



FINAL ACCOUNTS

&

BUDGETARY IMPLEMENTATION REPORT

OF

THE CLEAN SKY 2

JOINT UNDERTAKING

FOR THE YEAR

2017

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1 INTRODUCTION

The Clean Sky 2 Joint Undertaking (CSJU), an independent legal entity, was set up as a public-private partnership by Council Regulation (EC) No 71/2008 dated 20th December 2007, originally for the period up to 31st December 2017. The Council Regulation No 71/2008 has been repealed by Council Regulation (EU) No 558/2014 of 6 May 2014¹ establishing the Clean Sky 2 Joint Undertaking. The new Regulation entrusted the Joint Undertaking with new tasks under the Horizon 2020 Framework Programme for Research and Innovation and extended its lifetime for the period up to 31 December 2024. The Clean Sky 2 Joint Undertaking replaced and succeeded the Clean Sky Joint Undertaking, established by Regulation (EC) No 71/2008.

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 NO_x 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 are selected through an open, non-discriminatory and competitive call subject to an independent evaluation.

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 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 Undertaking², 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 2017 cover the period 1st January to 31st December 2017. These accounts reflect the financial figures relating to the two programmes (FP7 and H2020) together as the legal entity managing both programmes is the CSJU.

² Governing Board decision CS-GB-Writ.Proc. 2017-05 (19/04/2017)

2 FINANCIAL STATEMENTS

2.1 Balance Sheet

BALANCE SHEET			
ASSETS		31/12/2017	31/12/2016
A. NON CURRENT ASSETS			
Tangible fixed assets (net)	4.1.1	71.232,00	67.198,00
Intangible fixed assets (net)		242.492,00	287.658,00
TOTAL NON-CURRENT ASSETS		313.724,00	354.856,00
B. CURRENT ASSETS			
Short-term pre-financing		85.736.987,89	83.001.228,84
Short-term pre-financing Clean Sky JU		85.736.987,89	83.001.228,84
Short-term receivables		15.944.683,76	3.669.573,61
Short term receivables - recoveries from members and partners	4.1.2	5.595.874,30	3.516.708,74
Other short term receivables		10.199,45	11.492,01
Deferred charges and accrued income		0,00	141.372,86
Central treasury liaison accounts		10.338.610,01	0,00
Cash and cash equivalents		0,00	37.473.202,93
TOTAL CURRENT ASSETS		101.681.671,65	124.144.005,38
TOTAL ASSETS		101.995.395,65	124.498.861,38
LIABILITIES		31/12/2017	31/12/2016
C. NET ASSETS			
Contributions received from Members (EU & industry)	4.2.1	1.309.177.675,84	1.106.272.402,68
Contributions in kind received from Members (Industry)		648.109.615,93	593.850.851,90
Contributions used during previous years		(1.753.472.425,04)	(1.426.044.906,45)
Contributions used during the year (EOA)		(337.533.904,83)	(327.427.518,59)
TOTAL NET ASSETS		(133.719.038,10)	(53.349.170,46)
D. CURRENT LIABILITIES			
Members contribution to be validated		211.124.430,09	137.491.488,54
Accounts payable and accrued charges		22.955.924,98	39.965.841,74
Amounts payable - consolidated entities	4.2.2	7.045.725,12	539.723,38
Amounts payable - beneficiaries and suppliers		4.257.792,95	17.165.135,93
Amounts payable - other		61.580,26	66.623,91
Accrued charges		11.590.826,65	22.194.358,52
Provision for risks and charges - short term		1.634.078,68	390.701,56
Provision for risks and charges - short term		1.634.078,68	390.701,56
TOTAL CURRENT LIABILITIES		235.714.433,75	177.848.031,84
TOTAL LIABILITIES		101.995.395,65	124.498.861,38

2.2 Statement of Financial Performance

ECONOMIC OUTTURN ACCOUNT			
	Ref.	2017	2016
REVENUES			
NON-EXCHANGE REVENUES			
Recovery of expenses	4.3.1	6.239.330,69	4.137.530,78
Exchange gains		3,82	815,35
TOTAL NON-EXCHANGE REVENUES		6.239.334,51	4.138.346,13
OPERATIONAL EXPENSES			
Operational expenses funded by CSJU in cash	4.3.2	207.264.618,47	189.117.143,44
Operational expenses contributed in kind by members		129.786.353,14	135.212.442,02
TOTAL OPERATIONAL EXPENSES		337.050.971,61	324.329.585,46
OPERATING EXPENSES			
Staff expenses	4.3.3	4.179.079,84	3.904.700,07
Administrative expenses		2.542.779,62	3.328.397,25
Total administrative expenses		6.721.859,46	7.233.097,32
Other operating expenses			
Exchange losses		0,01	821,55
Total other operating expenses		0,01	821,55
TOTAL OPERATING EXPENSES		6.721.859,47	7.233.918,87
OPERATING RESULT		(337.533.496,57)	(327.425.158,20)
FINANCIAL INCOME			
Bank interest on pre-financing from EU	4.3.4	332,90	6.968,14
Interest on late payment (income)		1.087,89	326,12
Interests on pre-financing given to Members		0,00	976,84
Total financial income		1.420,79	8.271,10
FINANCIAL EXPENSES			
Financial expenses		1.829,05	10.631,49
Total financial expenses		1.829,05	10.631,49
FINANCIAL RESULT		(408,26)	(2.360,39)
ECONOMIC RESULT OF THE YEAR		(337.533.904,83)	(327.427.518,59)



2.3 Statement of Changes in Net assets 2017

Changes in Net Assets and Liabilities	EURO	EURO
Net Assets		
Balance as of 31st December 2017		(53.349.170,46)
Contributions received from members during the year 2017:		
Private members Clean Sky Programme (FP7) (cash)	367.403,92	
Private members Clean Sky 2 Programme (H2020) (cash)	3.111.808,00	
EC Clean Sky Programme (FP7) (cash)	24.751.633,24	
EC Clean Sky 2 Programme (H2020) (cash)	174.674.428,00	
Other members contributions in kind from 2008-2016 validated in 2017	54.258.764,03	
Total contributions in 2017		257.164.037,19
Economic Outturn for 2017		(337.533.904,83)
Balance as of 31st December 2017		(133.719.038,10)

2.4 Cash Flow Analysis³

	2017
Economic result of the year	(337.533.904,83)
Operating activities	
Amortisation and depreciation	169.991,00
Non-cash expenses in-kind	129.786.353,14
Cash contributions from Members (EC & Industry)	202.905.273,16
Increase/(decrease) in provisions for risks and liabilities	1.243.377,12
(Increase)/decrease in pre-financing	(2.735.759,05)
(Increase)/decrease in exchange receivables and non-exchange recoverables	(12.275.110,15)
Increase/(decrease) in payables and accruals	(17.009.916,76)
Other non-cash movements	(1.894.647,56)
Net Cash Flow from operating activities	(37.344.343,93)
Investing activities	
(Increase)/decrease in intangible assets and property, plant and equipment	(128.859,00)
Net Cash Flow from investing activities	(128.859,00)
Net increase/(decrease) in cash and cash equivalents	(37.473.202,93)
Cash and cash equivalents at the beginning of the period	37.473.202,93
Cash and cash equivalents at the end of the period	0,00

³ In 2017 the treasury of CSJU was integrated into the Commission's treasury system. Because of this, CSJU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading exchange receivables.



3 NOTES TO THE FINANCIAL STATEMENTS

3.1 Accounting Principles

The financial statements for the financial year 2017 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 overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, reliability, understandability and comparability.

3.2 Basis of preparation

3.2.1 Reporting period

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

3.2.2 Currency and basis for conversion

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 2017.

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.



3.2.3 Use of estimates

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

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

3.2.4 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").

3.3 Balance Sheet

3.3.1 Intangible assets

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

3.3.2 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land and works

of art are not depredated as they are deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
Intangible assets – Computer software	25%
Plant machinery and equipment	12.5% to 25%
Furniture	10% to 25%
Fixtures and fittings	12.5% to 25%
Computer hardware	25%

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

3.3.3 Leases

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

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

3.3.4 Pre-financing

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

financing advance to the entity. The amount of the pre-financing may be reduced (wholly or partially) by the acceptance of eligible costs (which are recognised as expenses). Pre-financing is, on subsequent balance sheet dates, measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

3.3.5 Receivables

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

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

3.3.6 Cash and cash equivalents

Cash and cash equivalents are financial instruments and classified and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.⁴

3.3.7 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*

⁴ In 2017 the treasury of CSJU was integrated into the Commission's treasury system. Because of this, CSJU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading short term receivables.



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 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 opinion 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 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*.

3.3.8 Provisions

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

3.3.9 Payables

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

Where grants or other funding is provided to the beneficiaries, the cost claims are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount. Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

3.3.10 Accrued and deferred income and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued income will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period. Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.



3.4 Statement of Financial Performance

3.4.1 Revenue

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

Depending on the nature of the underlying transactions in the statement of financial performance it is distinguished between:

(i) Revenue from non-exchange transactions

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

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

(ii) Revenue from exchange transactions

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

3.4.2 Expenses

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

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



Expenses from non-exchange transactions account for the majority of the entity's operating expenses. They relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made. When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

3.5 Contingent Assets and Liabilities

3.5.1 Contingent assets

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

3.5.2 Contingent liabilities

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

4 NOTES

4.1 Notes to the Balance sheets - Assets

4.1.1 Non-Current Assets

4.1.1.1 Property, plant and equipment

In 2017 the JU acquired several new laptops.

4.1.1.2 Intangible fixed assets:

The JU capitalised new functionalities of the internally developed grant management tools (GMT1.5 manages the Grant Agreements for Members (GAMs) under FP7 programme and GMT2 manages the GAMs under H2020). The purpose of both databases 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 developed the grant management tool (GMT) to manage the Grant Agreements for Members (GAMs).



Fixed Assets Analysis									
Tangible Fixed Assets									
Category of Assets	Acquisition Costs				Depreciation				Residual value
	Opening balance at cost as of 01/01/2017	Additions in 2017	Disposals in 2017	Ending balance cost as of 31/12/2017	Opening depreciation as at 01/01/17	Depreciation charge for 2017	Disposals in 2017	Closing accumulated depreciation as of 31/12/2017	Balance as of 31/12/2017
Total Plant, machinery and equipment	34.047,67			34.047,67	28.893,67	2.689,00		31.582,67	2.465,00
Total Computer Hardware	134.365,88	38.979,00		173.344,88	111.653,88	25.820,00		137.473,88	35.871,00
Total Furniture and Fixtures	78.072,10			78.072,10	38.740,10	6.436,00		45.176,10	32.896,00
Total Tangible Assets	246.485,65	38.979,00	-	285.464,65	179.287,65	34.945,00	-	214.232,65	71.232,00
Intangible Fixed Assets									
Category of Assets	Acquisition Costs				Amortisation				Residual value
	Opening balance at cost as of 01/01/2017	Additions/ reclassifications in 2017	Disposals/ Reclassifications in 2017	Ending balance cost as of 31/12/2017	Opening amortisation as at 01/01/17	Amortisation charge for 2017	Disposals in 2017	Closing accumulated depreciation as of 31/12/2017	Balance as of 31/12/2017
Software	646.947,63	89.880,00		736.827,63	359.289,63	135.046,00		494.335,63	242.492,00
Software under development	-			-	-			-	-
Total Intangible Assets	646.947,63	89.880,00	-	736.827,63	359.289,63	135.046,00	-	494.335,63	242.492,00
TOTAL FA	893.433,28	128.859,00	-	1.022.292,28	538.577,28	169.991,00	-	708.568,28	313.724,00



4.1.2 Current Assets

4.1.2.1 Short-term pre-financing

Analysis of net pre-financing as of 31.12.2017								
	Balance as of 31.12.2016	Reversal of accrued of operational expense against pre-financing for project execution in 2016	Pre-financing used in 2017 through execution of projects	Pre-financing paid by the JU for Grant Agreements 2017	Pre-financing recovered or reflected under receivables of the JU	Total amount of pre-financing before accrual as of 31.12.2017	Accrual of operational expense against pre-financing for project execution in 2017	Net pre-financing as of 31.12.2017
Members CS Programme (FP7)	0,00	22.325.627,65	(22.188.479,64)	0,00	(137.148,01)	0,00	0,00	0,00
Members CS2 programme (H2020)	53.896.509,44	122.269.890,67	(71.731.913,83)	75.877.559,21	0,00	180.312.045,49	(149.581.180,08)	30.730.865,41
Partners CS Programme (FP7)	351.334,48	21.947.044,01	(20.899.502,47)	0,00	(1.062.500,75)	336.375,27	0	336.375,27
Partners CS2 Programme (H2020)	28.689.754,92	19.021.204,14	(2.323.017,36)	58.697.673,58	0,00	104.085.615,28	(49.468.158,07)	54.617.457,21
Pre-financing for procurement contract	63.630,00	0,00	(63.630,00)	52.290,00	0,00	52.290,00	0,00	52.290,00
Total	83.001.228,84	185.563.766,47	(117.206.543,30)	134.627.522,79	(1.199.648,76)	284.786.326,04	(199.049.338,15)	85.736.987,89

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.



New pre-financing has been provided in 2017 for projects funded by Grant Agreements with members and with partners carried out in 2017 and in 2018.

Under H2020 programme, according to Article 38 (1) of the ‘H2020 Rules for participation’, a participant guarantee fund was established to cover the risk associated with non-recovery of sums due to the Union. Participants in actions under Horizon 2020 are obliged to make a contribution of 5 % of the JU funding for the action. The participants' contribution to the Fund is offset from the initial pre-financing by the JU and paid to the Fund on behalf of the participants. At the end of the action the amount contributed to the Fund is returned to the participants.

The Fund is managed by the Union, represented by the Commission acting as executive agent on behalf of the participants. The financial interest generated by the Fund is added to the Fund and serves exclusively for the purposes set out in Article 39(3).

Where amounts are due to the JU by a participant (e.g. in the event of a participant defaulting), the JU may recover effectively that amount from the Fund.

4.1.2.2 Short-term receivables

	2017	2016
Short term receivables - recoveries from members and partners	5.595.874,30	3.516.708,74
Running cost contribution	665.202,39	334.574,56
Recovery of unspent pre-financing	2.350.761,00	2.067.222,35
Recovery of ex-post result	934.409,38	1.114.911,83
Accrued income for negative claims issued by the beneficiaries (GAM)	1.645.501,53	0,00
Other short term receivables	10.199,45	152.864,87
Miscellaneous recoveries	10.199,45	150.029,25
Accrued bank interest	0,00	2.835,62
Central treasury liaison accounts	10.338.610,01	0,00
Central treasury liaison accounts	10.338.610,01	0,00
Total short term receivables	15.944.683,76	3.669.573,61

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. The unpaid running cost contribution at 31.12.2017 amounted Euro 665,202.39.

The recovery of unspent pre-financing contains the unpaid established recovery orders for Grant Agreements with Partners (Euro 2.350.761,00).

The ex-post audits resulted GAM and GAP project adjustments in favour of CSJU where the original amount of the claim had previously been recognised as an expense by the CSJU.

At year-end Euro 3.241.692,43 of the established recovery orders were outstanding:



RO type	Number of RO	RO Open Amount (Eur)
Running cost	30	665.202,39
Expost recovery	3	225.729,04
Recovery of prefinancing	13	2.350.761,00
Total	46	3.241.692,43

Amounts to be recovered - ageing balance:

Year of Origin	Number of open recovery orders at 31/12/2017				Amount in € of the open balance of recovery orders at 31/12/2017			
	Total	thereof: against private members	thereof: against partners	thereof: against other entities	Total	thereof: against private members	thereof: against partners	thereof: against other entities
2016	7	0	7	0	2.042.598,35	-	2.042.598,35	-
2017	39	32	7	0	1.199.094,08	767.142,60	431.951,48	-
TOTAL	46	32	14	0	3.241.692,43	767.142,60	2.474.549,83	0,00

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

	2017	2016
Gross short term receivables	15.944.683,76	3.669.573,61
Impairment allowance opening balance	0,00	0,00
Impairment allowance movement of the year	0,00	0,00
Impairment allowance closing balance	0,00	0,00
Total short term receivables	15.944.683,76	3.669.573,61

In 2017 the treasury of CSJU was integrated into the Commission's treasury system. For this reason CSJU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading short term receivables.

4.1.2.3 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:

	2017	2016
Long term pre-financing	0,00	0,00
Short term receivables - recoveries from members and partners	5.595.874,30	3.516.708,74
Other short term receivables	10.199,45	11.492,01
Deferred charges and accrued income	0,00	141.372,86
Short term pre-financing	85.736.987,89	83.001.228,84
Central treasury liaison accounts / Cash and cash equivalents	10.338.610,01	37.473.202,93
Total financial assets – A	101.681.671,65	124.144.005,38
Financial liabilities		
Payables – long term liabilities	0,00	0,00
Amounts payable - beneficiaries and other	4.319.373,21	17.231.759,84
Accrued charges	11.590.826,65	22.194.358,52
Amounts payable - consolidated entities	7.045.725,12	539.723,38
Total financial liabilities – B	22.955.924,98	39.965.841,74
Total net financial instruments (A-B)	78.725.746,67	84.178.163,64

Liquidity risk

Liquidity is the risk that arises from the difficulty of selling an assets; 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:

At 31 December 2017	< 1 year	1 - 5 years	> 5 years	Total
Payables with third parties	15.910.199,86			15.910.199,86
Payables with consolidated entities	7.045.725,12			7.045.725,12
Total liabilities	22.955.924,98	0,00	0,00	22.955.924,98

All the financial liabilities have a remaining contractual maturity of less than 1 year.

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 the EC treasury. The subsidy from EC is requested 2-3 times a year based on cash forecasts. Member contribution to the running cost is collected in one instalment per year.

The maximum exposure to credit risk is:



	2017	2016
Receivables		
Long term pre-financing	0,00	0,00
Short term receivables - recoveries from members and partners	5.595.874,30	3.516.708,74
Other short term receivables	10.199,45	11.492,01
Deferred charges and accrued income	0,00	141.372,86
Short term pre-financing	85.736.987,89	83.001.228,84
Central treasury liaison accounts / Cash and cash equivalents	10.338.610,01	37.473.202,93
Total financial assets	101.681.671,65	124.144.005,38
Impairment	0,00	0,00
Guarantees	0,00	0,00
Total credit risk	101.681.671,65	124.144.005,38

Credit quality of the JU's receivables:

	2017	2016
Counterparties with external credit rating:		
Prime and high grade	10.338.610,01	0,00
Upper medium grade	318.427,92	37.689.695,58
Lower medium grade	0,00	0,00
Non-investment grade	11.281,00	315.531,78
Unassigned	0,00	0,00
Counterparties without external credit rating:		
Group 1 - Debtors who never defaulted*	91.013.352,72	86.138.778,02
Group 2 - Debtors who defaulted in the past	0,00	0,00
Total credit risk	101.681.671,65	124.144.005,38

* including all the open pre-financings

Analysis of the age of the receivables:

	Neither past due nor impaired (1)	Past due but not impaired			Total (1+2+3+4)
		< 1 year (2)	1-5 years (3)	> 5 years (4)	
Available for sale financial assets (including accrued interest)	0,00	0,00	0,00	0,00	0,00
Cash and cash equivalents	0,00	0,00	0,00	0,00	0,00
Receivables with Member States	0,00	0,00	0,00	0,00	0,00
Receivables with third parties	88.637.788,90	2.705.272,74	0,00	0,00	91.343.061,64
Receivables with consolidated entities	10.338.610,01	0,00	0,00	0,00	10.338.610,01
Total	98.976.398,91	2.705.272,74	-	-	101.681.671,65

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. Intercompany accounts with the EC treasury held by CSJU are in EUR, no material foreign currency risk with regard to these assets.

Interest rate risk

The treasury resources kept with the EC treasury do not earn interest.

4.1.2.4 Contingent Assets

	2017	2016
Draft ex-post audit results in favour of the JU	994.728,92	4.020.229,48
Total contingent assets	994.728,92	4.020.229,48

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 in 2017. As at the date of preparation of the Final Accounts 2017, 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.

For those audits where the results have yet to be implemented, the inflows of economic benefit are not yet virtually certain, consequently Contingent Assets are disclosed for these amounts.

Summary table of the pending audit results:

CS1 (FP7) Programme:

Audit batch	Status of audit report	Treatment	Total adjustment	Cash	In-kind
In favour of the JU - GAM	Final	Short-term Receivable	943.685,90	471.842,95	471.842,95
In favour of the JU - GAP	Final	Short-term Receivable	0,00	0,00	
In favour of the JU - GAM	Preliminary/ Draft	Contingent asset	66.290,55	33.145,27	33.145,27
In favour of the JU - GAP	Preliminary/ Draft	Contingent asset	87.034,93	87.034,93	
Total short term receivable			943.685,90	471.842,95	471.842,95
Total contingent asset			153.325,48	120.180,20	33.145,27

CS2 (H2020) Programme:

Audit batch	Status of audit report	Treatment	Total adjustment
In favour of the beneficiary - GAM	Final	Expenditure	83.926,41
In favour of the beneficiary - GAM	Preliminary/ Draft	Contingent liability	24.543,67
In favour of the JU - GAM	Final	Short-term Receivable	236.837,39
In favour of the JU - GAM	Preliminary / Draft	Contingent asset	841.403,44



4.2 Notes to the Balance sheet - liabilities

4.2.1 Net Assets

Net assets	2017		2016	
Accumulated contributions received from Members (EC & others)	1.957.287.291,77		1.700.123.254,58	
Accumulated contributions used during previous years	(1.753.472.425,04)		(1.426.044.906,45)	
		203.814.866,73		274.078.348,13
Contributions used during the year (total expenses)	(343.774.660,13)		(331.574.135,82)	
Non-exchange and financial revenue	6.240.755,30		4.146.617,23	
Economic Outturn of the year (EOA)		(337.533.904,83)		(327.427.518,59)
Net assets		(133.719.038,10)		(53.349.170,46)

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, see the table at the end of this section (Carry forward of Net Assets 2017).

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 2017 as shown in the Economic Outturn Account of 2017. The operational expense shown in this amount contains the expenses incurred in-cash by the JU in 2017 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, and in the chapter Accounting Rules).

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

A part of the contribution provided by members to the research projects 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 4.2.2.1. Members' contributions to be validated.



Carry forward of Net Assets 2017					
EC contribution to running costs Clean Sky Programme (FP7) (cash)					
Opening balance as of 01/01/17	Amount paid by EC in 2017	Running costs 2017 (50% share)	Adjustments to contributions	Financial income	Ending balance of EC contribution at 31/12/17
(0,00)	549.271,44	(464.278,49)	(84.992,95)	0,00	(0,00)
EC contribution to running costs Clean Sky 2 Programme (H2020) (cash)					
Opening balance as of 01/01/17	Amount paid by EC in 2017	Running costs 2017 (50% share)	Adjustments to contributions	Financial income	Ending balance of EC contribution at 31/12/17
0,00	2.812.572,82	(2.897.565,77)	84.992,95	0,00	(0,00)
Other members contribution to running costs Clean Sky Programme (FP7) (cash)					
Opening balance as of 01/01/17	Amount charged to other members in 2017	Running costs 2017 (50% share)	Adjustments to contributions	Financial income	Ending balance of other members contribution at 31/12/17
1.098.120,18	367.403,92	(464.278,49)	(84.992,95)	0,00	916.252,66
Other members contribution to running costs Clean Sky 2 Programme (H2020) (cash)					
Opening balance as of 01/01/17	Amount charged to other members in 2017	Running costs 2017 (50% share)	Adjustments to contributions	Financial income	Ending balance of other members contribution at 31/12/17
244.607,48	3.111.808,00	(2.897.565,77)	84.992,95	0,00	543.842,66
EC contribution to operational costs Clean Sky Programme (FP7) (cash)					
Opening balance as of 01/01/17	Amount received from the EC in 2017	Operational expense 2017 related to EC contribution (in cash)	Rejected cost claims previously expensed	Financial income	Ending balance of EC contribution at 31/12/17
(20.806.024,07)	24.202.361,80	(3.074.556,14)	2.402.679,48	1.302,72	2.725.763,79
EC contribution to operational costs Clean Sky 2 Programme (H2020) (cash)					
Opening balance as of 01/01/17	Amount received from the EC in 2017	Operational expense 2017 related to EC contribution (in cash)	Rejected cost claims previously expensed	Financial income	Ending balance of EC contribution at 31/12/17
103.605.614,49	171.861.855,18	(204.190.062,33)	1.942.007,47	118,07	73.219.532,88
Other members contribution to operational expenses Clean Sky Programme (FP7) (in-kind)					
Opening balance as of 01/01/17	In-kind contribution made by other members in 2017	Operational expense 2017 related to in-kind contribution	Rejected cost claims previously expensed	Financial income	Ending balance of other members contribution at 31/12/17
(33.503.465,98)	39.418.585,53	(7.337.924,16)	1.894.647,56	0,00	471.842,95
Other members contribution to operational expenses Clean Sky 2 Programme (H2020) (in-kind)					
Opening balance as of 01/01/17	In-kind contribution made by other members in 2017	Operational expense 2017 related to in-kind contribution	Rejected cost claims previously expensed	Financial income	Ending balance of other members contribution at 31/12/17
(103.988.022,56)	14.840.178,50	(122.448.428,98)	0,00	0,00	(211.596.273,04)
Carry forward of Net Assets 2017 (totals)					
Net Assets as of 01/01/2017	Contributions received during 2017	Contributions used during the year 2017	Adjustments	Financial income	Net Assets as of 31/12/2017
(53.349.170,46)	257.164.037,19	(343.774.660,13)	6.239.334,51	1.420,79	(133.719.038,10)



Note on negative net assets:

As at 31 December 2017, the CSJU has reported negative net assets of Euro -133.719.038,10.

The main element derives from the non-validated member in-kind contribution of the H2020 (CS2) programme. The reported 2017 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 declared in-kind contributions related to 2017 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 validated part of these in-kind contributions are planned to be approved by the Governing Board later in 2018.

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 in-kind contribution declarations by management and approval by the Governing Board later in 2018, these in-kind contributions will be transferred to the Net Assets of the CSJU.

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 European Commission for the Joint Undertakings.



The total EC contribution to the CSJU in 2017 was Euro 199.426.061,24. The 2017 EC contribution to running costs is determined as 50% of gross running costs incurred in the year (Euro 3.361.844,26) with the remaining 2017 EC contribution attributed to operational expenses.

The cumulative contributions made by the EC and other members to 31 December 2017 are as follows:

	Total Contributions to 01/01/17	Contributions in 2017	Total contributions to 31/12/17
EC Contribution to running costs	19.562.174,31	3.361.844,26	22.924.018,57
Other members' contribution to running costs	20.904.901,99	3.479.211,92	24.384.113,91
EC contribution to operational expenses	1.065.805.326,38	196.064.216,98	1.261.869.543,36
Other members' in-kind contribution to operational expenses	593.850.851,90	54.258.764,03	648.109.615,93
Total contributions	1.700.123.254,58	257.164.037,19	1.957.287.291,77

Breakdown per programme:

	Total Contributions to 01/01/17	Contributions in 2017	Total contributions to 31/12/17
EC Contribution to running costs CS Programme (FP7)	13.417.267,02	549.271,44	13.966.538,46
EC Contribution to running costs CS2 Programme (H2020)	6.144.907,29	2.812.572,82	8.957.480,11
Other members' contribution to running costs CS Programme (FP7)	14.515.387,21	367.403,92	14.882.791,13
Other members' contribution to running costs CS2 Programme (H2020)	6.389.514,78	3.111.808,00	9.501.322,78
EC contribution to operational expenses CS Programme (FP7)	761.788.940,67	24.202.361,80	785.991.302,47
EC contribution to operational expenses CS2 Programme (H2020)	304.016.385,71	171.861.855,18	475.878.240,89
Other members' in-kind contribution to operational expenses CS Programme (FP7)	554.682.257,39	39.418.585,53	594.100.842,92
Other members' in-kind contribution to operational expenses CS2 Programme (H2020)	39.168.594,51	14.840.178,50	54.008.773,01
Total contributions	1.700.123.254,58	257.164.037,19	1.957.287.291,77



Under the Clean Sky Programme (FP7) the Other Members of the Joint Undertaking contribute resources at least equal to the Union contribution, excluding those allocated through calls for proposals in order to carry out the research activities. The valuation of the contributions in-kind is based on the FP7 eligibility criteria.

The detailed table below shows the validated in-kind contributions (IKC) under Clean Sky Programme (FP7) as of 31.12.2017:

CS1 (FP7) programme approved In-Kind Contributions 2008 - 2016 projects													
ITD	Claims validated for 2010 Final Accounts (Written procedure 2011-06)	Claims validated for 2011 Final Accounts (Written procedure 2012-07)	Claims validated for 2012 Final Accounts (Written procedure 2013-02 and 2013-11)	Claims validated for 2013 Provisional Accounts (Written procedure 2013-15)	Claims validated for 2013 Final Accounts (Written procedure 2014-04)	Claims validated for 2014 Provisional Accounts (Written procedure 2014-13)	Claims validated for 2014 Final Accounts (Written procedure 2015-01)	Claims validated for 2015 Provisional Accounts (Written procedure 2016-01)	Claims validated for 2015 Final Accounts (Written procedure 2016-08)	Claims validated for 2016 Provisional Accounts (Written procedure 2017-01)	Claims validated for 2016 Final Accounts (Written procedure 2017-10)	Claims validated for 2017 Provisional Accounts (Written procedure 2018-01)	Total contributions validated
ED	9.694.324,96	2.779.046,22	6.621.353,00	5.617.135,60	3.973.760,93	2.014.932,27	2.554.791,98	1.868.093,90	- 7.040,83	3.778.886,11	-	- 489.396,29	38.405.887,85
GRA	16.316.043,63	439.341,56	12.137.111,96	8.812.865,81	1.731.012,16	8.964.195,45	8.686.857,97	2.085.339,45	2.925.284,18	4.441.505,73	444.544,44	2.396.424,32	69.380.526,66
GRC	7.957.829,57	2.493.498,26	10.097.556,28	5.418.321,12	7.045.606,09	1.272.116,91	7.759.639,80	- 25.789,53	4.038.497,11	4.607.593,47	3.451.295,77	2.457.358,82	56.573.523,67
SAGE	10.133.171,50	6.599.259,17	13.042.666,57	15.624.690,71	27.408.746,82	4.107.684,75	19.519.486,95	17.853.648,17	4.970.970,13	21.331.779,80	2.423.500,91	14.418.724,27	157.434.329,75
SFWA	25.125.765,19	21.647.281,19	25.680.945,50	15.758.591,50	23.381.155,20	875.103,30	7.899.304,74	5.565.716,40	4.949.362,52	6.140.407,00	1.230.458,06	9.742.534,41	147.996.625,01
SGO	20.572.188,98	6.322.645,73	19.186.301,44	16.413.450,52	8.780.339,78	5.653.822,38	11.485.952,75	1.467.628,22	6.277.297,40	4.509.190,23	- 4.843,17	8.905.023,04	109.568.997,30
TE	3.540.366,93	252.462,69	2.485.822,57	1.264.495,39	1.371.824,07	341.042,23	1.562.430,39	138.661,35	1.077.418,23	718.511,88	-	1.987.916,96	14.740.952,69
TOTAL	93.339.690,76	40.533.534,82	89.251.757,32	68.909.550,65	73.692.445,05	23.228.897,29	59.468.464,58	28.953.297,96	24.231.788,74	45.527.874,22	7.544.956,01	39.418.585,53	594.100.842,92

Under Clean Sky 2 Programme (H2020) the IKC consists of the in-kind contributions to operational activities (IKOP) (consisting of the costs incurred by the private members in implementing indirect actions less the contribution of the Clean Sky 2 Joint Undertaking and any other Union contribution to those costs) and additional activities (IKAA; 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 IKOP is linked to the work plan of the JU and co-financed by 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 detailed table below shows the validated in-kind contributions (IKC) under Clean Sky 2 Programme (H2020):

CS2 (H2020) programme approved In-Kind Contributions 2014 - 2016 projects			
SPD	Claims validated (Written procedure 2017-02)	Claims validated (Written procedure 2018-03)	Total contributions validated
AIR	9.620.362,03	3.104.740,98	12.725.103,01
ENG	13.067.187,01	92.919,42	13.160.106,43
FRC	5.298.658,81	296.775,99	5.595.434,80
LPA	5.189.390,31	5.269.312,49	10.458.702,80
REG	800.516,68	4.242.346,69	5.042.863,37
SAT	-	144.285,21	144.285,21
SYS	5.192.479,67	1.689.797,72	6.882.277,39
TE	-	-	-
TOTAL	39.168.594,51	14.840.178,50	54.008.773,01

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

The declared but not yet certified/validated IKC is booked under the heading “Members’ contribution to be validated” (see point 4.2.2.1).

4.2.2 Current liabilities

4.2.2.1 Members' contributions to be validated

	2017	2016
Members' contribution to be validated	211.124.430,09	137.491.488,54
Members' contribution to be validated	211.124.430,09	137.491.488,54

The amounts represent the not yet validated contributions provided by members in-kind for the execution of H2020 GAMs of the years 2014 to 2017. 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:



	2017	2016
CS1 programme (FP7) contribution pending validation	(471.842,95)	33.503.465,98
CS2 programme (H2020) contribution pending validation	211.596.273,04	103.988.022,56
Members' contribution to be validated	211.124.430,09	137.491.488,54

The CS1 (FP7) programme was closed in 2017, only some ex-post audit related in-kind contribution adjustments are to be validated by the GB.

4.2.2.2 Accounts payable

	2017	2016
Amounts payable -consolidated entities	7.045.725,12	539.723,38
Payable to the H2020 Guarantee Fund	7.045.725,12	539.723,38
Amounts payable to beneficiaries and suppliers	4.257.792,95	17.165.135,93
Amounts payable to members and partners for cost claims and payables concerning invoices for running costs not yet paid at the year-end.	4.257.792,95	17.165.135,93
Other payables	61.580,26	66.623,91
Returned payments and other reimbursable for staff members	61.580,26	66.623,91
Accrued charges	11.590.826,65	22.194.358,52
Expenses pertaining to the financial year 2017 for which invoices/claims are received only subsequently in 2018	11.590.826,65	22.194.358,52
Total accounts payable	22.955.924,98	39.965.841,74

Accrued charges

For expenses pertaining to the financial year 2017, when invoices/cost claims were received only subsequently in 2018, the following amounts have been accrued:

	2017 Total	2016 Total
Accrued administrative expenses	297.410,08	593.410,90
Accrued operational expense	11.293.416,57	21.600.947,62
Accrual of operational expense related to GAMs	10.725.059,79	15.395.324,19
Accrual of operational expense related to GAPs	568.356,78	6.205.623,43
Total accrued charges	11.590.826,65	22.194.358,52

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

4.2.2.3 Short-term provisions for risks and charges

	2017	2016
Potential additional CS JU contribution (in cash) to members resulting from ex-post audits	0,00	390.701,56
Provision for doubtful debts	1.634.078,68	0,00
Total provision for risks and charges - short term	1.634.078,68	390.701,56



The provision for doubtful debt is the estimated amount arises from a pre-financing related receivable for which the JU has an ongoing legal case.

4.2.2.4 Contingent liabilities

	2017	2016
Draft ex-post audit results in favour of the beneficiary	24.543,67	682.732,87
Total contingent liabilities	24.543,67	682.732,87

As noted in Note 4.1.2.4 (Contingent Assets), the JU commissioned a number of ex-post audits of cost claims relating to GAMs and GAPs in 2017. As at the date of preparation of the Final Accounts 2017, some of the audit reports are still not implemented. The CSJU management considers that the outcome of these audits is possible obligation. Taking into account the immature status of these audit results they are disclosed as contingent liabilities.

Amounts relating to legal cases

CSJU has no on-going legal case which could result a liability.

4.3 Notes to the Statement of Financial Performance

4.3.1 Non-exchange revenue

	2017	2016
Other revenue - revenue from claims previously expensed	6.185.104,15	4.124.136,92
Miscellaneous administrative revenues	54.226,54	13.393,86
Exchange gains	3,82	815,35
Total non-exchange revenues	6.239.334,51	4.138.346,13

In 2017 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 2017 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 4.3.4 below.



4.3.2 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.

Reporting period for the GAMs lasted from 1st January 2017 to 31st December 2017. Based on the estimates provided by the SPDs about the incurred project cost the related operational expenditure for the year 2017 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 2017 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.

	2017	2016
Operational expenses funded by CSJU in cash Clean Sky Programme (FP7)	3.074.556,14	48.490.110,94
Operational expenses funded by CSJU in cash Clean Sky 2 Programme (H2020)	204.190.062,33	140.627.032,50
Operational expenses contributed by members in-kind Clean Sky Programme (FP7)	7.337.924,16	39.233.897,76
Operational expenses contributed by members in-kind Clean Sky 2 Programme (H2020)	122.448.428,98	95.978.544,26
Total operational expenses	337.050.971,61	324.329.585,46

Expenses per category of beneficiaries

	2017	2016
Members	292.881.710,26	296.045.903,26
Partners	44.169.261,35	28.283.682,20
Total operational expenses	337.050.971,61	324.329.585,46



4.3.3 Operating Expenses

4.3.3.1 Administrative expenses

	2017 CS Programme	2017 CS2 Programme	2017 Total	2016 Total
Staff expenses	400.283,09	3.778.796,75	4.179.079,84	3.904.700,07
Salaries and related costs incl. SNEs	400.283,09	3.778.796,75	4.179.079,84	3.904.700,07
Administrative expenses	526.444,83	2.016.334,79	2.542.779,62	3.328.397,25
Depreciation of tangible assets / Amortisation of intangible assets	16.999,10	152.991,90	169.991,00	181.219,21
Rental fee for the offices	53.189,45	478.705,08	531.894,53	493.901,58
Communication expenditure	53.750,82	319.714,17	373.464,99	549.120,06
Missions	19.657,90	154.294,46	173.952,36	195.800,30
Experts and related expenditures (Scientific Committee etc)	94.748,71	240.923,89	335.672,60	1.085.781,47
Maintenance and support of IT systems	21.098,24	204.375,84	225.474,08	186.051,47
Other external service provider (consultants, interim staff, ex-post audits etc)	265.682,99	453.446,52	719.129,51	506.403,06
Losses from not recoverable receivables (bankrupt entities etc)	0,00	0,00	0,00	79.537,11
Other	1.317,62	11.882,93	13.200,55	50.582,99
Total administrative expenses	926.727,92	5.795.131,54	6.721.859,46	7.233.097,32

At 31 December 2017 the JU employed 33 Temporary Agents, 6 Contract Agents and 2 Seconded National Experts.

4.3.3.2 Other operating expenses

	2017	2016
Exchange loss	0,01	821,55
Total other operating expenses	0,01	821,55

Exchange loss related to payments in other currency than EUR.

Administrative/total expenditure ratio

According to Article 12 of the original Clean Sky decision⁵ 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.

According to Art. 15(2) of the CSJU Regulation⁶ for the Clean Sky 2 (H2020) programme the administrative costs shall not exceed EUR 78 000 000. As of 31.12.2017 CSJU utilised 23,19% of the available administrative budget:

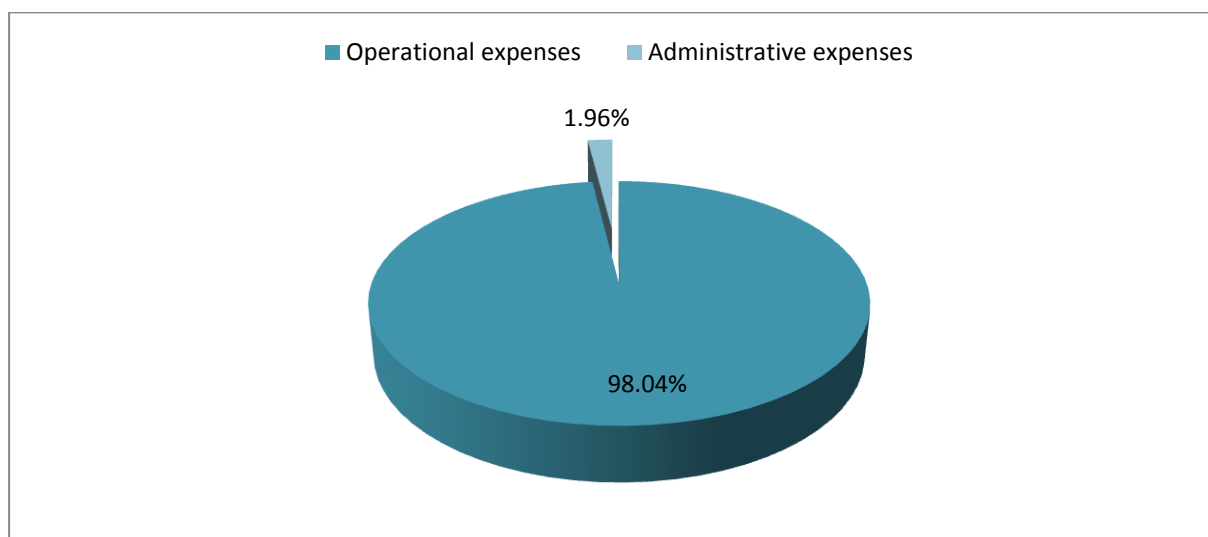
⁵ Council Regulation (EC) No 71/2008

⁶ Council Regulation (EU) No 558/2014



2017	
Total administrative budget for the Clean Sky 2 Programme (H2020)	78.000.000,00
Administrative expenses Clean Sky 2 Programme in 2014 (H2020)	2.088.792,10
Administrative expenses Clean Sky 2 Programme in 2015 (H2020)	4.550.652,99
Administrative expenses Clean Sky 2 Programme in 2016 (H2020)	5.650.369,51
Administrative expenses Clean Sky 2 Programme in 2017 (H2020)	5.795.131,54
Total administrative expenses used until 31.12.2017	18.084.946,14
Available administrative budget for the Clean Sky 2 Programme (H2020)	59.915.053,86

The overall ratio between the administrative and total expenditure (including both Clean Sky and Clean Sky 2 Programmes) for 2017 is 1,96 %.



4.3.4 Financial Income and Expenses

4.3.4.1 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 accounts⁷ reflected in the EOA under revenues and thus adds to the total of the Net Assets in the Balance Sheet of the JU.

⁷ Since March 2017 the JU utilises the EC treasury services, the bank accounts have been closed.



	2017	2016
Bank interest on pre-financing from EU	332,90	6.968,14
Interest on pre-financing given to Members	0,00	976,84
Interest Income on late payment	1.087,89	326,12
Total financial income	1.420,79	8.271,10

4.3.4.2 Financial expenses

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

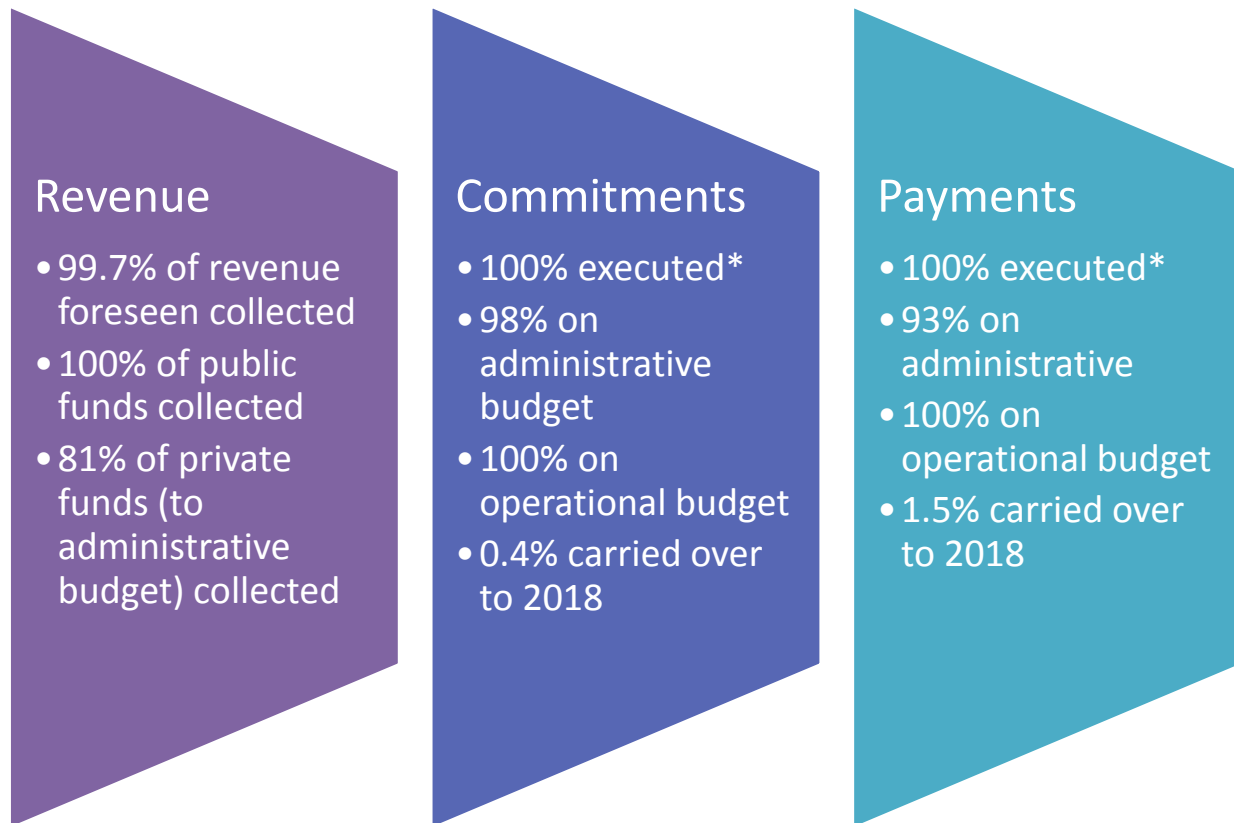
	2017	2016
Financial expenses	1.829,05	10.631,49
Total financial expenses	1.829,05	10.631,49

RELATED PARTIES

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

5 BUDGETARY IMPLEMENTATION REPORT

5.1 Clean Sky 2 Joint Undertaking budget implementation at a glance



*: excludes appropriations foreseen as 'unused'

5.1.1 Principles of the budgetary implementation

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.

5.1.2 Use of Fund Sources in Budgetary management

The Clean Sky 2 Joint Undertaking uses 4 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) re-entered 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 (cash) within the same year.

C8: This represents the appropriations which are automatically carried forward to meet obligations arising from previous years. For administrative expenditure and 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).

The 2017 budget is distributed in the following budget titles:

Budget title	Year 2017 Appropriations	Re-entered appropriations from previous year(s)	Total budget 2017
1. Staff expenditure	4.555.538	244.905	4.800.443
2. Infrastructure expenditure	1.982.739	169.902	2.152.641
3. Operational expenditure CS1 (FP7) Programme	0	7.362.064	7.362.064
4. Operational expenditure CS2 (H2020) Programme	194.467.016	103.539.330	298.006.346
5. Unused appropriations	64.198	1.043.701	1.107.899
Total	201.069.491	112.359.902	313.429.393

Management Information Systems:

The Clean Sky 2 Joint Undertaking used the following software during 2017:

ABAC - Budgetary accounting system

SAP R/3 – Accounting system and execution of payments

GVM (**G**rant **V**iew **M**anager) – Access database developed in-house to monitor grant agreements for partners' process

GVP (**G**rant **V**iew **P**ayment) – Access database developed in-house and linked to GVM for monitoring the partners' payment process

GMT1 / GMT2 (**G**rant **M**anagement **T**ool for Clean Sky Programme and for Clean Sky 2 Programme) – Database of beneficiary information concerning the grant agreements for Members

FORCE – Commission tool for managing CS programme (FP7) GAPs

SYGMA/COMPASS: Commission tool for managing CS2 programme (H2020) GAPs and GAMs⁸

EMI: Commission tool for managing expert claims

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.

⁸ The CS2 GAMs 2018 have been signed using the H2020 tools of the EC.



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.

5.2 Budgetary outturn account 2017

	Title	2017	2016
REVENUE		243.458.571,86	289.738.898,67
<i>of which</i>			
Subsidies from the European Commission	1 0	199.426.061,24	222.035.100,00
Contributions from private members	2 0	3.148.584,09	3.176.152,13
Re-entered unused appropriations from previous years	3 0	37.060.426,00	62.108.726,00
Recoveries	4 0	3.823.500,53	2.418.920,54
EXPENDITURE		239.898.807,84	252.858.634,52
<i>of which</i>			
Staff expenditure	A-1	4.672.898,22	4.380.815,75
Admin expenditure	A-2	2.346.419,58	3.183.013,55
Operational expenditure CS1	B-3	39.827.734,51	53.223.417,03
Operational expenditure CS2	B-4	193.051.755,53	192.071.388,19
Exchange differences for the year		3,81	-6,20
Budget result		3.559.767,83	36.880.257,95

Notes to the budgetary outturn account:

The presentation of the budgetary outturn has been harmonised with the methodology used by the other joint undertakings in accordance with the guidelines issued by the European Commission.⁹

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.

For the financial year, the balance of the budget outturn amounts to +3,559,767.83 Euro. According to Article 6(4) of the CSJU Financial Rules, these unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years.

⁹ Contrary to the methodology used in the previous years on the expenditure side only the effected payments are presented but not anymore the appropriations carried over to the following year. The comparative 2016 figures are accordingly restated.



Revenue:

The sources of revenue are explained in section 5.6. The amounts shown are the amounts cashed during 2017 and for the 'Payments appropriation carry-over', the amount actually carried over from 2016.

Expenditure

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

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

Details are provided in the tables on the implementation of the statement of expenditure in section 5.7.

5.3 Reconciliation between budget outturn and economic outturn

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

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

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

Reconciliation of accrual result with budgetary result	Amount
Economic result	-337.533.904,83
<i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i>	
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-224.063.322,80
Adjustments for Accrual Cut-off (cut- off 31.12.N)	213.719.057,28
Operational expenses contributed in-kind by members	129.786.353,14
Inkind revenue deriving from retroactive adjustments	-1.894.647,56
Unpaid invoices at year end but booked in charges (class 6)	-502.595,40
Depreciation of intangible and tangible assets	169.991,00
Write off receivables	114.678,75
Recovery Orders issued in 2017 in class 7 and not yet cashed	-225.729,04
Pre-financing cleared in the year 2017	117.343.691,31
Provisions	1.634.078,68
Financial expenses	104,91
Interest	-1.420,79
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>	
Asset acquisitions (less unpaid amounts)	-128.859,00
Pre-financing paid in the year 2017	-134.627.522,79
Budgetary recovery orders issued before 2017 and cashed in the year	0,00
Cash contribution from EU	199.426.061,24
Cashed contribution from members for 2016 running cost	3.148.584,09
Interest earned in previous periods inscribed to 2016 budget	4.133,00
Invoices paid in 2017 but booked in charges in 2016 (class 6)	-689.253,81
Payment appropriations carried over from previous year	37.060.426,00
Cashed recovery orders for pre-financing recovery	819.864,45
Total	3.559.767,83
Budgetary result	3.559.767,83
<i>Delta not explained</i>	<i>0,00</i>



5.4 Clean Sky Programmes implementation

5.4.1 Overall Clean Sky 1 Programme (FP7) implementation

In 2017 the operational activities of the FP7 programme were closed. The CS2JU also processed the financial closure of the GAMs and GAPs. The remaining few open GAPs, ex-post audits and pending pre-financing recoveries will be finalised in 2018.

Implementation of CS1 Programme commitment appropriations¹⁰:

Grant Agreement with Partners (GAP)	
Amounts paid in 2010-2017	193.276.366
Open payable on contracted projects (RAL on L2 commitments)	103.477
Total GAP	193.379.843
Grant Agreement with Members (GAM)	
2008	8.129.249
2009	43.431.080
2010	66.297.060
2011	80.860.616
2012	91.391.269
2013	102.056.287
2014	90.355.906
2015	69.052.377
2016	42.526.999
Total GAM validated contributions	594.100.843
Total operational envelope	788.000.000
Total GAP	193.379.843
Total GAM	594.100.843
Total	787.480.686
% of programme consumption	99,93%

¹⁰ The commitment appropriations are presented based on the validated cost of the Members for the period of 2008 - 2017.



Implementation of payment appropriations¹¹:

Year	Payments for Grant Agreement with Members	Payments for Grant Agreement with Partners	TOTAL
2008	13.568.063,20	0,00	13.568.063,20
2009	0,00	0,00	0,00
2010	117.026.920,53	10.996.929,47	128.023.850,00
2011	95.548.082,02	24.218.665,76	119.766.747,78
2012	91.996.842,80	30.493.046,75	122.489.889,55
2013	93.336.882,59	40.789.845,65	134.126.728,24
2014	71.114.278,67	41.829.156,49	112.943.435,16
2015	87.919.701,37	21.436.299,51	109.356.000,88
2016	39.571.147,14	13.652.269,89	53.223.417,03
2017	28.349.821,00	11.477.914,44	39.827.735,44
Recoveries	-44.330.896,37	-1.617.762,19	-45.948.658,56
TOTAL	594.100.842,95	193.276.365,77	787.377.208,72
Operational envelope			788.000.000,00
% of programme paid			99,92%

The amount showed in the payments 2017 represents the interim and final payments for the GAPs and the GAMs for Leaders 2016 costs claims as part of the closure of FP7 programme.

5.4.2 Overall Clean Sky 2 Programme (H2020) implementation

The Clean Sky 2 programme was launched in 2014 with the opening of the first Call for Core Partners. The core partners work with the leaders of the programme over a multi-annual basis and according to the regulation are entitled to receive up to 30% of the total funding from the JU. The first GAMs for the period 2014-2015 were signed in December 2014 with only CS2 Leaders. Since 2014 four calls for new core partners have been published with accession of new selected members to the CS2 GAMs. The last wave of core partners joined the CS2 GAMs in 2017.

To fulfil the requirements of the Delegation Agreement, in 2017 CSJU started the migration of the GAMs from the own management tool (GMT) to the EC grant management system (SYGMA/COMPASS). As a consequence, in 2017 the JU signed new CS2 GAMs 2018 with several SPDs using the H2020 tool provided by the European Commission. In addition, grant agreements of the calls 3, 4 and 5 for partners were signed and pre financed.

¹¹ 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 table below shows the indicative allocation of funding per IADP/ITD or TA, taking into account the TA re-allocations where these are known/agreed, and applied and incorporated into the IADP/ITD amounts (status 31.12.2017).

	(1)	(2)	(3)	(4) = (1) + (2) + (3)
IADPs / ITDs / TAs	Allocation - M€	Reapplication ECO	Reapplication SAT	Allocation incl. TA Redistribution - M€
LPA	508.50	2.55		511.05
REG	102.80	0.23		103.03
FRC	185.71			185.71
AIR	292.35	0.60	24.15	317.10
ENG	265.30	3.40	16.50	285.20
SYS	237.16	1.02	24.30	262.48
TE	17.16	-	-	17.16
ECO GAM	-	6.06	-	6.06
ECO funding for re-distribution		25.20		25.20
SAT	-	-	3.00	3.00
TOTAL	1,608.99	39.06	67.95	1,716.00

In addition, the CS2JU needs to ensure the allocation of operational funds according to the Clean Sky 2 JU Council Regulation Annex I art. 16:

- up to 40% shall be allocated to Leaders;
- up to 30% shall be allocated to Core Partners;
- at least 30% shall be allocated to Partners and calls for tenders.

The table below shows the distribution of estimated funding between Leaders, Core Partners and for Calls for Proposals/Tenders (status 31.12.2017)

Funding envelope to completion	Allocation according to Regulation		2017 CS2 Development Plan	
	<40%	<686.4	39.3%	675.2
Leaders	<40%	<686.4	39.3%	675.2
Core-Partners	<30%	<514.8	28.2%	483.6
Calls for Proposals / Tender	>30%	>514.8	32.5%	557.2
<u>TOTAL</u>		<u>1,716.0</u>		<u>1,716.0</u>
Of which Thematic Topics in CfPs			approx. 60m€	



Implementation of CS2 Programme commitment appropriations:

Grant Agreement with Partners (GAP)	
2014	0
2015	153.456.862
2016	58.631.838
2017	156.562.020
Total GAP	368.650.720
Grant Agreement with Members (GAM)	
2014	79.419.743
2015	203.806.075
2016	198.323.198
2017	141.310.227
Total GAM Committed	622.859.243
Total operational envelope	1.716.000.000
	,
Total GAP	368.650.720
Total GAM	622.859.243
Total	991.509.963
% of programme consumption	57,78%

The 2017 GAM commitments represent the amounts committed for the new CS2 GAMs 2018 for seven SPDs. The 2017 GAP commitments represent the amounts for the calls 4 (remaining amount), 5, 6 and 7 (full amount).



Implementation of CS2 programme payment appropriations

Year	Payments for Grant Agreement with Members	Payments for Grant Agreement with Partners	TOTAL
2014	20.460.993	0	20.460.993
2015	58.285.612	11.052.718	69.338.331
2016	155.412.004	36.659.385	192.071.388
2017	123.204.970	69.846.786	193.051.756
TOTAL	357.363.579	117.558.889	474.922.468
Operational envelope			1.716.000.000
% of programme paid			27,68%

The 2017 GAM payments represent the interim payments paid for the leaders and core partners activities 2016, the pre-financings for the Core-Partners having accessed the GAM in 2017 as well as the pre-financing payments to seven SPDs for their activities of 2018.

The 2017 GAP payments represent the pre financing paid to partners selected in the calls 3, 4 and 5 as well as some interim payments for the first calls.

Implementation of payment appropriations: schedule of payments

CS2 Schedule of payments	Year	Commitments	Payments 2017	Payments 2018	Payments 2019	Payments 2020	Subsequent years
GAP	2014	0	0	0	0	0	0
	2015	51.266.616	10.291.005	21.697.915	16.604.262	2.673.434	0
	2016	84.073.812	58.761.749	9.129.813	2.443.247	13.739.003	0
	2017	121.057.888	794.032	78.282.000	13.865.580	21.116.276	7.000.000
TOTAL GAP		135.340.428	69.846.786	109.109.728	32.913.089	37.528.713	7.000.000
GAM	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	139.158.141	42.658.141	96.500.000	0	0	0
	2017	169.178.554	80.546.829	48.125.100	40.506.625	0	0
TOTAL GAM		139.158.141	123.204.970	144.625.100	40.506.625	0	0
TOTAL CS2 Operational		274.498.569	193.051.757	253.734.828	73.419.714	37.528.713	7.000.000

The amount showed in the payments 2017 represents:

- The pre-financing payments for GAPs (last part of CfP03, full CfP04 and CfP05);
- The first interim payments for GAPs (CfP01 and CfP02)
- The interim payments covering the activities performed in 2016 by the Members in GAMs;
- The pre-financings for the seven new grant agreements for Leaders and Core partners for the activities 2018



The amount showed in the payments 2018 represents:

- The pre-financing payments (CfP06 and CfP07) and interim payments for Partners (CfP01, CfP02, CfP04 and CfP03)
- The interim payments covering the activities performed in 2017 by the Members
- Pre financing payments to the CS2 GAMs 2018 (for two SPDs not signed in 2017)

The amount showed in the payments 2019 represents:

- The interim and final payments for Partners (CfP01 to CfP06)
- The interim payments covering the activities performed in 2018 by the Members

5.5 Budget Evolution

The Governing Board adopted the original budget 2017 for Clean Sky 2 Joint Undertaking for the global amount of 201.9m€ in commitment appropriations and 218.0m€ in payment appropriations in December 2016.

In June 2017, the JU had to prepare its amendment n°1 in order to adjust the commitment and payment appropriations - as a consequence of the correction of the estimated carry-over amount to the executed carry-over and a small correction in the financial revenues.

The following two amendments of the year 2017 had as main purpose to re-inscribed some of the de-committed C8 credits and to re-allocate the JU budget within the different operational and administrative activities, in accordance to the revised needs (in particular for the closure of FP7 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.

5.5.1 Evolution of Statement of Revenues

<i>Evolution of the Statement of Revenue 2017 (EUR) (fund sources C1 and C2)</i>						
<i>Commitment Appropriations</i>						
Heading of the Budget 2016		Initial Budget 16/12/2016 (Annual Budget 2017) (1)	First Amending Budget 27/06/2017 (Annual Budget 2016-2017 Amendment nr1) (2)	Second Amending Budget 19/10/2017 (Annual Budget 2016-2017) (3)	Third Amending Budget 15/12/2017 (Annual Budget 2016-2017) (4)	Final Budget for implementation (5)=SUM (1 to 4)
CS1 PROGR AMME	100	SUBSIDY OF THE COMMISSION	0	0	0	0
	200	CONTRIBUTION FROM MEMBERS (NON-EC)	376.806	0	0	376.806
	300	CARRY-OVER FROM PREVIOUS YEARS	794.458	1.175.056	4.675.324	8.523.737
	500	FINANCIAL REVENUES	2.000	52	0	2.052
		TOTAL REVENUE (COMMITMENTS)	1.173.264	1.175.108	4.675.324	1.878.899
CS2 PROGR AMME	100	SUBSIDY OF THE COMMISSION	197.576.744	0	0	197.576.744
	200	CONTRIBUTION FROM MEMBERS (NON-EC)	3.111.809	0	0	3.111.809
	300	CARRY-OVER FROM PREVIOUS YEARS	65.901	57.475.703	46.294.560	103.836.164
	500	FINANCIAL REVENUES	2.000	81	0	2.081
		TOTAL REVENUE (COMMITMENTS)	200.756.454	57.475.784	46.294.560	0
TOTAL REVENUE (Commitments) CLEAN SKY 2 JU		201.929.717	58.650.892	50.969.884	1.878.899	313.429.392

<i>Evolution of the Statement of Revenue 2017 (EUR) (fund sources C1 and C2)</i>						
<i>Payment Appropriations</i>						
Heading of the Budget 2016		Initial Budget 16/12/2016 (Annual Budget 2017) (1)	First Amending Budget 27/06/2017 (Annual Budget 2016-2017 Amendment nr1) (2)	Second Amending Budget 19/10/2017 (Annual Budget 2016-2017) (3)	Third Amending Budget 15/12/2017 (Annual Budget 2016-2017) (4)	Final Budget for implementation (5)=SUM (1 to 4)
CS1 PROGR AMME	100	SUBSIDY OF THE COMMISSION	24.751.633	0	0	24.751.633
	200	CONTRIBUTION FROM MEMBERS (NON-EC)	376.806	0	0	376.806
	300	CARRY-OVER FROM PREVIOUS YEARS	5.038.397	8.946.960	1.645.090	17.509.346
	500	FINANCIAL REVENUES	2.000	52	0	2.052
		TOTAL REVENUE (PAYMENTS)	30.168.836	8.947.012	1.645.090	1.878.899
CS2 PROGR AMME	100	SUBSIDY OF THE COMMISSION	174.674.428	0	0	174.674.428
	200	CONTRIBUTION FROM MEMBERS (NON-EC)	3.111.809	0	0	3.111.809
	300	CARRY-OVER FROM PREVIOUS YEARS	10.000.000	13.075.069	0	23.075.069
	500	FINANCIAL REVENUES	2.000	81	0	2.081
		TOTAL REVENUE (PAYMENTS)	187.788.237	13.075.150	0	0
TOTAL REVENUE (Payments) CLEAN SKY 2 JU		217.957.073	22.022.161	1.645.090	1.878.899	243.503.223

5.5.2 Evolution of Statement of Expenditures

Heading of the Budget 2016		Initial Budget 16/12/2016 (Annual Budget 2017) (1)	First Amending Budget 27/06/2017 (Annual Budget 2016-2017 Amendment nr1) (2)	Second Amending Budget 19/10/2017 (Annual Budget 2016-2017) (3)	Third Amending Budget 15/12/2017 (Annual Budget 2016-2017) (4)	Transfers adopted by CS2JU Director (5)	Final Budget for implementation (7)=Σ(1to 5)
CH 1	STAFF EXPENDITURE - COMMITMENTS						
CH 11	STAFF IN ACTIVE EMPLOYMENT	4.000.000	0	225.000	0	-56.236	4.168.764
CH 12	MISCELLANEOUS EXPENDITURE ON STAFF	200.000	0	100.000	0	107.022	407.022
CH 13	MISSIONS AND DUTY TRAVEL	320.000	0	-2.000	0	-129.500	188.500
CH 14	SOCIOMEDICAL INFRASTRUCTURE	45.000	0	0	0	-16.522	28.478
CH 15	SOCIAL MEASURES	0	0	0	0	0	0
CH 17	RECEPTIONS AND EVENTS	50.000	0	0	0	-42.320	7.680
	TITLE 1 - Commitment	4.615.000	0	323.000	0	-137.557	4.800.443
CH 1	STAFF EXPENDITURE - PAYMENTS						
CH 11	STAFF IN ACTIVE EMPLOYMENT	4.000.000	0	225.000	0	-56.236	4.168.764
CH 12	MISCELLANEOUS EXPENDITURE ON STAFF	200.000	151.918	22.639	0	-37.190	337.367
CH 13	MISSIONS AND DUTY TRAVEL	320.000	42.589	-18.118	0	-153.768	190.702
CH 14	SOCIOMEDICAL INFRASTRUCTURE	45.000	28.301	0	0	-5.717	67.584
CH 15	SOCIAL MEASURES	0	0	0	0	0	0
CH 17	RECEPTIONS AND EVENTS	50.000	0	0	0	-41.868	8.133
	TITLE 1 - Payment	4.615.000	222.807	229.521	0	-294.779	4.772.549

CH 2	INFRASTRUCTURE EXPENDITURE - COMMITMENTS	Initial Budget 16/12/2016 (Annual Budget 2017) (1)	First Amending Budget 27/06/2017 (Annual Budget 2016-2017 Amendment nr1) (2)	Second Amending Budget 19/10/2017 (Annual Budget 2016-2017) (3)	Third Amending Budget 15/12/2017 (Annual Budget 2016-2017) (4)	Transfers adopted by CS2JU Director (5)	Final Budget for implementation (7)=Σ(1to 5)
CH 20	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	510.000	0	30.000	0	1.000	541.000
CH 21	INFORMATION TECHNOLOGY PURCHASES	355.230	0	25.000	0	51.134	431.364
CH 22	MOVABLE PROPERTY AND ASSOCIATED COSTS	5.000	0	0	0	0	5.000
CH 23	CURRENT EXPENDITURE FOR RUNNING COSTS	52.000	0	-200	0	27.660	79.460
CH 24	POSTAGE AND TELECOMMUNICATIONS	40.000	0	0	0	0	40.000
CH 25	EXPENDITURE ON FORMAL AND OTHER MEETINGS	320.000	0	-20.912	0	-14.956	284.132
CH 27	COMMUNICATION ACTIVITIES	400.000	0	0	0	42.397	442.397
CH 28	EXTERNAL SERVICES	280.000	40.052	-9.888	0	16.124	326.288
CH 29	COSTS ASSOCIATED WITH CALLS	400.000	0	-347.000	0	-50.000	3.000
	TITLE 2 - Commitment	2.362.230	40.052	-323.000	0	73.359	2.152.641
CH 2	INFRASTRUCTURE EXPENDITURE - PAYMENTS						
CH 20	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	510.000	0	30.000	0	96	540.096
CH 21	INFORMATION TECHNOLOGY PURCHASES	355.230	199.223	-22.544	0	-54.951	476.958
CH 22	MOVABLE PROPERTY AND ASSOCIATED COSTS	5.000	0	0	0	0	5.000
CH 23	CURRENT EXPENDITURE FOR RUNNING COSTS	52.000	30.277	-27.068	0	33.377	88.586
CH 24	POSTAGE AND TELECOMMUNICATIONS	40.000	4.870	-2.133	0	0	42.737
CH 25	EXPENDITURE ON FORMAL AND OTHER MEETINGS	320.000	90.461	-30.713	0	-14.550	365.198
CH 27	COMMUNICATION ACTIVITIES	400.000	164.591	-1.235	0	-72.602	490.753
CH 28	EXTERNAL SERVICES	280.000	571.630	10.115	0	-109.999	751.746
CH 29	COSTS ASSOCIATED WITH CALLS	400.000	53.578	-399.903	0	-50.000	3.675
	TITLE 2 - Payment	2.362.230	1.114.629	-443.480	0	-268.629	2.764.750

CH 3		Initial Budget 16/12/2016 (Annual Budget 2017) (1)	First Amending Budget 27/06/2017 (Annual Budget 2016-2017 Amendment nr1) (2)	Second Amending Budget 19/10/2017 (Annual Budget 2016-2017) (3)	Third Amending Budget 15/12/2017 (Annual Budget 2016-2017) (4)	Transfers adopted by CS2JU Director (5)	Final Budget for implementation (7)=Σ(1to 5)
CH 30	SMART FIXED WING AIRCRAFT	0	0	921.594	0	1.129.285	2.050.879
CH 31	GREEN REGIONAL AIRCRAFT	0	0	63.657	0	1.572.122	1.635.779
CH 32	GREEN ROTORCRAFT	0	0	97.525	0	-97.525	0
CH 33	SUSTAINABLE AND GREEN ENGINES	0	0	12.936	1.878.899	1.292.102	3.183.937
CH 34	SYSTEMS FOR GREEN OPERATIONS	0	0	383.303	0	87.287	470.590
CH 35	ECO-DESIGN	0	0	139.013	0	-139.013	0
CH 36	TECHNOLOGY EVALUATOR	0	0	27.063	0	-27.063	0
CH 37	CALLS FOR PROPOSALS	0	0	3.030.234	0	-3.009.355	20.879
	TITLE3 - Commitments	0	0	4.675.324	1.878.899	807.841	7.362.064
CH 3	CS OPERATIONAL EXPENDITURE - PAYMENTS						
CH 30	SMART FIXED WING AIRCRAFT	5.674.281	-894.000	921.594	0	1.127.949	6.829.823
CH 31	GREEN REGIONAL AIRCRAFT	466.308	22.750	63.657	0	1.575.735	2.128.450
CH 32	GREEN ROTORCRAFT	4.790.838	290.000	97.525	0	652.915	5.831.278
CH 33	SUSTAINABLE AND GREEN ENGINES	4.203.762	0	12.936	1.878.899	1.291.560	7.387.156
CH 34	SYSTEMS FOR GREEN OPERATIONS	5.080.346	0	383.303	0	87.287	5.550.935
CH 35	ECO-DESIGN	0	30.000	139.013	0	-122.607	46.407
CH 36	TECHNOLOGY EVALUATOR	1.284.955	-645.000	27.063	0	-61.062	605.956
CH 37	CALLS FOR PROPOSALS	7.495.083	8.307.153	0	0	-4.323.262	11.478.974
	TITLE3 - Payments	28.995.573	7.110.903	1.645.090	1.878.899	228.514	39.858.978

CH 4		Initial Budget 16/12/2016 (Annual Budget 2017) (1)	First Amending Budget 27/06/2017 (Annual Budget 2016-2017 Amendment nr1) (2)	Second Amending Budget 19/10/2017 (Annual Budget 2016-2017) (3)	Third Amending Budget 15/12/2017 (Annual Budget 2016-2017) (4)	Transfers adopted by CS2JU Director (5)	Final Budget for implementation (7)=Σ(1to 5)
CH 40	LARGE PASSENGER AIRCRAFT	11.000.000	16.100.000	0	0	-27.100.000	0
CH 41	REGIONAL AIRCRAFT	4.500.000	3.900.000	0	0	6.600.000	15.000.000
CH 42	FAST ROTORCRAFT	9.000.000	7.000.000	0	0	-16.000.000	0
CH 43	AIRFRAME	12.600.000	10.300.000	0	0	21.500.000	44.400.000
CH 44	ENGINES	15.600.000	10.500.000	0	0	21.900.000	48.000.000
CH 45	SYSTEMS	9.300.000	8.500.000	0	0	14.200.000	32.000.000
CH 46	TECHNOLOGY EVALUATOR	150.000	270.000	0	0	440.228	860.228
CH 47	ECO-DESIGN TA	200.000	200.000	0,00	0,00	400.000,00	800.000
CH 48	SMALL AIR TRANSPORT TA	115.000	150.000	0	0	-15.000	250.000
CH 49	CALLS FOR PROPOSALS	132.067.836	258.950	46.294.560	0	-21.925.227	156.696.119
	TITLE 4 - Commitments	194.532.836	57.178.950	46.294.560	0	0	298.006.346
CH 4	CS2 OPERATIONAL EXPENDITURE - PAYMENTS						
CH 40	LARGE PASSENGER AIRCRAFT	23.900.000	2.600.000	0	0	-14.207.963	12.292.037
CH 41	REGIONAL AIRCRAFT	7.700.000	-700.000	0	0	3.160.000	10.160.000
CH 42	FAST ROTORCRAFT	15.400.000	-2.400.000	0	0	-9.559.451	3.440.549
CH 43	AIRFRAME	24.300.000	0	0	0	7.505.000	31.805.000
CH 44	ENGINES	24.000.000	11.500.000	0	0	4.220.000	39.720.000
CH 45	SYSTEMS	16.700.000	1.200.000	0	0	6.550.000	24.450.000
CH 46	TECHNOLOGY EVALUATOR	240.000	215.000	0	0	62.000	517.000
CH 47	ECO-DESIGN TA	605.000	0	0	0	83.000	688.000
CH 48	SMALL AIR TRANSPORT TA	260.000	40.000	0	0	-140.000	160.000
CH 49	CALLS FOR PROPOSALS	68.459.619	-313.067	0	0	2.327.414	70.473.966
	TITLE4 - Payments	181.564.619	12.141.933	0	0	0	193.706.552

CH5		Initial Budget 16/12/2016 (Annual Budget 2017) (1)	First Amending Budget 27/06/2017 (Annual Budget 2016-2017 Amendment nr1) (2)	Second Amending Budget 19/10/2017 (Annual Budget 2016-2017) (3)	Third Amending Budget 15/12/2017 (Annual Budget 2016-2017) (4)	Transfers adopted by CS2JU Director (5)	Final Budget for implementation (7)=Σ(1to 5)
CH 50	TITLE5 - Commitments	419.652	1.431.890	0	0	-743.643	1.107.899
CH 50	TITLE5 - Payments	419.652	1.431.890	213.958	0	334.895	2.400.394
	TOTAL BUDGET - Commitment Appropriation	201.929.718	58.650.892	50.969.884	1.878.899	0	313.429.392
	TOTAL BUDGET - Payment Appropriation	217.957.073	22.022.162	1.645.090	1.878.898	0	243.503.223



5.6 Budget implementation

5.6.1 Statement of revenue

Type of revenue	Revenue Budget	Entitlements established	Revenue received	Outstanding at the end of the year
EC contribution 2017	199.426.061,24	199.426.061,24	199.426.061,24	0,00
Non-EC Members' contribution for running cost 2017	3.488.615,00	3.479.211,92	2.814.009,53	665.202,39
Non-EC Members' contribution for running cost previous years		334.574,56	334.574,56	0,00
Recovery of overpaid pre-financing		3.152.192,36	819.864,45	2.332.327,91
Recovery of ex-post audit results		3.019.698,96	2.793.969,92	225.729,04
Revenue from negative adjustment claims related to previous periods		170.024,83	151.591,74	18.433,09
Miscellaneous admin recoveries		53.941,42	53.941,42	0,00
Bank interest	4.133,00	4.133,00	4.133,00	0,00
Carry over of cancelled appropriations from previous years	37.060.426,00	37.060.426,00	37.060.426,00	0,00
Total	239.979.235,24	246.700.264,29	243.458.571,86	3.241.692,43

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 2016

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.

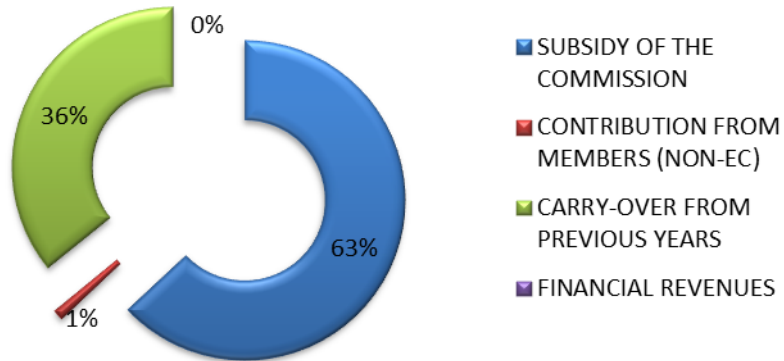
Recovery of ex-post audit results

In 2017, 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. If the payments are not received by the deadline of the debit note the JU applies the offsetting according to its financial rules (with at least 2 opportunities each year namely with the pre-financing payments and Provisional payments for the GAMs). In 2017, the JU used the above opportunities several times to recover the over-payments.

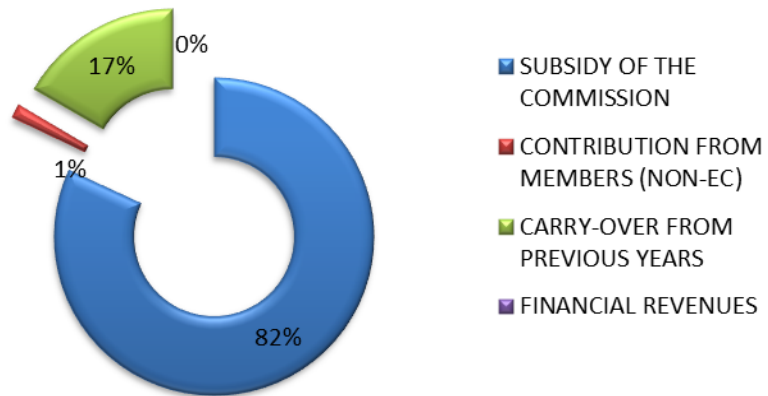
Carry-over of cancelled appropriations from previous years

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.

Breakdown by contributors (Commitment appropriations)



Breakdown by contributors (Payment appropriations)





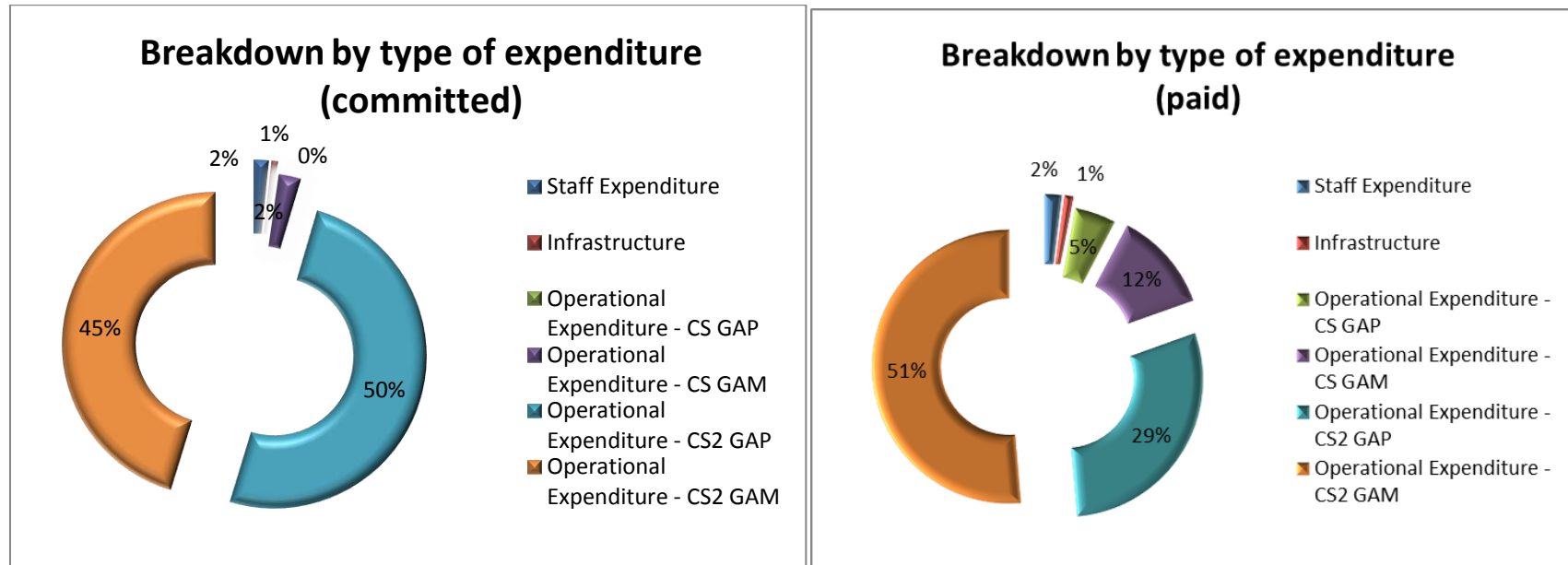
5.6.2 Statement of expenditure

Implementation of the statement of expenditure (fund sources C1 and C2)

<i>Implementation of the Statement of Expenditure 2017 All Programmes (EUR) (fund sources C1 and C2)</i>							
Heading of the Budget 2017		Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
COMMITMENTS				PAYMENTS			
CH 1	STAFF EXPENDITURE						
CH 11	STAFF IN ACTIVE EMPLOYMENT	4.168.764	4.168.764	100,0%	4.168.764	4.168.764	100,0%
CH 12	MISCELLANEOUS EXPENDITURE ON STAFF	407.022	406.251	99,8%	337.367	263.029	78,0%
CH 13	MISSIONS AND DUTY TRAVEL	188.500	186.906	99,2%	190.702	179.080	93,9%
CH 14	SOCIOMEDICAL INFRASTRUCTURE	28.478	28.478	100,0%	67.584	54.821	81,1%
CH 15	SOCIAL MEASURES	0	0	-	0	0	-
CH 17	RECEPTIONS AND EVENTS	7.680	7.680	100,0%	8.133	7.205	88,6%
TITLE 1 - Commitment and Payment		4.800.443	4.798.079	100,0%	4.772.549	4.672.898	97,9%
CH 2	INFRASTRUCTURE EXPENDITURE	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 20	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	541.000	540.000	99,8%	540.096	531.895	98,5%
CH 21	INFORMATION TECHNOLOGY PURCHASES	431.364	419.642	97,3%	476.958	342.879	71,9%
CH 22	MOVABLE PROPERTY AND ASSOCIATED COSTS	5.000	0	0,0%	5.000	0	0,0%
CH 23	CURRENT EXPENDITURE FOR RUNNING COSTS	79.460	74.000	93,1%	88.586	33.584	37,9%
CH 24	POSTAGE AND TELECOMMUNICATIONS	40.000	40.000	100,0%	42.737	31.342	73,3%
CH 25	EXPENDITURE ON FORMAL AND OTHER MEETINGS	284.132	277.912	97,8%	365.198	326.740	89,5%
CH 27	COMMUNICATION ACTIVITIES	442.397	405.516	91,7%	490.753	426.216	86,8%
CH 28	EXTERNAL SERVICES	326.288	284.064	87,1%	751.746	653.089	86,9%
CH 29	COSTS ASSOCIATED WITH CALLS	3.000	0	0,0%	3.675	675	18,4%
TITLE 2 - Commitment and Payment		2.152.641	2.041.135	94,8%	2.764.750	2.346.420	84,9%
Total TITLE1 & 2- Commitment & Payment		6.953.084	6.839.213	98,4%	7.537.299	7.019.318	93,1%



	COMMITMENTS			PAYMENTS		
	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CS OPERATIONAL EXPENDITURE						
SMART FIXED WING AIRCRAFT	2.050.879	2.050.879	100,0%	6.829.823	6.829.821	100,0%
GREEN REGIONAL AIRCRAFT	1.635.779	1.635.779	100,0%	2.128.450	2.128.449	100,0%
GREEN ROTORCRAFT	0	0	-	5.831.278	5.831.278	100,0%
SUSTAINABLE AND GREEN ENGINES	3.183.937	3.183.394	100,0%	7.387.156	7.387.156	100,0%
SYSTEMS FOR GREEN OPERATIONS	470.590	470.590	100,0%	5.550.935	5.550.935	100,0%
ECO-DESIGN	0	0	-	46.407	16.224	35,0%
TECHNOLOGY EVALUATOR	0	0	-	605.956	605.956	100,0%
CALLS FOR PROPOSALS	20.879	20.879	100,0%	11.478.974	11.477.914	100,0%
TITLE 3 - Commitment and Payment	7.362.064	7.361.521	100,0%	39.858.978	39.827.735	99,9%
	COMMITMENTS			PAYMENTS		
CS2 OPERATIONAL EXPENDITURE COMMITMENTS						
LARGE PASSENGER AIRCRAFT	0	0	-	12.292.037	12.292.037	100,0%
REGIONAL AIRCRAFT	15.000.000	15.000.000	100,0%	10.160.000	10.156.641	100,0%
FAST ROTORCRAFT	0	0	-	3.440.549	3.440.549	100,0%
AIRFRAME	44.400.000	44.400.000	100,0%	31.805.000	31.800.696	100,0%
ENGINES	48.000.000	48.000.000	100,0%	39.720.000	39.718.242	100,0%
SYSTEMS	32.000.000	32.000.000	100,0%	24.450.000	24.438.316	100,0%
TECHNOLOGY EVALUATOR	860.228	860.228	100,0%	517.000	516.544	99,9%
ECO-DESIGN TA	800.000	800.000	100,0%	688.000	687.925	100,0%
SMALL AIR TRANSPORT TA	250.000	250.000	100,0%	160.000	154.019	96,3%
CALLS FOR PROPOSALS	156.696.119	156.562.020	99,9%	70.473.966	69.846.786	99,1%
TITLE 4 - Commitment and Payment	298.006.346	297.872.247	100,0%	193.706.552	193.051.756	99,7%
UNUSED APPROPRIATIONS NOT REQUIRED IN CURRENT YEAR	1.107.898,71	0,00	0,0%	2.400.394,43	0,00	0,0%
TITLE 5 - Commitment and Payment	1.107.899	0	0,0%	2.400.394	0	0,0%
TOTAL BUDGET - Commitment and Payment	313.429.393	312.072.982	99,6%	243.503.224	239.898.808	98,5%
TOTAL BUDGET excluding TITLE 5	312.321.494	312.072.982	99,9%	241.102.829	239.898.808	99,5%



Main highlights of the 2017 budget execution

As shown in the introduction to the budget implementation report above, the JU has had a 99.9% rate¹² of implementation for the commitment appropriations in 2017. The payment appropriations were executed to 99.5%¹³ of the available funds¹⁴. For a comparison in 2016 CSJU executed its commitment appropriations with a rate of 97.8% of the available funds and with 89.6% of payment appropriations.

¹² This rate is calculated excluding Title 5 which was foreseen not to be used in 2017 although within the overall budget available commitment appropriations of the year.

¹³ See footnote 4.

¹⁴ Excluding the unused appropriations 2017 of 2.4m€. 98.5% of execution rate if the unused appropriation is included as total payment budget.



Title 1 & 2: The running costs of the JU had again a very high rate of use in 2017 showing a reliable budgetary planning for this part of the JU budget:

- For commitment, the execution rate was 98.4%, slightly lower to 99.6% in 2016
- For payments, the rate achieved reached 93.1% in 2017 showing a very good increase compared to 83.1% in 2016

Staff expenditure budget (Chapter 11) was mainly used for the statutory staff of the JU (39 posts filled in as of 31.12.2017), 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 of JU funded beneficiaries in 2017 (Chapter 28).

Title 3: In 2017 the CS2JU reached 100% execution for commitments (99.7% in 2016). For payments the execution rate for 2017 showed a notable increase to 99.9% for both GAMs and GAPs (compared to 90.2% in 2016), corresponding to the closure of FP7 programme and the use of almost the total programme envelope. Remaining funds will be either returned to the EC or transferred to CS2 programme in accordance with the provisions of the CS2 regulation.

Title 4: The objective of reaching 100% of commitment appropriations consumption was achieved in 2017.

The execution rate for payment appropriations also reached 99.7% (compared to 89.7% in 2016) with 100% for GAMs and 99.1% for GAPs respectively. These payment execution rates resulted in only 2.4 m€ unused funds (compared to 22 m€ in 2016).



Implementation of the statement of expenditure (fund sources C4 and C8)

Implementation of the Statement of Expenditure 2017 All Programmes (EUR) (fund sources C4)							
Heading of the Budget 2017		Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
				COMMITMENTS			
CH 12	MISCELLANEOUS EXPENDITURE ON ST AFF	620		0,00%	620		0,00%
CH 13	MISSIONS AND DUTY TRAVEL	720		0,00%	720		0,00%
TITLE 1 - Commitment and Payment		1.340	0	0,00%	1.340	0	0,00%
CH 2	INFRASTRUCTURE EXPENDITURE	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 20	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	38.711		0,00%	38.711		0,00%
CH 23	CURRENT EXPENDITURE FOR RUNNING COSTS	93		0,00%	93		0,00%
CH 24	POST AGE AND TELECOMMUNICATIONS	12.261		0,00%	12.261		0,00%
CH 27	COMMUNICATION ACTIVITIES	1.200		0,00%	1.200		0,00%
TITLE 2 - Commitment and Payment		52.265	0	0,00%	52.265	0	0,00%
Total TITLE 1 & 2- Commitment & Payment		53.606	0	0,00%	53.606	0	0,00%
				COMMITMENTS			
CH 3	CS OPERATIONAL EXPENDITURE	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 34	SYSTEMS FOR GREEN OPERATIONS	364		0,00%	364		0,00%
CH 37	CALLS FOR PROPOSALS	8.838		0,00%	8.838		0,00%
TITLE 3 - Commitment and Payment		9.203	0	0,00%	9.203	0	0,00%
				COMMITMENTS			
CH 4	CS2 OPERATIONAL EXPENDITURE COMMITMENTS	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 40	LARGE PASSENGER AIRCRAFT	28.932		0,00%	28.932		0,00%
CH 43	AIRFRAME	6.224		0,00%	6.224		0,00%
CH 44	ENGINES	53.444		0,00%	53.444		0,00%
CH 45	SYSTEMS	60.547		0,00%	60.547		0,00%
CH 49	CALLS FOR PROPOSALS	336		0%	336		0,00%
TITLE 4 - Commitment and Payment		149.482	0	0,00%	149.482	0	0,00%
CH 5	UNUSED APPRO PIATIONS NOT REQUIRED IN CURRENT YEAR	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 50	TITLE 5 - Commitment and Payment	0	0	-	0	0	-
TOTAL BUDGET - Commitment and Payment		212.290	0	0,00%	212.290	0	0,00%
				PAYMENTS			
				COMMITMENTS			
				PAYMENTS			



This table shows a combination of two main factors for the funds which can be re-entered in the JU budget. First due to the aforementioned recovery of ex-post audit corrections, secondly due to the recovery of the overpaid pre-financing as a result of under execution. The JU also recovered miscellaneous small administrative expenses. The amounts entered on this funds source present the situation as 'cashed' by the JU at year end and will be incorporated into the 2018 JU budget as part of the re-entered appropriations.

Implementation of the Statement of Expenditure 2017 (EUR) (fund sources C8)				
Heading of the Budget 2016		Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
COMMITMENTS				
CH 1	STAFF EXPENDITURE			
CH 11	STAFF IN ACTIVE EMPLOYMENT	0	0	-
CH 12	MISCELLANEOUS EXPENDITURE ON STAFF	151.918	74.557	49,08%
CH 13	MISSIONS AND DUTY TRAVEL	42.589	26.471	62,15%
CH 14	SOCIOMEDICAL INFRASTRUCTURE	28.301	28.301	100,00%
CH 15	SOCIAL MEASURES	0	0	-
CH 17	RECEPTIONS AND EVENTS	0	0	-
TITLE 1 - Commitment and Payment		222.807	129.328	58,04%
CH 2	INFRASTRUCTURE EXPENDITURE	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 20	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	0	0	-
CH 21	INFORMATION TECHNOLOGY PURCHASES	199.223	117.971	59,22%
CH 22	MOVABLE PROPERTY AND ASSOCIATED COSTS	0	0	-
CH 23	CURRENT EXPENDITURE FOR RUNNING COSTS	30.277	3.409	11,26%
CH 24	POSTAGE AND TELECOMMUNICATIONS	4.870	2.737	56,21%
CH 25	EXPENDITURE ON FORMAL AND OTHER MEETINGS	90.461	80.660	89,17%
CH 27	COMMUNICATION ACTIVITIES	164.591	163.355	99,25%
CH 28	EXTERNAL SERVICES	531.578	505.931	95,18%
CH 29	COSTS ASSOCIATED WITH CALLS	53.578	675	1,26%
TITLE 2 - Commitment and Payment		1.074.577	874.739	81,40%
Total TITLE 1 & 2- Commitment & Payment		1.297.384	1.004.067	77,39%



		COMMITMENTS		
CH 3	CS OPERATIONAL EXPENDITURE	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 30	SMART FIXED WING AIRCRAFT	4.778.942	4.778.942	100,00%
CH 31	GREEN REGIONAL AIRCRAFT	492.670	492.670	100,00%
CH 32	GREEN ROTORCRAFT	11.490.885	5.831.278	50,75%
CH 33	SUSTAINABLE AND GREEN ENGINES	4.203.762	4.203.762	100,00%
CH 34	SYSTEMS FOR GREEN OPERATIONS	5.080.346	5.080.346	100,00%
CH 35	ECO-DESIGN	805.086	16.224	2,02%
CH 36	TECHNOLOGY EVALUATOR	635.580	605.956	95,34%
CH 37	CALLS FOR PROPOSALS	12.775.397	11.560.513	90,49%
TITLE 3 - Commitment and Payment		40.262.668	32.569.690	80,89%
		COMMITMENTS		
CH 4	CS2 OPERATIONAL EXPENDITURE COMMITMENTS	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 40	LARGE PASSANGER AIRCRAFT	35.158.313	35.158.313	100,00%
CH 41	REGIONAL ARCRAFT	10.654.589	8.933.393	83,85%
CH 42	FAST ROTORCRAFT	17.930.659	17.930.659	100,00%
CH 43	AIRFRAME	31.950.906	29.475.824	92,25%
CH 44	ENGINES	43.692.690	43.692.690	100,00%
CH 45	SYSTEMS	26.734.002	21.543.057	80,58%
CH 46	TECHNOLOGY EVALUATOR	376.770	376.770	100,00%
CH 47	ECO-DESIGN TA	677.563	677.563	100,00%
CH 48	SMALL AIR TRANSPORT TA	292.170	292.170	1
CH 49	CALLS FOR PROPOSALS	99.915.997	96.816.181	1
TITLE 4 - Commitment and Payment		267.383.660	254.896.621	95,33%
TOTAL BUDGET		308.943.712	288.470.378	93,37%



The C8 funds source shows the open commitments in the JU for previously committed for administrative expenditure and for grant agreements to beneficiaries. The remaining commitment appropriations are needed to meet expected future payments for the administrative expenditure, for the interim and final reports of the projects. Once the project is closed, these funds can be de-committed and converted to C2 funds source for re-use up to the following 3 financial years (Art. 6 of CS 2 JU Financial rules).



6 INDEX OF ABBREVIATIONS

ABAC	Accrual Based Accounting
ABP	Annual Budget Plan
AIR	ITD Airframe
BOA	Budgetary Outturn Account
BS	Balance Sheets
CA	Commitment Appropriations
CfP	Call for Proposals
CfT	Call for Tender
CP	Core Partner
CSJU	Clean Sky 2 Joint Undertaking
EC	European Commission
ECO	Eco-Design ITD
ECO TA	Eco Design Transverse Activity
ENG	ITD Engines
EOA	Economic Outturn Account
EU	European Union
FA	Fixed Assets
FP7	7 th Framework Programme for Research and Technological Development
FRC	IADP Fast rotorcraft
GAM	Grant Agreement for Members
GAP	Grant Agreement for Partners
GB	Governing Board
GMT	Grant Management Tool for grant agreements with members
GRA	ITD Green Regional Aircraft
GRC	ITD Green Rotorcraft
GVM	Grant View Monitoring (grant agreement with partners management tool)
H2020	Horizon 2020 EU Framework Programme for Research and Innovation
IAPD	Innovative Aircraft Demonstrator Platform
IKAA	In-kind contribution from additional activities
IKC	In kind contributions
IKOP	In-kind contribution from operational activities
ITD	Integrative Technology Demonstrator
JU	Joint Undertaking
LPA	IADP Large passenger aircraft
PA	Payment Appropriations
REG	IADP Regional aircraft
SAGE	ITD Sustainable and Green Energy
SAT	Small Air Transport Transverse Activity
SFWA	ITD Smart Fixed Wing Aircraft
SGO	ITD Systems for Green Operation
SPD	System & Platform Demonstrator
SYS	ITD Systems
TA	Transversal Activity
TE	ITD Technology Evaluator



7 PRIVATE MEMBERS OF THE CLEAN SKY 2 JOINT UNDERTAKING

Leaders

Airbus SAS
 Airbus Defence and Space SA
 Airbus Helicopters
 Dassault Aviation SA
 Deutsches Zentrum fuer Luft- und Raumfahrt e.V. (DLR)
 Evektor, spol. s.r.o
 Fraunhofer-Gesellschaft zur Foerderung der Angewandten Forschung E.V
 Leonardo SPA/Leonardo MW Ltd.
 Liebherr-Aerospace Lindenberg GmbH
 MTU Aero Engines AG
 Piaggio Aero Industries SPA
 Rolls-Royce Plc
 SAAB Aktiebolag
 Safran S.A.
 Thales Avionics SAS

Core Partners

Aciturri Assembly S.A. (ACIASSY)
 Aciturri Engineering S.L.U (ACIENG)
 Acumen Design Associates Ltd (Acumen)
 Advanced Laboratory on Embedded Systems S.r.L. (ALES)
 Aermova Aerospace SAU
 AERO-MAGNESIUM Limited ACS (AM)
 Aerosoft spa
 AeroTex UK LLP (ATX)
 AERTEC Solutions SL (AERTEC)
 Airsense Analytics GmbH
 Airtel ATN Limited (AIR)
 Akira Technologies Sarl (AKIRA)
 AKZO Nobel Car Refinishes B.V. (AKZO)
 Alma Mater Studiorum- Università di Bologna (UNIBO)
 ALTRAN Deutschland SAS & Co KG (ALTRAN)
 Altys Technologies SAS (ALT)
 ANSYS UK ltd
 Apparatebau Gauting GmbH (AOA)
 Arkema France
 Artus S.A.S (ART)
 ASCO Industries N.V (ASCO)
 BAE Systems (Operations) Ltd
 Barcelona Supercomputing Center (BSC)
 Brightloop SAS (BRLOOP)
 CAETANO AERONAUTIC SA (CAERO)
 Centre Composite SIA
 Centre d'Etudes et de Recherche enTechniques Industrielles Appliquees (CERTIA)
 Centre de Recherche en Aeronautique ASBL-CENAERO (CENAERO)[52]
 Centro Italiano Ricerche Aerospaziali SCpA (CIRA)
 Commissariat a l'energie atomique et aux energies alternatives (CEA)
 Compose (GM)
 CORIOLIS COMPOSITE TECHNOLOGIES (COR)



Core Partners (cont.)

Costruzioni Aereonautiche Tecnam Srl (TECNAM),
 Coventry University
 DANOBAT S.Coop (DAN)
 Desarrollos Mecánicos de Precisión, S.L (DMP)
 Desing Manufacturing Spa
 Deutsches Zentrum fuer Luft- und Raumfahrt e.V. (DLR)
 Diehl Aerospace GmbH (DAS)
 Diehl Aircabin GmbH (DAC)
 Distretto Tecnologico sull'Ingegneria dei Materiali Polimerici e Compositi e Strutture S.c.a.r.l.
 Dspace Digital Signal Processing and Control Engineering GMBH (DSPACE)
 Egile Corporation XXI (EGILE)
 Element Materials Technology Seville S.L.U.
 Erneo
 ESI ITI GmbH (ITI)
 Eurotech Sp. z o.o.
 Fokker Aerostructures B.V. (FAE)
 Fokker Landing Gear BV (FLG)
 Fokker Technologies Holding
 Fox Bit srl
 Freni Brembo SpA (BRE),
 Frequentis AG (FRQ)
 Friedrich-Alexander Universitaet Erlangen Nuernberg
 Fundación Andaluza para el Desarrollo Aeroespacial (CATEC)
 Fundación Centro de Tecnologías Aeronáuticas (CTA)
 Fundación para la Investigación, Desarrollo y Aplicación de Materiales Compuestos (FIDAMC)
 Fundación Tecnalia Research and Innovation (TECNALIA)
 GE Aviation Czech s.r.o.,
 GE Aviation Systems Limited (GEAS)
 GE Avio Srl
 GE Deutschland Holding GmbH
 GE Marmara Technology Centre (GEMTC)
 Geven Spa (Geven)
 GKN Aerospace Sweden AB
 GMVIS Skysoft SA
 Goodrich Actuation Systems Limited (GAS-APS)
 Goodrich Control Systems Private Unlimited Company (MDSC)
 Hellenic Aerospace Industry S.A. (HAI)
 Honeywell International s.r.o.
 IBK – Innovation GmbH & Co KG (IBK)
 IMAST – SCARL
 Imperial College of Science, Technology and Medicine (ICL)
 Inasco Hellas Etaireia Efarmosmenon Aerodiastimikon Epistimon (INASCO)
 INCAS Institutul National de Cercetare-dezvoltare aerospatala 'elie carafoli'-INCAS Bucuresti
 Industria de Turbo Propulsores S.A (ITP)
 INEGI - INSTITUTO DE CIENCIA E INOVACAO EM ENGENHARIA MECANICA E ENGENHARIA INDUSTRIAL
 Institut National Des Sciences Appliquées De Toulouse (INSAT)
 INSTITUTO DE SOLDADURA E QUALIDADE (ISQ)
 Instytut Lotnictwa (ILOT)
 INVENT Innovative Verbundwerkstoffrealisation und Vermarktung Neuertechnologien GMBH (Gesellschaft mit beschränkter Haftung)



Core Partners (cont.)

Israel Aerospace Industries Ltd. (IAI)
 ItalSystem S.r.l.
 LATElec
 LORTEK S.COOP (LORTEK)
 M&S Engineering Sk s.r.o
 Magnaghi Aeronautica S.p.A
 Magnaghi Aeronautica Spa
 Manufacture Française des pneumatiques Michelin (MIC)
 Meggitt A/S (MSSDK)
 Meggitt Aerospace Limited (MPC)
 Mission Embedded GmbH
 Montfort Laser GmbH
 MT-Propeller Entwicklung GmbH (MT-P)
 Noesis Solutions NV
 Nord-Micro GmbH & CO OHG
 Novotech-Advanced Aerospace Technology S.r.l.
 Oculavis GmbH
 Office National d'Etudes et de Recherches Aéropatiales (ONERA)
 Officine Meccaniche Irpine srl
 P.W.METROL DARIUSZ DABKOWSKI (PW)
 Pall Europe Limited
 PGA Electronic (PGA)
 Politechnika Rzeszowska im Ignacego Lukasiewicza
 Politecnico di Milano (POLIMI)
 Politecnico di Torino – DIMEAS (POLITO)
 POLSKIE ZAKLADY LOTNICZE
 Price Induction Sa
 PROTOM Group S.p.A
 ROMAERO SA
 Salver SPA
 SICAMB Spa
 Siemens Industry Software NV (SISW)
 Siemens SAS
 Societe Nationale de Construction Aerospatiale Sonaca SA (Sonaca)
 Stelia- Aerospace (STELIA)
 Step Sud Mare Srl (SSM)
 STICHTING NATIONAAL LUCHT- EN RUIMTEVAARTLABORATORIUM
 SZEL-TECH SZELIGA GREGORZ
 TECHNI-MODUL ENGINEERING Societe Anonyme (TME)
 Technische Universiteit Delft (TUD)
 Techno System Development s.r.l
 The manufacturing Technology Centre Limited (MTC)
 The University Of Nottingham (UNOTT)
 The University of Sheffield, University (USFD)
 Titech Computertechnik AG
 Triumph Actuation Systems UK Ltd
 ULTRATECH Sp. Z o.o.
 Umbra Cuscinetti Spa
 United Technologies Research Centre Ireland, Limited (UTRC)
 Universidad Politécnica de Madrid (UPM)
 Università degli Studi di Napoli Federic-o II (UNINA)
 Università degli Studi di Pisa (UNIP)
 Universitaet Stuttgart (USTUTT)
 University of Bradford (UOB)
 University of Patras (UPAT)
 Viola Consulting Srl (VIOLA)
 Vrije Universiteit Brussel (VUB)
 ZAKLADY LOTNICZE MARGANSKI & MYSLOWSKI SA (ZLMM)
 Zodiac Aerotechnics (ZAET) SAS
 Zodiac Aircrafting Equipment Europe BV
 Zodiac Engineering
 Zodiac Seats France



8 CERTIFICATE OF THE ACCOUNTING OFFICER

The Final Accounts of the Clean Sky 2 Joint Undertaking for the year 2017 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 2 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 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 211,124,430.09). Following validation of the in-kind contribution declarations by management and approval by the Governing Board later in 2018, these in-kind contributions will be transferred to the Net Assets of the CS JU. Consequently 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 and the related in-kind contribution declarations of beneficiaries for the reporting period.

My assurance statement related to the Final Accounts 2017 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 Tóth