</th>
<th>Final Budget for implementation (1)</th>
<th>Final implementation (2)</th>
<th>% of implementation (3)=(2)/(1)</th>
<th>Final Budget for implementation (1)</th>
<th>Final implementation (2)</th>
<th>% of implementation (3)=(2)/(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>COMMITMENTS</td>
<td>PAYMENTS</td>
<td></td>
<td>COMMITMENTS</td>
<td>PAYMENTS</td>
<td></td>
</tr>
<tr>
<td>CH 1 STAFF</td>
<td>301</td>
<td>301</td>
<td>0</td>
<td>301</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CH 2 BUILDINGS, IT, EQUIPMENT, COMMUNICATION</td>
<td>9.122</td>
<td>9.122</td>
<td>0</td>
<td>9.122</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CH 3 CS OPERATIONAL EXPENDITURE</td>
<td>2,539,332</td>
<td>2,539,332</td>
<td>0</td>
<td>423,401</td>
<td>423,401</td>
<td>0</td>
</tr>
<tr>
<td>CH 30 SMART FIXED WING AIRCRAFT</td>
<td>423,401</td>
<td>423,401</td>
<td>0</td>
<td>298,268</td>
<td>298,268</td>
<td>0</td>
</tr>
<tr>
<td>CH 31 GREEN REGIONAL AIRCRAFT</td>
<td>685,378</td>
<td>685,378</td>
<td>0</td>
<td>40,689</td>
<td>40,689</td>
<td>0</td>
</tr>
<tr>
<td>CH 32 GREEN ROTORCRAFT</td>
<td>323,403</td>
<td>323,403</td>
<td>0</td>
<td>63,685</td>
<td>63,685</td>
<td>0</td>
</tr>
<tr>
<td>CH 33 SUSTAINABLE AND GREEN ENGINES</td>
<td>145,393</td>
<td>145,393</td>
<td>0</td>
<td>559,115</td>
<td>559,115</td>
<td>0</td>
</tr>
<tr>
<td>CH 34 SYSTEMS FOR GREEN OPERATIONS</td>
<td>559,115</td>
<td>559,115</td>
<td>0</td>
<td>2,548,755</td>
<td>2,548,755</td>
<td>0</td>
</tr>
</tbody>
</table>

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 2014 (EUR) (fund sources C8)

<table>
<thead>
<tr>
<th>Heading of the Budget 2014</th>
<th>Final Budget for implementation</th>
<th>% of implementation</th>
<th>Final Budget for implementation</th>
<th>% of implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)=(2)/(1)</td>
<td>(3)=(2)/(1)</td>
</tr>
<tr>
<td></td>
<td>COMMITMENTS</td>
<td>PAYMENTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CH1</td>
<td>STAFF</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CH 11</td>
<td>STAFF IN ACTIVE EMPLOYMENT</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CH 12</td>
<td>MISCELLANEOUS EXPENDITURE ON STAFF</td>
<td>261,434</td>
<td>232,569</td>
<td>88,96%</td>
</tr>
<tr>
<td>CH 13</td>
<td>MISSIONS AND DUTY TRAVEL</td>
<td>42,161</td>
<td>16,222</td>
<td>38,48%</td>
</tr>
<tr>
<td>CH 14</td>
<td>SOCIOMEDICAL INFRASTRUCTURE</td>
<td>15,191</td>
<td>6,698</td>
<td>44,09%</td>
</tr>
<tr>
<td>CH 15</td>
<td>SOCIAL MEASURES</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CH 17</td>
<td>RECEPTIONS AND EVENTS</td>
<td>850</td>
<td>351</td>
<td>41,30%</td>
</tr>
<tr>
<td></td>
<td><strong>TITLE1 - Commitment and Payment</strong></td>
<td><strong>319,636</strong></td>
<td><strong>255,840</strong></td>
<td><strong>80,04%</strong></td>
</tr>
<tr>
<td>CH 2</td>
<td>BUILDINGS, IT, EQUIPMENT, COMMUNICATION, MANAGEMENT OF CALLS AND MISCELLANEOUS EXPENDITURE FOR RUNNING ACTIVITIES</td>
<td>Final Budget for implementation</td>
<td>% of implementation</td>
<td>Final Budget for implementation</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)=(2)/(1)</td>
<td>(3)=(2)/(1)</td>
</tr>
<tr>
<td>CH 20</td>
<td>RENTAL OF BUILDINGS AND ASSOCIATED COSTS</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CH 21</td>
<td>INFORMATION TECHNOLOGY PURCHASES</td>
<td>137,056</td>
<td>136,046</td>
<td>99,26%</td>
</tr>
<tr>
<td>CH 22</td>
<td>MOVABLE PROPERTY AND ASSOCIATED COSTS</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CH 23</td>
<td>CURRENT EXPENDITURE FOR RUNNING COSTS</td>
<td>11,926</td>
<td>11,926</td>
<td>100,00%</td>
</tr>
<tr>
<td>CH 24</td>
<td>POSTAGE AND TELECOMMUNICATIONS</td>
<td>3,728</td>
<td>3,728</td>
<td>100,00%</td>
</tr>
<tr>
<td>CH 25</td>
<td>EXPENDITURE ON FORMAL AND OTHER MEETINGS</td>
<td>37,754</td>
<td>35,411</td>
<td>93,79%</td>
</tr>
<tr>
<td>CH 27</td>
<td>COMMUNICATION ACTIVITIES</td>
<td>272,010</td>
<td>246,231</td>
<td>90,52%</td>
</tr>
<tr>
<td>CH 28</td>
<td>STUDIES</td>
<td>429,132</td>
<td>428,481</td>
<td>99,85%</td>
</tr>
<tr>
<td>CH 29</td>
<td>COSTS ASSOCIATED WITH CALLS</td>
<td>253,858</td>
<td>228,919</td>
<td>90,18%</td>
</tr>
<tr>
<td></td>
<td><strong>TITLE2 - Commitment and Payment</strong></td>
<td><strong>1,145,464</strong></td>
<td><strong>1,090,741</strong></td>
<td><strong>95,22%</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total TITLE 1 &amp; 2 - Commitment and Payment</strong></td>
<td><strong>1,465,099</strong></td>
<td><strong>1,346,581</strong></td>
<td><strong>91,91%</strong></td>
</tr>
<tr>
<td>CH 3</td>
<td>CS OPERATIONAL EXPENDITURE</td>
<td>COMMITMENTS Final Budget for implementation (1)</td>
<td>Final implementation (2)</td>
<td>% of implementation (3)=(2)/(1)</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>--------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td></td>
<td>SMART FIXED WING AIRCRAFT</td>
<td>13,550,142</td>
<td>12,972,844</td>
<td>95.74%</td>
</tr>
<tr>
<td></td>
<td>GREEN REGIONAL AIRCRAFT</td>
<td>6,483,003</td>
<td>6,187,612</td>
<td>95.44%</td>
</tr>
<tr>
<td></td>
<td>GREEN ROTORCRAFT</td>
<td>7,348,221</td>
<td>1,915,370</td>
<td>26.42%</td>
</tr>
<tr>
<td></td>
<td>SUSTAINABLE AND GREEN ENGINES</td>
<td>13,493,361</td>
<td>13,217,796</td>
<td>97.96%</td>
</tr>
<tr>
<td></td>
<td>SYSTEMS FOR GREEN OPERATIONS</td>
<td>24,752,317</td>
<td>23,526,113</td>
<td>95.05%</td>
</tr>
<tr>
<td></td>
<td>ECO-DESIGN</td>
<td>11,420,044</td>
<td>11,118,570</td>
<td>97.36%</td>
</tr>
<tr>
<td></td>
<td>TECHNOLOGY EVALUATOR</td>
<td>3,066,318</td>
<td>2,901,688</td>
<td>94.63%</td>
</tr>
<tr>
<td></td>
<td>CALLS FOR PROPOSALS</td>
<td>107,446,259</td>
<td>89,232,097</td>
<td>83.05%</td>
</tr>
<tr>
<td></td>
<td><strong>TITLE 3 - Commitment and Payment</strong></td>
<td><strong>187,189,654</strong></td>
<td><strong>161,071,982</strong></td>
<td><strong>86,92%</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total Budget</strong></td>
<td><strong>188,924,764</strong></td>
<td><strong>162,418,533</strong></td>
<td><strong>85,97%</strong></td>
</tr>
</tbody>
</table>

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 Provisional 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. 6 of CS 2 JU Financial rules).
5 Budgetary outturn account 2014

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission subsidy (C1)</td>
<td>+ 124,847,533.00</td>
<td>124,613,566.00</td>
</tr>
<tr>
<td>Non-EC Members' contribution for running cost for the current year (C1)</td>
<td>+ 1,812,900.96</td>
<td>1,15,493,35</td>
</tr>
<tr>
<td>Members contribution for running cost previous years (C 8)</td>
<td>+ 2,081,284.69</td>
<td>1,384,263.92</td>
</tr>
<tr>
<td>Other income (recovery of prefinancing, ex-post) (C4)</td>
<td>+ 2,578,498.99</td>
<td>10,623,145.91</td>
</tr>
<tr>
<td>Bank interest earned</td>
<td>+ 235,238.00</td>
<td>1,767,270.00</td>
</tr>
<tr>
<td>Carry over of payment appropriations to cover RAL on C8 administrative commitments</td>
<td>+ 1,465,099.49</td>
<td>0.00</td>
</tr>
<tr>
<td>Carry over of cancelled appropriations from previous years (C2, C5)</td>
<td>+ 25,309,067.00</td>
<td>26,656,149.00</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE (a)</strong></td>
<td>158,329,820.13</td>
<td>168,229,886.18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURE</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title I: Staff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments made on C1 appropriation</td>
<td>- 3,076,774.58</td>
<td>3,051,282.08</td>
</tr>
<tr>
<td>Payments made on C2 appropriation</td>
<td>- 345,621.16</td>
<td>0.00</td>
</tr>
<tr>
<td>Payments made on C8 appropriation</td>
<td>- 255,840.31</td>
<td>321,035.16</td>
</tr>
<tr>
<td>Payment Appropriations non-automatically Carried-Over to be entered</td>
<td>- 543,236.40</td>
<td>71,482.17</td>
</tr>
<tr>
<td><strong>Title II: Administrative Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments made on C1 appropriation</td>
<td>- 464,896.87</td>
<td>1,550,944.37</td>
</tr>
<tr>
<td>Payments made on C2 appropriation</td>
<td>- 1,269,892.33</td>
<td>43,600.00</td>
</tr>
<tr>
<td>Payments made on C8 appropriation</td>
<td>- 864,207.94</td>
<td>1,165,326.51</td>
</tr>
<tr>
<td>Payment Appropriations non-automatically Carried-Over to be entered</td>
<td>- 1,065,131.02</td>
<td>248,591.89</td>
</tr>
<tr>
<td><strong>Title III and IV: Operating Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments made on C1 appropriation</td>
<td>- 110,008,806.93</td>
<td>105,850,528.65</td>
</tr>
<tr>
<td>Payments made on C2 appropriation</td>
<td>- 12,732,216.90</td>
<td>27,189,423.65</td>
</tr>
<tr>
<td>Payments made on C8 appropriation</td>
<td>- 10,863,404.10</td>
<td>1,086,779.54</td>
</tr>
<tr>
<td>Payment Appropriations non-automatically Carried-Over to be re-entered (C2)</td>
<td>- 19,351,203.98</td>
<td>28,336,898.68</td>
</tr>
<tr>
<td>Adjustment for carry-over from the previous year of appropriations</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURE (b)</strong></td>
<td>157,581,234.62</td>
<td>168,915,889.10</td>
</tr>
<tr>
<td><strong>OUTTURN FOR THE FINANCIAL YEAR (a-b)</strong></td>
<td>748,388.51</td>
<td>-680,080.92</td>
</tr>
<tr>
<td>Exchange differences for the year (gain -loss -)</td>
<td>+ 747.04</td>
<td>-26,70</td>
</tr>
<tr>
<td><strong>BALANCE OF THE OUTFURN ACCOUNT FOR THE FINANCIAL YEAR</strong></td>
<td>749,135.55</td>
<td>-686,027.62</td>
</tr>
</tbody>
</table>

Not included in the budget outturn:

- Interest generated by 31/12/N on the Commission balancing subsidy funds (CSJU revenue) - will be incorporated in 2015 budget + 66,600.55 | 235,237.78

5.1.1 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 (both Automatic and Non-Automatic carry-overs).

For the financial year, the balance of the budget outturn amounts to 749,135.5 €.
The explanation for the positive budget outturn is mainly the consequence of the paid running costs contribution from members in 2014 related to the 2013 period.
Revenue:

The sources of revenue are explained in section 4.2 (page 48 & 49 above). The amounts shown are the amounts cashed during 2014 and for the Payments appropriation carry-over, the amount actually carried over from 2013.

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 Provisional payments for cost claims received.

Details are provided in the tables on the implementation of the statement of expenditure in section 4.3.1.
5.2 Reconciliation between budget outturn and economic outturn

The accounting system of the CSIU 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.

<table>
<thead>
<tr>
<th>Economic result</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</td>
<td>-237,042,632.41</td>
</tr>
<tr>
<td>Adjustments for Accrual Cut-off (reversal 31.12.N-1)</td>
<td>-193,526,320.52</td>
</tr>
<tr>
<td>Adjustments for Accrual Cut-off (cut-off 31.12 N)</td>
<td>189,261,678.14</td>
</tr>
<tr>
<td>Operational expenses contributed in-kind by members</td>
<td>95,652,537.52</td>
</tr>
<tr>
<td>Inkind revenue deriving from retroactive adjustments</td>
<td>-2,018,373.15</td>
</tr>
<tr>
<td>Unpaid invoices at year end but booked in charges (class 6)</td>
<td>6,127,961.30</td>
</tr>
<tr>
<td>Depreciation of intangible and tangible assets</td>
<td>107,161.46</td>
</tr>
<tr>
<td>Provisions for ex-post results</td>
<td>810,502.59</td>
</tr>
<tr>
<td>Recovery Orders issued in 2014 in class 7 and not yet cashed</td>
<td>-8,233.33</td>
</tr>
<tr>
<td>GAM pre-financing cleared in the year 2014</td>
<td>82,653,120.62</td>
</tr>
<tr>
<td>GAP pre-financing cleared in the year 2014</td>
<td>22,953,957.85</td>
</tr>
<tr>
<td>Release of provisions</td>
<td>-28,334.81</td>
</tr>
<tr>
<td>Prepayments 2013 (deferrals) reversal</td>
<td>0.00</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>40,211.69</td>
</tr>
<tr>
<td>Interest</td>
<td>-66,600.55</td>
</tr>
<tr>
<td>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</td>
<td></td>
</tr>
<tr>
<td>Asset acquisitions (less unpaid amounts)</td>
<td>-190,080.69</td>
</tr>
<tr>
<td>GAM pre-financing paid in the year 2014 and open on 31.12.2014</td>
<td>-75,613,219.43</td>
</tr>
<tr>
<td>GAP, pre-financing paid in the year 2014 and open on 31.12.2014</td>
<td>-27,746,795.77</td>
</tr>
<tr>
<td>Budgetary recovery orders issued before 2014 and cashed in the year</td>
<td>1,721,112.19</td>
</tr>
<tr>
<td>Cash contribution from EU</td>
<td>124,847,533.00</td>
</tr>
<tr>
<td>Cashed contribution from members for 2013/2014 running cost</td>
<td>3,894,185.65</td>
</tr>
<tr>
<td>Interest earned in previous periods inscribed to 2014 budget</td>
<td>235,238.00</td>
</tr>
<tr>
<td>Invoices paid in 2014 but booked in charges in 2013 (class 6)</td>
<td>-707,974.37</td>
</tr>
<tr>
<td>Payment appropriations carried over from previous years</td>
<td>26,774,166.49</td>
</tr>
<tr>
<td>Payment appropriations carried over to 2015</td>
<td>-17,959,570.50</td>
</tr>
<tr>
<td>Cashed recovery orders for pre-financing recovery</td>
<td>577,894.64</td>
</tr>
<tr>
<td>Total</td>
<td>749,135.55</td>
</tr>
<tr>
<td>Budgetary result</td>
<td>749,135.55</td>
</tr>
</tbody>
</table>

\[
\text{Debit not explained} = 0.00
\]
# Index of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABAC</td>
<td>Accrual Based Accounting</td>
</tr>
<tr>
<td>ABP</td>
<td>Annual Budget Plan</td>
</tr>
<tr>
<td>BOA</td>
<td>Budgetary Outturn Account</td>
</tr>
<tr>
<td>BS</td>
<td>Balance Sheets</td>
</tr>
<tr>
<td>CSJU</td>
<td>Clean Sky 2 Joint Undertaking</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>EOA</td>
<td>Economic Outturn Account</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FA</td>
<td>Fixed Assets</td>
</tr>
<tr>
<td>FP7</td>
<td>7th Framework Programme for Research and Technological Development</td>
</tr>
<tr>
<td>GAM</td>
<td>Grant Agreement for Members</td>
</tr>
<tr>
<td>GAP</td>
<td>Grant Agreement for Partners</td>
</tr>
<tr>
<td>GB</td>
<td>Governing Board</td>
</tr>
<tr>
<td>GMT</td>
<td>Grant Management Tool for grant agreements with members</td>
</tr>
<tr>
<td>GVM</td>
<td>Grant View Monitoring (grant agreement with partners management tool)</td>
</tr>
<tr>
<td>H2020</td>
<td>Horizon 2020 EU Framework Programme for Research and Innovation</td>
</tr>
<tr>
<td>IADP</td>
<td>Innovative Aircraft Demonstration Platforms</td>
</tr>
<tr>
<td>IKAA</td>
<td>In-kind contribution from additional activities</td>
</tr>
<tr>
<td>IKOP</td>
<td>In-kind contribution from operational activities</td>
</tr>
<tr>
<td>ITD</td>
<td>Integrated Technology Demonstrator</td>
</tr>
<tr>
<td>JU</td>
<td>Joint Undertaking</td>
</tr>
</tbody>
</table>
7 PRIVATE MEMBERS OF THE CLEAN SKY 2 JOINT UNDERTAKING

LEADERS:

1. AgustaWestland SpA and AgustaWestland Limited
2. Airbus SAS
3. Alenia Aermacchi SpA
4. Dassault Aviation SA
5. Deutsches Zentrum für Luft- und Raumfahrt (DLR) e.V.
6. EADS-CASA
7. Airbus Helicopters SAS
8. Evektor
9. Fraunhofer Gesellschaft zur Förderung der angewandten Forschung e.V
10. Liebherr-Aerospace Lindenberg GmbH
11. MTU Aero Engines AG
12. Piaggio Aero Industries
13. Rolls-Royce Plc.
14. SAAB AB
15. Safran SA
16. Thales Avionics SAS
8 CERTIFICATE OF THE ACCOUNTING OFFICER

The Final Accounts of the Clean Sky 2 Joint Undertaking for the year 2014 have been prepared in accordance with the Chapter 8 of the Financial Rules of the Clean Sky 2 Joint Undertaking, the accounting rules adopted by the Commission’s Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Clean Sky 2 Joint Undertaking in accordance with Article 22 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 2 Joint Undertaking’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 fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Clean Sky 2 Joint Undertaking except for the following reservation:

(a) 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.

(b) 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” (Euro 44,293,777.56). Following validation of cost claims by management and approval by the Governing Board later in 2015, these in-kind contributions will be transferred to the Net Assets of the CS JU.

My assurance statement related to the Final Accounts 2014 will be transmitted to the Accounting Officer of the Commission. The Management Representation Letter, signed by the Authorising Officer and myself, will be sent to the European Court of Auditors for the audit of the Final Accounts.

(SIGNED)

Andrea Toth