



Innovative Medicines Initiative

**ANNUAL ACCOUNTS
OF
THE INNOVATIVE MEDICINES INITIATIVE
JOINT UNDERTAKING
FOR THE YEAR 2012**



The annual accounts of the Innovative Medicines Initiative Joint Undertaking for the year 2012 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Innovative Medicines Initiative Joint Undertaking in accordance with art 68 of the Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show the Innovative Medicines Initiative 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 Innovative Medicines Initiative Joint Undertaking.

A handwritten signature in blue ink, appearing to read 'Khâm Lê', is written over a horizontal blue line.

Khâm Lê
Accounting officer of
Innovative Medicines Initiative Joint Undertaking

TABLE OF CONTENTS

1	FINANCIAL STATEMENTS	3
	1.1 Balance sheet	3
	1.2 Economic outturn account	5
	1.3 Cash flow table	6
	1.4 Statement of changes in Net Assets	7
2	ACCOUNTING RULES	8
3	NOTES ON FINANCIAL STATEMENTS 2012	11
	3.1 Non-current assets	11
	3.2 Current Assets	13
	3.3 Net Assets	14
	3.4 Current liabilities	14
	3.5 Economic Outturn account	22
	3.6 Cash flow	24
4	REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT - FINANCIAL YEAR 2012	25
	4.1 Budgetary principles	25
	4.2 Management information systems	25
	4.3 Budget	25
	4.3.1 Budget transfers	26
	4.3.2 Budget execution	26
	4.4 Revenue	26
	4.5 Expenditure	27
	4.5.1 Administrative expenditure (Title I and Title II)	27
	4.5.2 Operational expenditure (Title III)	29
	4.6 Budget outturn account	31
5	ANNEX - BUDGETARY EXECUTION	33

1 FINANCIAL STATEMENTS

1.1 Balance sheet

ASSETS					
Heading	Account Description	G/L acct	Note n°	Balance period 2012 EUR	Balance period 2011 EUR
I. NON-CURRENT ASSETS				156,508,538.41	88,993,954.34
Intangible fixed assets					
		21000000		0.00	0.00
	<i>Computer software</i>		3.1 a	177,506.24	256,674.08
	<i>Purchase price</i>	21001001		350,752.37	342,232.11
	<i>Depreciation</i>	21008001		-173,246.13	-85,558.03
Tangible fixed assets					
	<i>Computer hardware</i>		3.1 b	50,717.41	85,838.60
	<i>Purchase price</i>	24101001		126,647.91	123,702.17
	<i>Depreciation</i>	24108001		-75,930.50	-37,863.57
	<i>Office furniture</i>		3.1 b	175,546.52	180,498.38
	<i>Purchase price</i>	24001001		227,964.36	205,274.10
	<i>Depreciation</i>	24008001		-52,417.84	-24,775.72
Long - term prefinancing				156,104,768.24	88,470,943.28
II. CURRENT ASSETS				12,247,792.09	17,192,536.45
Short - term receivables					
			3.2 a	4,261,488.19	1,761,495.36
	<i>Receivable from EFPIA</i>	40001000		1,410,000.00	1,660,162.00
	<i>Receivable from other JU</i>	40005300		2,783.51	2,906.72
	<i>Pre-financing (Administrative Expenses)</i>	40601100		16,270.66	0.00
	<i>Pre-financing (Operational Expenses)</i>	40601200		2,714,385.35	0.00
	<i>Bank interest to be received</i>	49100000		101,700.29	94,579.09
	<i>Advances on missions</i>	45321000		0.00	3,133.70
	<i>Advances on salaries</i>	45311000		1,350.00	713.85
	<i>Staff</i>	40007000		0.00	0.00
	<i>Cautions</i>	42902000		296.78	0.00
	<i>Deferred charges</i>	49000000		14,701.60	0.00
Cash & Cash equivalents					
			3.2 b	7,986,303.90	15,431,041.09
	<i>Cash at banks</i>			<u>7,986,303.90</u>	<u>15,431,041.09</u>
		55023000		7,986,303.90	15,431,041.09
	<i>Cash in transit</i>	56023000		0.00	0.00
TOTAL ASSETS				168,756,330.50	106,186,490.79

LIABILITIES							
Heading	Account Description	G/L acct	Note n°	Balance period 2012		Balance period 2011	
				EUR	EUR	EUR	EUR
III. NET ASSETS				-64,298,603.45	-22,986,571.92		
Members Contributions in Cash		14400000	3.3	-230,731,219.90	-128,879,681.75		
European Commission				-222,165,851.85	-124,381,891.85		
EFPIA				-8,565,368.05	-4,497,789.90		
Members Contributions in Kind		14401000		-52,005,654.00			
Accumulated contributions used in previous years		14000000		105,893,109.83	28,385,255.77		
Contributions from members used during the year (economic result of the year: surplus(-) / deficit (+))				112,545,160.62	77,507,854.06		
TOTAL NET ASSETS				-64,298,603.45	-22,986,571.92		
IV. NON-CURRENT LIABILITIES				0.00	0.00		
Long term provision		16320000		0.00	0.00		
V. CURRENT LIABILITIES				-104,457,727.05	-83,199,918.87		
Accounts Payables			3.4	-126,899.05	-99,373.76		
<i>Accounts payables with consolidate entities</i>		44005100			0.00		
<i>Grant beneficiaries</i>				<u>-4,314,668.72</u>	<u>0.00</u>		
<i>Public bodies</i>		44004000		-4,314,668.72	0.00		
<i>Amounts payable</i>				<u>4,187,769.67</u>	<u>-99,373.76</u>		
<i>Suppliers</i>		44001000		-4,008,438.42	-102,315.29		
<i>Staff</i>		44007000		-3,839.64	-638.59		
<i>Eligibility to be confirmed</i>		49030000		8,091,026.63	3,580.12		
<i>Verification - invoices</i>		49040000		109,021.10	0.00		
Other accounts payables			3.4	-104,330,828.00	-83,100,545.11		
<i>Taxes, salaries and social security</i>				<u>-36.64</u>	<u>-15.70</u>		
<i>Contribution for pension costs</i>		45491000		0.00	0.00		
<i>Contribution for sickness costs</i>		45492000		0.00	0.00		
<i>Contribution for taxes</i>		45493000		0.00	0.00		
<i>Contribution for accident costs</i>		45622000		0.00	0.00		
<i>Contribution for unemployment</i>		45800000		0.00	0.00		
<i>Contribution for nursery costs</i>		46207000		-36.64	-15.70		
<i>Net salary to be paid</i>		47530100		0.00	0.00		
<i>Accrued charges:</i>			3.4	<u>-104,330,791.36</u>	<u>-83,100,529.41</u>		
<i>Estimated "in-kind" contribution of EFPIA members</i>		44520000		-50,307,900.00	-52,755,564.11		
<i>Accrued administrative charges</i>		49055000	3.4	-517,419.40	-386,812.95		
<i>Accrued operational cost claims</i>		49055000		-53,505,471.96	-29,958,152.35		
TOTAL LIABILITIES				-104,457,727.05	-83,199,918.87		
TOTAL NET ASSETS & LIABILITIES				-168,756,330.50	-106,186,490.79		

1.2 Economic outturn account

Economic Outturn Account					
Heading	Account Description	G/L acct	Note N°	Balance period 2012	Balance period 2011
				EUR	EUR
I. OPERATING REVENUES				26,658.59	289,966.27
Miscellaneous income from other JU		74025000	3.5	26,658.59	85,065.89
Other Income (Fixes assets)		74000700			204,900.38
II. OPERATING EXPENSES				-113,096,889.18	-78,341,758.41
Administrative Expenses				-6,531,355.31	-5,201,608.12
	<i>Experts & Related Expenses</i>	61085000	3.5	-619,070.59	-596,303.73
	<i>Fixed Assets related expenses (Depreciation of Assets)</i>	63020000		-153,779.67	-141,259.30
	<i>Other administrative expenses</i>		3.5	<u>-1,913,597.31</u>	<u>-1,402,533.72</u>
	<i>Office supplies</i>	61010000		-74,407.46	-64,124.75
	<i>Communications & publications</i>	61020000		-189,567.91	-159,000.99
	<i>Publicity & Legal expenses</i>	61030000		-8,625.00	0.00
	<i>Miscellaneous insurances</i>	61040000		-14.34	-20.00
	<i>Transport expenses</i>	61050000		-6,229.22	-4,478.45
	<i>Recruitment costs</i>	61060000		-456.47	-708.84
	<i>Training costs</i>	61070000		-62,827.84	-12,908.19
	<i>Missions costs</i>	61080000		-138,792.64	-114,443.85
	<i>IT-development costs</i>	61094020		-42,259.62	-104,627.71
	<i>IT-operational costs</i>	61094030		-421,201.22	-502,187.27
	<i>Other external services non IT</i>	61095000		-850,133.94	-339,976.13
	<i>Other administrative expenses with Consolidated entities</i>	61100000		-119,081.65	-100,057.54
	<i>Rent expenses</i>		3.5	<u>-360,735.77</u>	<u>-331,907.60</u>
	<i>Rent of land & buildings</i>	61001000		-355,918.35	-278,176.93
	<i>Other rental expenses</i>	61001500		-4,817.42	-53,730.67
	<i>Staff expenses</i>		3.5	<u>-3,484,171.97</u>	<u>-2,729,603.77</u>
	<i>Staff costs</i>	62000000		-2,755,870.81	-2,174,824.57
	<i>Employer's contribution to unemployment costs</i>	62020000		-30,921.60	-25,298.20
	<i>Employer's contribution to Social Security</i>	62030000		-89,520.09	-78,690.16
	<i>Social activities</i>	62040000		-52,534.24	-23,050.30
	<i>Staff allowances</i>	62050000		-555,325.23	-427,740.54
Operational Expenses				-106,565,533.87	-73,140,150.29
	Cost Claims paid to beneficiaries	60810000		-57,007,543.98	-34,545,033.18
	Contribution in-kind	60820000		-49,557,989.89	-38,595,117.11
DEFICIT FROM OPERATING ACTIVITIES				-113,070,230.59	-78,051,792.14
III. FINANCIAL REVENUE				527,611.87	546,603.88
Interest Revenue				527,611.87	546,603.88
	Prefinancing Interest	74005000	3.5	52,864.52	19,285.68
	Bank Interest	75016000		474,655.28	525,839.39
	Exchange Gain	74850000		92.07	1,478.81
IV. FINANCIAL EXPENSES				-2,541.90	-2,665.80
Financial Expenses and others				-2,476.90	-2,650.80
	Exchange Loss	64850000		-386.12	-1,979.17
	Interest on late payment	65010000		-1,708.27	-669.28
	Extraordinary losses	69000000		-382.51	-2.35
Bank fees				-65.00	-15.00
SURPLUS FROM NON-OPERATING ACTIVITIES				525,069.97	543,938.08
CONTRIBUTION FROM MEMBERS USED DURING THE YEAR				-112,545,160.62	-77,507,854.06

1.3 Cash flow table

	2012	2011
Surplus/Surplus/(deficit) from ordinary activities	-112,545,160.62	-77,507,854.06
Cash Flows from ordinary activities		
Operating activities		
Adjustments		
Amortization (intangible fixed assets) (+)	87,688.10	85,558.03
Depreciation (tangible fixed assets) (+)	65,709.05	55,701.27
Increase/(decrease) in Provisions for risks and liabilities	0.00	0.00
Increase/(decrease) in Value reduction for doubtful debts	0.00	0.00
(Increase)/decrease in Stock	0.00	0.00
(Increase)/decrease in Long term Pre-financing	-70,348,210.31	-53,766,760.01
(Increase)/decrease in Short term Pre-financing	0.00	0.00
(Increase)/decrease in Long term Receivables	0.00	0.00
(Increase)/decrease in Short term Receivables	214,392.52	-1,622,217.62
(Increase)/decrease in Receivables related to consolidated EU entities		
Increase/(decrease) in Other Long term liabilities		
Increase/(decrease) in Accounts payable	21,257,808.18	57,974,615.72
Increase/(decrease) in Liabilities related to consolidated EU entities		-1,785.00
Contribution in Kind from owner (EFPIA)	52,005,654.00	
Net cash Flow from operating activities	-109,262,119.08	-74,782,741.67
Cash Flows from investing activities		
Increase of tangible and intangible fixed assets (-)	-34,156.26	-642,768.34
Proceeds from tangible and intangible fixed assets (+)		
Net cash flow from investing activities	-34,156.26	-642,768.34
Cash flow from financial activities		
Contribution from owners	101,851,538.15	20,125,484.35
Net Cash Flow from financial activities	101,851,538.15	20,125,484.35
Net increase/(decrease) in cash and cash equivalents	-7,444,737.19	-55,300,025.66
Cash and cash equivalents at the beginning of the period	15,431,041.09	70,731,066.75
Cash and cash equivalents at the end of the period	7,986,303.90	15,431,041.09

1.4 Statement of changes in Net Assets

Net assets	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Net assets (total)
	Fair value reserve				
Balance as of 31 December 2011			100,494,425.98	-77,507,854.06	22,986,571.92
Changes in accounting policies					0.00
Balance as of 1 January 2012	0.00	0.00	100,494,425.98	-77,507,854.06	22,986,571.92
Contribution from members in Cash			101,851,538.15	-112,545,160.62	
European Commission			97,783,960.00		
EFPIA			4,067,578.15		
Contribution from members in Kind			52,005,654.00		
Balance as of 31 December 2012	0.00	0.00	254,351,618.13	-190,053,014.68	64,298,603.45

2 ACCOUNTING RULES

The financial statements comply with the accountancy provisions adopted by the Accountant of the European Commission in accordance with the General Financial Regulation art. 133 and 185, and the Financial Rules of the Innovative Medicines Initiative Joint Undertaking, especially section 3, article 44.

During the process of drawing up this report, the general accounting principles set out by article 124 of the Financial Regulation are applied:

- Going concern basis
- Prudence
- Consistent accounting method
- Comparability of information
- Materiality
- No netting
- Reality over appearance
- Accrual-based

➤ **Tangible and intangible fixed assets**

Tangible and intangible fixed assets are evaluated at their purchased costs in euro. In case of purchase in foreign currency, the amounts are converted into euro with the exchange rate in force at the time of the transaction. The booking value of an asset is considered as being equal to its purchase price or production costs, including negative or positive revaluation amounts.

According to article 210 of the Implementing rules and article 90 of the Financial regulation, "All items acquired whose purchase price or production cost is EUR 420 or more, with a period of use greater than one year, and which are not consumables shall be entered in the inventory and recorded in the fixed assets accounts."

The ancillary costs are included in the asset value or recognised as a distinct asset if they will generate a future economic advantage. Any repair or maintenance is entered in charge in the book year when it occurs.

The depreciation is calculated according to the straight-line method in order to distribute the cost during the estimated lifetime of the asset.

According to EC accounting rule n° 17 regarding "Revenue from non-exchange transactions (taxes and transfers)", gifts and donations are recognised as assets and revenue when it is probable the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

The assets might be subject to positive or negative adjustments at the annual accounts closure date.

➤ **Internally generated intangible assets**

EU Accounting rule Nr 6 foresees that detailed internal and external costs linked to internally developed intangible assets should be tracked and disclosed in the annual accounts. The threshold is 500.000 EUR.

Depreciation table (Standard rates)

Asset type	Depreciation rate (on initial purchase price, eventually revaluated)
<u>Intangible fixed assets</u>	
Software for personal computers and servers	25%
<u>Tangible fixed assets</u>	
<u>Land</u>	0%
<u>Buildings</u>	4%
<u>Plant and equipment</u>	
Equipment for the supply and treatment of electric power	12,5%, 25%
Specific electric equipment	25%
<u>Furniture and vehicles</u>	
Office, laboratory and workshop furniture	10%
Electrical office equipment, printing and mailing equipment	25%
Print shop and post room equipment	12,5%
<u>Computer hardware</u>	
Computers, servers, accessories, data transfer equipment, printers, screens	25%
Copying equipment, digitising and scanning equipment	25%
<u>Other fixtures and fittings</u>	
Telecommunications equipment	25%
Audiovisual equipment	25%
Computer, scientific and general books, documentation	
Computer books, CDs, DVDs	33%
Scientific books, general books, CDs, DVDs	25%

➤ **Evaluation of in-kind contribution**

In accordance with IPSAS standards and generally accepted accounting principles, several items of the financial statements need to be valued on estimates calculated (i.e. by pro rata) by management on reliable information.

These estimates include accrued income and charges, as well as evaluation of in-kind contribution of EFPIA companies that have not yet been recorded at the date of the drawing up of this report.

➤ **Receivables**

Receivables are evaluated at their liquidated value.

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

➤ **Provision**

IMI JU makes provisions when there is a legal and justified obligation which results from a past transaction and if there is a probability that its own resources have to be consumed to settle this transaction. However, the provision amount should be estimated in a reasonable and reliable way.

➤ **Contribution of founding members**

According to the note of the Accounting Officer of the Commission, subsidies and contributions that the Joint Undertaking receives from the European Union and other members are considered as investments.

➤ **Revenues and expenses**

Revenues and expenses are entered in accordance with the principles of accrual basis accounting.

➤ **Financial revenues and expenses**

According to Article 11 of the statutes of IMI Joint Undertaking, "any financial interests yielded by the contributions paid by its Members shall be considered to be revenue of the IMI Joint Undertaking".

➤ **Contingent liabilities and contingent assets**

A contingent asset is a possible right that arises from past events and whose 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 Joint Undertaking.

A contingent liability is:

- a possible obligation, that arises from past events, and whose 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 Joint Undertaking, or
- a present obligation that arises from past events but is not recognized either because it is unlikely that the Joint Undertaking will use its own resources to settle the obligation or because the value of the obligation cannot be measured with sufficient reliability.

3 NOTES ON FINANCIAL STATEMENTS 2012

3.1 Non-current assets

Total of non-current assets amounted to EUR 156,508,538.41 in year 2012. The main part consists of long term pre-financing paid in favour of beneficiaries of grants from 2009 till end 2012.

a) Intangible fixed assets

Computer software for a gross amount of EUR 350,752.37 includes of a licence for using Adobe Software and investment for Core infrastructure with “wi-fi” shared with other JU’S located in the same premises, the donation named “Submission tool” from EFPIA and investments for EUR 8,520 in year 2012.

2012		Other Computer Software	Total Computer Software	Other Intangible fixed assets (1)	Total
Gross carrying amounts 01.01.2012	+	137,331.73	137,331.73	204,900.38	342,232.11
Additions	+	8,520.26	8,520.26		8,520.26
Disposals	-		0.00		0.00
Transfer between headings	+/-		0.00		0.00
Other changes	+/-		0.00		0.00
Gross carrying amounts 31.12.2012		145,851.99	145,851.99	204,900.38	350,752.37
Accumulated amortization and impairment 01.01.2012	-	-34,332.93	-34,332.93	-51,225.10	-85,558.03
Amortization	-	-36,463.00	-36,463.00	-51,225.10	-87,688.10
Write-back of amortization	+		0.00		0.00
Disposals	+		0.00		0.00
Impairment	-		0.00		0.00
Write-back of impairment	+		0.00		0.00
Transfer between headings	+/-		0.00		0.00
Other changes	+/-		0.00		0.00
Accumulated amortization and impairment 31.12.2012		-70,795.93	-70,795.93	-102,450.20	-173,246.13
Net carrying amounts 31.12.2012		75,056.06	75,056.06	102,450.18	177,506.24

(1) According to Council Regulation (CE) n° 73/2008, founding members contribute to the development of IMI JU. EFPIA has donated the Call management tool “IMI JU Electronic Submission and Evaluation Tool”, an asset which has been valued for 204.900,38 EUR..

b) Tangible fixed assets

- Computer hardware which gross value amounted to EUR 126,647.91 consists of laptops and printers used by staff members;
- Office furniture increases for an amount of EUR 22,690.26 for new staff members who joined IMI JU in end 2011 and during year 2012.

2012		Computer hardware	Furniture	Total
Gross carrying amounts 01.01.2012	+	123,702.17	205,274.10	328,976.27
Additions	+	3,710.77	22,690.26	26,401.03
Other changes (1)	+/-	-765.03		-765.03
Gross carrying amounts 31.12.2012		126,647.91	227,964.36	354,612.27
				0.00
Accumulated amortization and impairment 01.01.2012	-	-37,863.57	-24,775.72	-62,639.29
Depreciation 2012	-	-38,449.45	-27,642.12	-66,091.57
Write-back of depreciation	+	382.52		382.52
Accumulated amortization and impairment 31.12.2012		-75,930.50	-52,417.84	-128,348.34
Net carrying amounts 31.12.2012		50,717.41	175,546.52	226,263.93

c) Long-term pre-financing

Pre-financings are classified as long term, due to the duration of IMI JU projects (from 3 to 7 years).

As of end 2012, IMI JU has awarded a total pre-financing amount of EUR 159,058,619.15 to 40 long-term projects. The details are set out below:

PROJECT NAME	Managing entity	Call	Year 2010 (EUR)
EMTRAIN	Medizinische Universitaet Wien, MUW	1	914,285.71
E-TOX	Fundació IMIM Carlos Diaz	1	1,516,157.12
EU2P	Université Victor Segalen Bordeaux 2, UB2	1	1,113,512.00
EUROPAIN	Kings College London, KCL	1	1,919,790.08
IMIDIA	UNIL-Université de Lausanne	1	2,263,923.20
MARCAR	UNIVERSITY OF DUNDEE	1	1,935,864.96
NEWMEDS	King's College London, KCL	1	2,627,585.92
Pharma Train	Universitaet Basel, UNIBAS,	1	1,123,296.00
PHARMA-COG	Université de la Méditerranée – Aix-Marseille IIPr,	1	3,090,683.16
PROactive	Katholieke Universiteit Leuven, KUL	1	2,165,631.04
PROTECT	DKMA-Danish Medicines Agency	1	3,523,108.80
SafeSciMET	VUA-Vrije Universiteit Amsterdam	1	709,249.60
SAFE-T	NMI Natural and Medical Sciences Institute	1	4,448,630.72
SUMMIT	Lunds Universitet, ULUND	1	4,479,993.28
U-BIOPRED	AMC	1	2,872,471.68
Total 15 Projects			34,704,183.27

PROJECT NAME	Managing entity	Call	Year 2011 (EUR)
DDmore	Uppsala University	2	3,076,818.56
EHR4CR	EuroRec	2	2,807,618.40
Open PHACTS	University of Wien	2	5,327,395.73
OncoTrack	Max-Planck Institute	2	5,136,090.24
PREDECT	University of Helsinki (Ineum)	2	2,592,162.88
Quic-Concept	EORTC, Belgium	2	2,240,000.00
BTCURE	Karolinska Institutet	2	5,164,119.04
RAPP-ID	University of Antwerp, Belgium	2	2,185,100.16
DIRECT	University of Dundee	3	6,844,365.00
BIOVACSAFE	St- George's Hospital Medical School, UK	3	5,576,213.00
EUPATI	European Patients' Forum	3	1,680,000.00
EU-AIMS	King's College London	3	6,229,505.00
MIP DILI	University of Liverpool, UK	3	4,907,372.00
TOTAL 13 PROJECTS			53,766,760.01

PROJECT NAME	Managing entity	Call	Year 2012 (EUR)
NEWMEDS	King's College London, KCL	1	248,003.00
PREDICT-TB	University of Liverpool, UK	3	4,729,233.00
ABIRISK	INSERM, FR	3	5,814,469.00
ORBITO	Uppsala Universitet	4	2,872,125.00
StemBanCC	Oxford	4	8,320,000.00
CHEM 21	University Manchester	4	3,931,855.00
eTRIKS	Imperial College London	4	3,299,141.00
K4DD	Universiteit Leiden	4	2,651,817.00
COMPACT	Universiteit Utrecht	4	3,259,172.00
EMIF	Erasmus	4	9,742,739.00
EU2CLID	Universiteit Leiden	5	20,604,175.87
Translocation	Jacobs University GmbH	6	5,114,946.00
	TOTAL 12 PROJECTS		70,587,675.87

During year 2012, pre-financing for projects NEWMEDS and Pharma Train (2010) were partially settled respectively for EUR 1,552.17 and EUR 237,913.39.

Settlements of several pre-financing are also forecasted in year 2013 as follow:

Project name	Original PF amount	Clearing in 2013 (Estimated amount)
EU2P	1,113,512.00	659,423.10
e-TOX	1,516,157.12	414,246.51
SAFESCIMET	709,249.60	406,751.40
IMIDIA	2,263,923.20	110,668.34
PharmaTrain	1,123,296.00	1,123,296.00
Total		2,714,385.35

The amount of EUR 2,714,385.35 is deducted from long term financing and reclassified as short term pre-financing.

3.2 Current Assets

a) Short-term receivables

As of 31st December 2012, short-term receivables are mainly constituted of:

- cash contribution from EFPIA for EUR 1,410,000.00 not yet received,
- receivable from other JU for EUR 2,783.51,
- bank interest income for EUR 101,700.29, related to 4th quarter 2012, but cashed in January 2013,
- miscellaneous advances to staff members, and
- deferred charges for an amount of EUR 14,701.60, according to accrual principle.

b) Cash

IMI JU ended year 2012 with a cash at bank of EUR 7,986,303.90 including bank interest of the 3 first quarters 2012.

3.3 Net Assets

A net asset of EUR -64,298,603.45 is booked in year 2012, as the difference between the total of contributions (in cash and in kind) from founding members and the total of cumulated contributions that IMI used for activities till end of 2012.

The cumulated cash contribution received by IMI JU from its owners amounts to EUR 230,731,219.90 and the validated EFPIA contribution in-kind is EUR 52,005,654.

Year	Cash received from the Commission		Cash received from EFPIA	Total from the Commission and EFPIA
	Administrative	Operational	Administrative	
2009	2,391,933.31	78,643,200.00	711,167.90	81,746,301.21
	71,596.19	(contribution through pre-financing to IMI's suppliers)		71,596.19
2010	4,305,840.00	20,504,000.00	2,126,460.00	26,936,300.00
2011	3,842,709.35	14,622,613.00	1,660,162.00	20,125,484.35
2012	4,700,000.00	93,083,960.00	4,067,578.15	101,851,538.15
Total	15,312,078.85	206,853,773.00	8,565,368.05	230,731,219.90

The European Commission booked, in year 2008, before autonomy date of IMI JU, a total amount of 343,948.08 EUR as “payment appropriation Execution IMI JU 2008”, on the basis of Article 16 “preparatory action” of Council Regulation N° 73/2008.

This amount is included in the following table:

- Other EC subsidy for running costs:

	EC payments before autonomy	Common RTD expenditures for JTIs	EC PMO payments after autonomy	Total Other EC subsidy
2008	343.948,08			343.948,08
2009	596.973,52	9.314,64	8.740,58	615.028,74
2010			26.077,68	26.077,68
2011		7.911,65		7.911,65
Total	940.921,60	17.226,29	34.818,26	992.966,15

3.4 Current liabilities

Accounts payables

The balance of “Accounts payables of IMI JU as of Dec 2012 amounted to EUR 126,899.05.

Other accounts payables and contingent liabilities

Taxes, salaries and social security

All debts regarding salaries and social security are settled as of end December 2012, excepted a minor amount of EUR 36.64 related to contribution of IMI JU to nursery costs.

Accrued charges

A total amount of EUR 104,330,791.36 is booked as accrual charges:

- EUR 517,419.40 booked as accrual for administrative charges relating to services and goods delivered by vendors, expert reimbursements, and missions fees of staff during year 2012 but not yet settled in the same year. Included in this amount, the total number of vacation days not yet taken by staff members during the year, calculated on the basis of a salary's daily average of each grade, 1.7% of monthly salary of staff members to cover an eventual payment in 2012 for indexation of salary not done in 2011 and 2012, following the decision of the Council, etc.
- EUR 50,307,900.00 as estimated "in-kind" contribution from EFPIA members. This amount is based on value declared and a pro-rata calculation on the number of remaining months between the end of the respective reporting periods and the end of 2012.
- EUR 53,505,471.96 as accrual for cost claims related to year 2012.

Administrative charges accrual 2012	Amount
<u>Human resources</u>	<u>196,695.48</u>
Salary indexation 1,7%	91,583.20
Untaken holidays in 2012	74,054.33
Medical examination	12,000.00
Transport contribution	135.00
Training for staff	738.00
Interim staff	18,184.95
<u>Office supplies and maintenance</u>	<u>34,957.58</u>
<u>Missions and Experts expenses</u>	<u>92,890.06</u>
Training "Financial workshop"	17,818.63
Staff Missions	24,040.63
Communication & publication	30,685.37
Experts & related expenses	20,345.43
<u>IT expenses</u>	<u>96,373.09</u>
<u>IT assets</u>	<u>1,458.24</u>
<u>Other services & Expenses with consol. Entities</u>	<u>95,044.95</u>
TOTAL:	517,419.40

EFPIA IN-KIND CONTRIBUTION 2012								ACTUAL			ACCRUAL	
Projects	Start date of the Project	End of Reporting period	TOTAL Duration in months	Months declared in 2012	Accrued months in 2012	Total Committed EFPIA in-kind	EFPIA in kind reported	EFPIA in kind reported	EFPIA in kind reported (accepted/ validated at 31.12.2012)	EFPIA in kind reported after 31.12.2012 (received not validated)	Estimated 2012 in kind (remaining 2012 months)	
	(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8a)	(8b)	(9) = 5 / 3 * 4	
Call 1 Projects								P1	P2	P3	P3	
1	PHARMATRIN	1/05/2009	30/04/2012	60	4	8	3,143,288	356,649	548,758		611,100	419,105
2	SAFE T	15/06/2009	31/07/2012	60	7	5	17,983,604	1,602,297	1,792,593	2,157,950		1,498,634
3	EU2P	1/09/2009	31/08/2012	60	8	4	3,791,161	258,202	690,695		332,677	252,744
4	NEWMEDS	1/09/2009	31/08/2012	60	8	4	13,442,771	1,359,239	2,357,899		3,347,055	896,185
5	PROactive	1/09/2009	31/08/2012	60	8	4	8,225,388	545,949	907,768		886,780	548,359
6	PROTECT	1/09/2009	31/08/2012	60	8	4	9,700,789	734,700	1,351,003	2,160,284		646,719
7	EMTRAIN	1/10/2009	30/09/2012	84	9	3	3,535,143	260,852	498,175		591,622	126,255
8	U-BIOPRED	1/10/2009	30/09/2012	60	9	3	10,836,687	1,581,987	2,144,347		1,571,043	541,834
9	EUROPAIN	1/10/2009	30/09/2012	60	9	3	10,343,023	1,974,255	2,376,240		2,181,874	517,151
10	SUMMIT	1/11/2009	31/10/2012	60	10	2	14,567,466	2,369,358	1,946,055		4,468,944	485,582
11	e-Tox	1/01/2010	31/12/2012	60	12	0	7,984,119	992,985	1,145,744		1,761,527	0
12	MARCAR	1/01/2010	31/12/2012	60	12	0	5,155,604	1,508,137	1,051,839		1,198,356	0
13	PHARMA-COG	1/01/2010	31/12/2012	60	12	0	11,487,333	1,578,875	3,383,458		3,367,654	0
14	SAFESciMET	1/01/2010	31/12/2012	60	12	0	3,564,100	492,031	774,595	-	712,172	0
15	IMIDIA (*)	1/02/2010	31/01/2013	60	13	-1	15,081,800	1,945,168	2,734,406		2,904,542	-251,363
							138,842,276	17,560,685	23,703,576	4,318,234	23,935,347	5,681,205
							Total P1 + P2:	41,264,261	Accrual Call 1:	45,582,495	Accrual Call 1:	29,616,553
												29,616,553
(*) IMIDIA in kind includes 1 month in 2013												
Call 2 Projects								P1	P2		P2	
16	PREDECT	1/02/2011	31/12/2012	60	12	0	8,253,304		861,939	0	2,562,769	0
17	OncoTrack	1/01/2011	31/12/2012	60	12	0	10,544,557		1,186,995	0	1,994,626	
18	Quic-Concept	1/09/2011	31/07/2012	60	7	5	6,788,606		735,958	0	0	565,717
19	RAPP-ID	1/04/2011	31/12/2012	60	12	0	5,848,470		484,470	0	886,216	
20	BTCURE	1/04/2011	31/12/2012	60	12	0	14,767,531		470,834	0	1,625,316	
21	DDmore	1/03/2011	31/12/2012	60	12	0	10,218,672		975,913	0	1,261,313	
22	Open PHACTS	1/03/2011	31/12/2012	36	12	0	4,596,565		563,198	0	1,418,118	
23	EHR4CR	1/03/2011	31/12/2012	48	12	0	7,042,616		1,143,852	0	1,318,822	
							68,060,321		6,423,159	0	11,067,181	565,717
									6,423,159			11,632,899

EFPIA IN-KIND CONTRIBUTION 2012								ACTUAL			ACCRUAL	
Projects	Start date of the Project	End of Reporting period	TOTAL Duration in months	Months declared in 2012	Accrued months in 2012	Total Committed EFPIA in-kind		EFPIA in kind reported	EFPIA in kind reported	EFPIA in kind reported (accepted/ validated at 31.12.2012)	EFPIA in kind reported after 31.12.2012 (received not validated)	Estimated 2012 in kind (remaining 2012 months)
	(1)	(2)	(3)	(4)	(5)			(6)	(7)	(8a)	(8b)	(9) = 5 / 3 * 4
Call 3 Projects											P1	
24	MIP-DILI	1/02/2012	31/12/2012	60	11	0	12,558,465.00				886,959	1,239,487
25	ABIRISK	1/03/2012	31/12/2012	60	10	0	9,358,093.00				836,258	
26	BioVacSafe	1/01/2012	31/12/2012	60	12	0	7,579,933.00				83,236	
27	PreDICT-TB	1/05/2012	30/04/2013	60	0	8	9,296,156.00					
28	EU-AIMS	1/04/2012	31/12/2012	60	9	0	9,538,634.00				925,803	
29	DIRECT	1/01/2012	31/12/2012	60	12	0	16,472,745.00				449,950	
30	EUPATI	1/02/2012	31/12/2012	60	11	0	4,756,112.00				768,798	
							69,560,138				3,951,004	1,239,487
												5,190,491
Call 4 Projects											P1	
31	EMIF	1/01/2013	31/12/2013	60	0	0	24,124,503.00				0	0
32	eTRIKS	1/10/2012	31/12/2013	60	0	3	10,336,178.00				0	516,809
33	COMPACT	1/11/2012	31/12/2013	60	0	2	16,561,578.00				0	552,053
34	ORBITO	1/10/2012	31/12/2013	60	0	3	11,456,863.00				0	572,843
35	CHEM 21	1/10/2012	31/12/2013	48	0	3	13,558,017.00				0	847,376
36	StemBanCC	1/10/2012	31/12/2013	60	0	3	21,023,330.00				0	1,051,167
37	K4DD	1/11/2012	31/12/2013	60	0	2	9,831,318.00				0	327,711
							106,891,787					3,867,958
TOTAL EFPIA CONTRIBUTION CALL 1 to 4							383,354,522	Validated at 31.12.2012		52,005,654	Accruals 2012	50,307,900
Total in-kind contribution (accrual & validated)											102,313,554	

ACCRUALS 2012 - Title 3

		Total duration		Months claimed in 2012	Accrued months in 2012	Period Start	Period End	IMI JU total contribution EUR
		months	years					
		(1)		(4)	(5)			
CALL 1								
1	PHARMATRAN	60	5	4	8	01/05/2011	30/04/2012	3,510,300.00
2	SAFE-T	60	5	7	5	01/08/2012	31/07/2012	13,901,971.00
3	EU2P	60	5	8	4	01/09/2011	31/08/2012	3,479,725.00
4	NEWMEDS	60	5	8	4	01/09/2011	31/08/2012	8,986,216.00
5	PROACTIVE	60	5	8	4	01/09/2011	31/08/2012	6,767,597.00
6	PROTECT	60	5	8	4	01/09/2011	31/08/2012	11,009,715.00
7	EMTRAIN	84	7	9	3	01/10/2011	30/09/2012	4,000,000.00
8	U-BIOPRED	60	5	9	3	01/10/2011	30/09/2012	8,976,474.00
9	EUROPAIN	60	5	9	3	01/10/2011	30/09/2012	5,999,344.00
10	SUMMIT	60	5	10	2	01/11/2011	31/10/2012	13,999,979.00
11	E-TOX	60	5	12	0	01/01/2012	31/12/2012	4,737,991.00
12	MARCAR	60	5	12	0	01/01/2012	31/12/2012	6,049,578.00
13	PHARMA-COG	60	5	0	12	01/01/2012	31/12/2012	9,658,388.00
14	SAFESCIMET	60	5	12	0	01/01/2012	31/12/2012	2,216,405.00
15	IMIDIA (*)	60	5	13	-1	01/02/2012	31/01/2013	7,074,760.00
								110,368,443
(*) IMIDIA cost claim includes 1 month in 2013								
CALL 2								
				Months claimed in 2012				
16	PREDECT	60	5	12	0	01/01/2012	31/12/2012	8,100,509.00
17	ONCOTRACK	60	5	12	0	01/01/2012	31/12/2012	16,050,282.00
18	QUIC-CONCEPT	60	5	7	5	01/08/2012	31/07/2013	7,000,000.00
19	RAPP-ID	60	5	12	0	01/01/2012	31/12/2012	6,828,438.00
20	BT-CURE	60	5	12	0	01/01/2012	31/12/2012	16,137,872.00
21	DDMORE	60	5	12	0	01/01/2012	31/12/2012	9,615,058.00
22	OPEN PHACTS	36	3	12	0	01/01/2012	31/12/2012	9,988,867.00
23	EHR4CR	48	4	12	0	01/01/2012	31/12/2012	7,019,046.00
								80,740,072

CLAIMS PAID				2012 Claims received in 2012 and not yet paid at 31.12.2012	2012 Claims received in 2013 and not yet paid	Accrual Estimated 2012 claims
2010	2011	2012 Q1-Q2-Q3	2012 Q4			
(6)	(7)	(8a)	(8b)	(8c)	(8d)	(9) = 5 / 1 * 4
534,382.00	797,594.61		942,678.99			468,040.00
	3,318,855.01		2,458,311.85			1,158,497.58
	710,808.20	952,791.40		1,014,064.00		231,981.67
	1,397,846.76	1,624,138.16	1,741,249.49			599,081.07
	927,212.05	905,285.14	1,014,861.46			451,173.13
	1,092,623.49	1,521,154.46	1,798,332.68			733,981.00
	255,880.57	684,422.10		704,254.91		142,857.14
	494,383.36	1,278,129.20		2,431,832.95		448,823.70
	669,962.87	1,211,924.79		1,489,894.95		299,967.20
	1,483,855.67	2,303,716.38		3,299,523.55		466,665.97
	666,326.58	1,172,458.27			1,323,496.44	
	811,784.45	1,241,445.75			1,240,020.54	
	1,106,756.26	1,921,641.22			1,945,396.05	
	452,805.72		595,679.99		643,780.59	
	1,026,470.23	1,622,347.87			1,565,211.04	-117,912.67
534,382.00	15,213,165.83	16,439,454.74	8,551,114.46	8,939,570.36	6,717,904.66	4,883,155.79
	15,747,547.83		24,990,569.20			
Sub-TOTAL ACCRUAL CALL 1 at 31.12.2012:						20,540,630.81
			claims paid in 2012			
			1,050,757.65		1,745,022.60	
			1,183,901.72		4,422,741.85	
				847,978.32	in Sept. 2013	583,333.33
			663,006.36		1,425,150.53	
			1,055,105.31		3,851,787.76	
			1,045,180.95		2,082,033.53	
			1,725,815.06		3,530,655.94	
			897,909.80		1,870,525.65	
			7,621,676.85	847,978.32		18,927,917.86
			8,469,655.17		10.49%	
Sub-TOTAL ACCRUAL CALL 2 at 31.12.2012:						19,511,251.19

Total duration		Months claimed in 2012	Accrued months in 2012	Period Start	Period End	IMI JU total contribution EUR
months	years					
(1)			(4)			(5)

CALL 3

24	MIP-DILI	60			0	01/02/2012	31/12/2012	15,335,538
25	ABIRISK	60			0	01/03/2012	31/12/2012	18,170,217
26	BioVacSafe	60			0	01/01/2012	31/12/2012	17,425,666
27	PreDICT-TB	60			8	01/05/2012	30/04/2013	14,778,856
28	EU-AIMS	60			0	01/04/2012	31/12/2012	19,467,204
29	DIRECT	60			0	01/01/2012	31/12/2012	21,388,643
30	EUPATI	60			0	01/02/2012	31/12/2012	5,250,000
								111,816,124

CALL 4

31	EMIF	60			0	01/01/2013	31/12/2013	24,356,849
32	eTRIKS	60			3	01/10/2012	31/12/2013	10,309,818
33	COMPACT	60			2	01/11/2012	31/12/2013	10,184,913
34	ORBITO	60			3	01/10/2012	31/12/2013	8,975,392
35	CHEM 21	48			3	01/10/2012	31/12/2013	9,829,638
36	StemBanCC	60			3	01/10/2012	31/12/2013	26,000,000
37	K4DD	60			2	01/11/2012	31/12/2013	8,286,931
								97,943,541

TOTAL IMI JU CONTRIBUTION CALL 1 to 4	400,868,180
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CLAIMS PAID				2012 Claims received in 2012 and not yet paid	Claims received in 2013	Accrual Estimated claim
2010	2011	2012 Q1-Q2-Q3	2012 Q4			
(6)	(7)	(8a)	(8b)	(8c)	(8d)	(9) = 5 / 1 * 4

					2,233,195.45	
					1,265,287.42	
					1,206,739.27	
						1,970,514.13
					1,007,340.72	
					1,569,319.73	
					706,852.22	
					7,988,734.81	1,970,514.13

Sub-TOTAL ACCRUAL CALL 3 at 31.12.2012:					9,959,248.94
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						0.00
						515,490.90
						339,497.10
						448,769.60
						614,352.38
						1,300,000.00
						276,231.03
						3,494,341.01

Sub- TOTAL ACCRUAL CALL 4 at 31.12.2012 :					3,494,341.01
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TOTAL ACCRUAL CALL 1 to 4 at 31-12-2012					53,505,471.96
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It should be noted that as contingent liabilities, a total amount of EUR 288,820,413.13 is estimated as long-term liabilities, difference between total IMI JU contribution for 40 projects until their achievement and total amounts paid until 31 December 2012 (Pre-financing and cost claims).

N°	Project	Managing entity	Call N°	Amounts committed	Prefinancing	Cost claims	Liabilities
1	EUROPAIN	Kings College London, KCL	1	5,999,344.00	-1,259,862.20	-1,211,924.79	
					-659,927.88	-669,962.87	2,197,666.26
2	PHARMA-COG	Université de la Méditerranée – Aix-Marseille IIPr,	1	9,658,388.00	-2,028,261.00	-2,000.47	
					-1,062,422.16	-1,921,641.22	
						-1,106,756.26	3,537,306.89
3	E-TOX	Fundació IMIM Carlos Diaz	1	4,737,991.00	-994,978.11	-1,472.02	
					-521,179.01	-1,172,458.27	
						-666,326.58	1,381,577.01
4	IMIDIA	UNIL-Université de Lausanne	1	7,074,760.00	-1,485,699.60	-1,622,347.87	
					-778,223.60	-1,026,470.23	2,162,018.70
5	PROTECT	DKMA-Danish Medicines Agency	1	11,009,715.00	-2,312,040.10	-1,521,154.46	
					-1,211,068.70	-1,798,332.68	
						-1,092,623.49	3,074,495.57
6	EMTRAIN	Medizinische Universitaet Wien, MUW	1	4,000,000.00	-600,000.00	-684,422.10	
					-314,285.71	-255,880.57	2,145,411.62
7	NEWMEDS	King's College London, KCL	1	8,211,206.00	-1,724,353.20	-1,624,138.16	
					-903,232.72	-1,739,697.32	
						-1,397,846.76	821,937.84
8	SafeSciMET	VUA-Vrije Universiteit Amsterdam	1	2,216,405.00	-465,445.10	-595,679.99	
					-243,804.50	-452,805.72	458,669.69
9	Pharma Train	Universitaet Basel, UNIBAS,	1	3,510,300.00	-737,163.00	-704,765.60	
					-386,133.00	-797,594.61	
						-534,382.03	350,261.76
10	EU2P	Université Victor Segalen Bordeaux 2, UB2	1	3,479,725.00	-730,742.30	-952,791.40	
					-382,769.70	-710,808.20	702,613.40
11	MARCAR	University of Dundee	1	6,049,578.00	-1,270,411.30	-1,241,445.75	
					-665,453.66	-811,784.45	2,060,482.84
12	SAFE-T	NMI Natural and Medical Sciences Institute	1	13,901,971.00	-2,919,413.80	-2,458,311.85	
					-1,529,216.92	-507,645.64	
						-2,811,209.37	3,676,173.42

N°	Project	Managing entity	Call N°	Amounts committed	Prefinancing	Cost claims	Liabilities
13	U-BIOPRED	AMC	1	8,976,474.00	-500,527.51 -1,384,532.03 -987,412.14	-1,278,129.20 -494,383.36	4,331,489.76
14	PROactive	Katholieke Universiteit Leuven, KUL	1	6,767,597.00	-531,635.29 -744,435.74 -889,560.01	-905,285.14 -1,014,861.46 -927,212.05	1,754,607.31
15	SUMMIT	Lunds Universitet, ULUND	1	13,999,979.00	-2,939,995.00 -1,539,998.28	-2,303,716.38 -1,483,855.67	5,732,413.67
16	Quic-Concept	EORTC, Belgium	2	7,000,000.00	-2,240,000.00	-847,978.32	3,912,021.68
17	DDmore	Uppsala University	2	9,615,058.00	-3,076,818.56	-1,045,180.95	5,493,058.49
18	PREDECT	University of Helsinki (Ineum)	2	8,100,509.00	-2,592,162.88	-1,050,757.65	4,457,588.47
19	OncoTrack	Max-Planck Institute	2	16,050,282.00	-5,136,090.24	-1,183,901.72	9,729,561.72
20						-728.32	
21	EHR4CR	EuroRec	2	7,019,046.00	-2,807,618.40	-897,909.80	3,313,517.80
22	Open PHACTS	University of Wien	2	9,988,867.00	-122,951.12 -5,204,444.61	-1,725,815.06	2,935,656.21
23	RAPP-ID	University of Antwerp, Belgium	2	6,828,438.00	-2,185,100.16	-663,006.36	3,980,331.48
24	BTCURE	Karolinska Institutet	2	16,137,872.00	-5,164,119.04	-1,055,105.31	9,918,647.65
25	DIRECT	University of Dundee	3	21,388,643.00	-6,844,365.00		14,544,278.00
26	EU-AIMS	King's College London	3	19,467,204.00	-6,229,505.00		13,237,699.00
27	BIOVACSAFE	St- George's Hospital Medical School, UK	3	17,425,666.00	-5,576,213.00		11,849,453.00
28	EUPATI	European Patients' Forum	3	5,250,000.00	-1,680,000.00		3,570,000.00
29	MIP DILI	University of Liverpool, UK	3	15,335,538.00	-4,907,372.00		10,428,166.00
30	PREDICT-TB	University of Liverpool, UK	3	14,778,856.00	-4,729,233.00		10,049,623.00
31	ABIRISK	INSERM, FR	3	18,170,217.00	-5,814,469.00		12,355,748.00
32	NEWMEDS	King's College London, KCL	1	775,010.00	-248,003.00		527,007.00
33	ORBITO	Uppsala Universitet	4	8,975,392.00	-2,872,125.00		6,103,267.00
34	StemBanCC	Oxford	4	26,000,000.00	-8,320,000.00		17,680,000.00
35	CHEM 21	University Manchester	4	9,829,638.00	-3,931,855.00		5,897,783.00
36	eTRIKS	Imperial College London	4	10,309,818.00	-3,299,141.00		7,010,677.00
37	K4DD	Universiteit Leiden	4	8,286,931.00	-2,651,817.00		5,635,114.00
38	COMPACT	Universiteit Utrecht	4	10,184,913.00	-3,259,172.00		6,925,741.00
39	EMIF	Erasmus	4	24,356,849.00	-9,742,739.00		14,614,110.00
40	Translocation	Jacobs University GmbH	6	15,984,203.00	-5,114,946.00		10,869,257.00
41	EU2CLID	Universiteit Leiden	5	79,999,157.00	-9,928,972.87 -10,675,203.00		59,394,981.13
TOTAL:				496,851,540.00	-159,058,619.15	-48,972,507.48	288,820,413.37

3.5 Economic Outturn account

IMI JU ended the year 2012 with an accounting result of –EUR 112,545,160.62.

a) Administrative expenses

Administrative expenses amounted to EUR 6,531,355.31 comprised mainly of staff salary expenses (EUR 3,484,171.97), experts reimbursement (EUR 619,070.59), renting fees (EUR 360,735.77) and other administrative expenses (EUR 1,913,597.31).

An amount of EUR 153,779.67 is also booked as depreciation of assets invested in 2010, 2011, and newly bought in 2012.

In 2012 there were two key management personnel in the IMI JU, the Executive Director and the Head of Administration and Finance. Their remuneration is set on the basis on the EU Staff Regulation and Conditions of Employment of Other Servants and has been paid according to their grade, AD14/3 for the Executive Director and AD12/2 for the Head of Administration and Finance.

During year 2012, the number of staff members increased from 32 to 35 individuals.

Cetgory and grade	Posts actually filled at 31.12.2011	Post filled in by external publication in 2012	Departures 2012	Posts actually filled at 31.12.2012
AD 14	1			1
AD 12	1			1
AD 11	4			4
AD 9	2			2
AD 8	11		1	10
AD 7	1	3		4
Total AD	20	3	1	22
AST 8	1			1
AST 3	5	2	2	5
Total AST	6	2	2	6
Total TA	26	5	3	28
FG IV	2			2
FG III	3	1		4
FG II	1			1
Total CA	6	1	0	7
Total	32	6	3	35

b) Operational expenses

It should be noted that the first 55 ex-post audits of beneficiaries were concluded by 31 December 2012. A further 5 audits are at draft reporting stage.

The first finalised reports are now being reviewed by the Executive Office. The amounts to be recovered cannot, so far, be established in line with the following criteria defined in Article 54 (1) of IMI JU's Financial Rules:

- a verification that the debt exists;
- the determination or verification of the reality and the amount of the debt; and
- the verification of the conditions in which the debt is due.

The necessary adjustments to operational expenditure of 2012 and recovery actions will be done once these conditions are met. An estimation of the “contingent assets” regarding amounts to be recovered from beneficiaries will be made once the signed letters of conclusion are sent out to the beneficiaries. This will be further updated once corrections of systematic errors are extended to other unaudited claims by the same beneficiaries.

A new sample of 40 new audits of beneficiaries has been selected and these audits will be progressively launched in 2013. Their first final results are expected in Q3-2013.

Operational expenses amounted to EUR 106,565,533.87 of which:

- EUR 49,557,989.89 represent the total of
 - . EUR 50,307,900.00 as estimated of in-kind contribution from EFPIA companies
 - . EUR 52,005,654.00 as validated of in-kind contribution from EFPIA companies
 - . and reverse of accrual 2011 for EUR -52,755,564.11.
- EUR 57,007,543.98 represent the total paid to beneficiaries for cost claims validated in year 2012, EUR 53,505,471.96 as accrual 2012, and EUR -29,958,152.35 for reversal of accrual 2011.

c) Other Administrative expenses

Included in the total amount of EUR 1,913,597.31, are:

- EUR 463,460.84 related to IT (development and operational costs) covered by the development of the submission tool (ALTRAN-SOFIA) as well as hosting and outsourcing arrangements, support services, server rental, access to EC-platform (sTESTA) and the launch of the “Knowledge management” platform.
- EUR 850,133.94 as external services non-IT, including costs organisation of the evaluations for the calls as well as external meetings, ex-post audit fees amounted to EUR 320,010
- EUR 189,567.91 related to publications and communications expenses.

d) Miscellaneous and financial income

Cash at bank has generated in 2012 an interest income of EUR 474,655.28 including an amount of EUR 101,700.29 received in January 2013, which is booked as “bank interest to be received”.

Grants pre-financings have yielded interest income for EUR 52,864.52 and IMI JU received as reimbursements from other JU’s a total amount of EUR 26,658.59 for expenses regarding using of S-TESTA and other facilities.

3.6 Cash flow

IMI JU started year 2012 with a cash of EUR 15,431,041.09 and has an end cash balance of EUR 7,986,303.90, a decrease of cash in bank of EUR 7,444,737.19 which is justified by:

- payments increase for long-term pre-financing, cost claims and administrative matters (accounts payable),
- investments increase both in tangible and intangible assets,
- Increase in Accounts payable,
- contribution from owners for EUR 101,851,538.15
- validated in-kind contribution for EUR 52,005,654.

These movements prove the boost in activities of the Joint Undertaking during year 2012, comparing with 2011 and reflected in the changes in Net Assets of the year.

4 REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT - FINANCIAL YEAR 2012

4.1 Budgetary principles

The budget of IMI JU has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in the IMI JU Financial Rules.

4.2 Management information systems

IMI JU used the following software during 2012:

- ABAC – budgetary accounting system
- SAP – accounting system and execution of payments
- DATAWAREHOUSE – a financial reporting tool with the support of DG BUDG
- SOFIA – **S**ubmission **O**f **I**nformation **A**pplication – used for project management
- DORA – Document management tool

These information systems allow efficient management of the IMI JU appropriations.

4.3 Budget

The budget of IMI JU is divided in three titles:

- Title I covers staff expenditure such as salaries, training, costs associated with recruitment procedures and staff well-being;
- Title II covers the costs associated with functioning of IMI JU such as renting of premises, IT needs, expenses related to external communication, expert fees and costs of ex-post audits;
- Title III covers operational activities of IMI JU.

The 2012 budget was approved by the Governing Board on 27 December 2011 and adjustments were made based on the Decision of the Governing Board on carry over amounts of 7 February 2012. There were no other amendments to the budget.

Budget 2012 in EUR	
Commitment appropriation	Payment appropriation
373,763,361	113,209,163

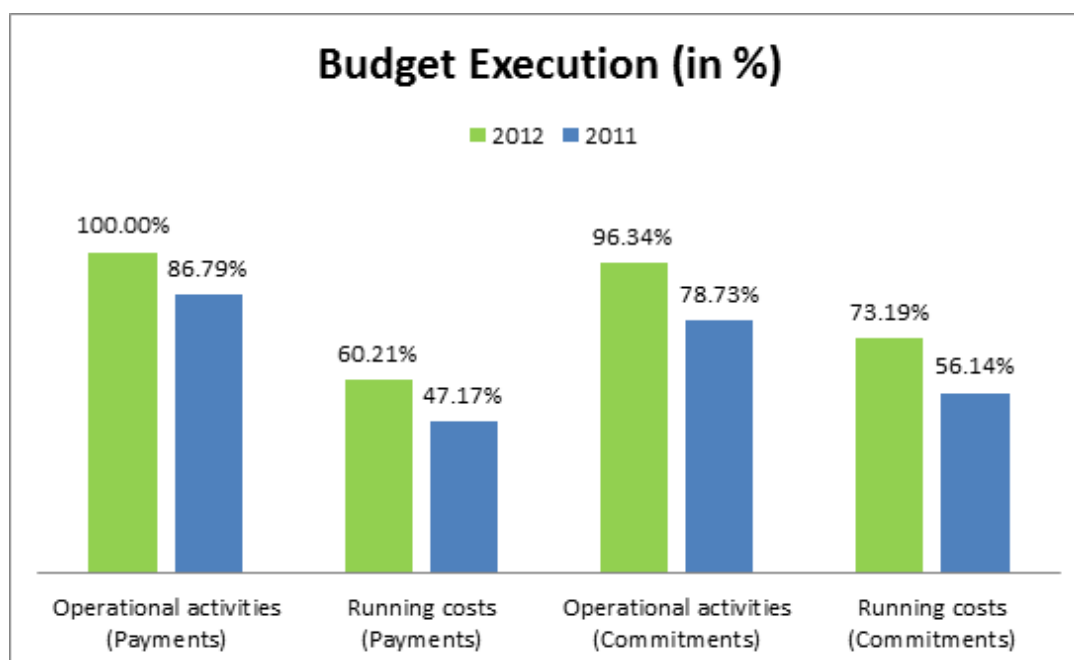
4.3.1 Budget transfers

No budget transfer between Titles was done during 2012.

Twenty three budget transfers were authorised in 2012. Twenty budget transfers were made between different budget lines of the same Chapter without any impact on voted budget. Three budget transfers were made between Chapters of Title I. These transfers led to following changes to voted budget:

Chapter	Voted Budget	Budget transfer	Budget after transfers
Chapter 11	4,131,000	(-) 117,500	4,013,500
Chapter 14	80,000	(+) 117,500	197,500

4.3.2 Budget execution



4.4 Revenue

IMI JU's revenue for the year:

Source of revenue	Amount (in EUR)	
	2012	2011
EU Contribution from European Commission	97,783,960.00	18.465.322,35
Contribution from EFPIA	*4,067,578.15	1.660.162,00
Bank interest	474,655.28	525.839,39
TOTAL	102,326,193.43	20.651.323,74

*Including payment of EUR 1,410,000 which was requested at the end of 2012 with due date in January 2013

Overview of EFPIA contribution to IMI JU running costs

	2008	2009	2010	2011	2012	Total
Payments from EFPIA		711,167.90	2,126,460.00	1,660,162.00	4,067,578.15	8,565,368.05
50% of payments executed C1+C4	171,974.04	397,989.50	1,408,297.53	2,221,660.11	2,830,223.22	7,030,144.40
50% of payments executed C8	n/a	n/a	164,906.28	440,540.59	312,764.58	918,211.45
Balance						*617,012.20

*The surplus will be taken into consideration for request of the first instalment 2013

4.5 Expenditure

4.5.1 Administrative expenditure (Title I and Title II)

Title I

In July 2012 IMI JU reached its full staff capacity: 29 temporary agents and 7 contract agents. Following expenditure is reported under Title I: salaries, insurance, taxes, allowances, training costs, mission costs, medical service fees, entertainment and representation.

Title II

Other administrative expenditure is reported under Title II including:

- rent and related charges;
- development of IT tools (SOFIA, DORA, etc.);
- ABAC fees;
- purchase, rent and maintenance of equipment;
- purchase of software;
- postage and telecommunications fees;
- office supply;
- costs of formal meetings, workshops, call evaluations and interim reviews including renting of facilities and payments of experts;
- costs of ex-post audits;
- studies, etc.

Procurement

The majority of IMI JU tendering needs is in the field of external communication and IT. The tender and contract management are being simplified as far as possible through the use of multiannual framework contracts. IMI JU also cooperates with other Joint Undertakings in tendering services in order to avoid duplication of administrative work. Where possible, IMI JU is party to European Commission's framework contracts to reduce administrative burden created by proprietary contract management.

In 2012, IMI mainly relied on these existing contracts for its procurement needs. There were only two new larger tender procedures carried out in 2012:

- Service contract to provide bibliometric data analysis of IMI JU projects.
- Framework contract for rental of meeting facilities and related support services

Administrative expenditure per Chapter

Chapter	Administrative expenditure 2012						
	Budget	Budget transfer	Budget after transfer	Execution Commitment appropriation		Execution Payment appropriation	
	EUR	EUR	EUR	EUR	%	EUR	%
11 - Staff in active employment	4,131,000	(-) 117,500	4,013,500	3,427,086.53	85.39	3,427,086.53	85.39
12 - Misc. expenditure on staff recruitment	50,000		50,000	14,561.46	29.12	14,561.46	29.12
13 - Missions and duty travel	250,000		250,000	165,262.01	66.10	105,262.01	42.10
14 - Sociomedical structure	80,000	(+) 117,500	197,500	178,424.70	90.34	125,991.01	63.79
17 - Entertainment and representation	30,000		30,000	7,546.77	25.16	4,488.77	14.96
TOTAL TITLE 1	4,541,000		4,541,000	3,792,881.47	83.53	3,677,389.78	80.98
20 - Building, Equipment	510,000		510,000	412,618.11	80.91	393,937.04	77.24
21 - Information technology purchases	750,000		750,000	547,573.15	73.01	376,528.09	50.20
22 - Movable property	350,000		350,000	14,084.88	4.02	7,423.24	2.12
23 - Current administrative expenditure	150,000		150,000	81,585.79	54.39	54,365.73	36.24
24 - Postage & telecommunications	80,000		80,000	36,935.45	46.17	23,926.82	29.91
25 - Expenditure on formal meetings	150,000		150,000	97,650.91	65.10	88,765.50	59.18
26 - Exp. in connection with oper. activities	576,000		576,000	278,723.56	48.39	197,444.01	34.28
27 - Info & External communication	760,000		760,000	386,809.43	50.90	276,206.10	36.34
28 - Studies	800,000		800,000	615,241.98	76.91	30,292.53	3.79
29 - Expert contracts & meetings	733,000		733,000	615,951.43	84.03	533,487.60	72.78
TOTAL TITLE 2	4,859,000		4,859,000	3,087,174.69	63.54	1,982,376.66	40.80
TOTAL RUNNING COSTS	9,400,000		9,400,000	6,880,056.16	73.19	5,659,766.44	60.21

Report on C1

Running costs	Budget (PA/CA)	Committed	Not used	Paid	To be carried forward (RAL)	To be carried over to Title III C2 (50%-EC)*
Title I	4,541,000.00	3,792,881.47	748,118.53	3,677,389.78	115,491.69	374,059.27
Title II	4,859,000.00	3,087,174.69	1,771,825.31	1,982,376.66	1,104,798.03	885,912.65
Total	9,400,000.00	6,880,056.16	2,519,943.84	5,659,766.44	1,220,289.72	1,259,971.92

*The amount transferred from Title I & II to Title III and carried over to 2013 following decision of the Governing Board

Report on C8 and C9

	Carried forward RAL from 2011	Paid in 2012	To be cancelled	To be carried over to Title III C2 (50%-EC)*
Title I	80,507.74	41,054.50	39,453.24	19,726.62
Title II	705,677.47	584,474.65	121,202.82	60,601.41
TOTAL	786,185.21	625,529.15	160,656.06	80,328.03

During the carry forward run 2011 one commitment of Title I was carried forward to C9. The amount on C9 is included in the table under "to be cancelled". 50% of the cancelled amount is transferred to Title III and carried over to 2013 following decision of the Governing Board.

Report on C4

The amounts available on C4 are carried forward to 2013.

	C4 2012	Paid in 2012	To be carried forward to 2013
Title I	83.19	0.00	83.19
Title II	14,327.77	680.00	13,647.77
TOTAL	14,410.96	680.00	13,730.96

4.5.2 Operational expenditure (Title III)

Operational expenditure on Title III covers all the expenses linked to the Research Agenda of IMI JU. In 2012, intermediate payments for Call 1 and Call 2 projects have been made as well as pre-financing for projects of Call 4, Call 5, one project of Call 6 and 2 projects of Call 3.

The payment appropriation available for 2012 on both funding sources C1 and C2 was fully consumed. Commitment appropriation was consumed by launching Call 5, Call 6, Call 7, Call 8 and ENSO Call 2012.

Report on C1

Research Title III	Budget	Committed	Not used	Paid	**To be carried over
Commitments	301,951,800	288,606,979	13,344,821	n/a	13,344,821
Payments	*93,133,960	n/a	0	93,133,960	0

*Including EUR 50,000 – budgeted bank interest

** The amount carried over to 2013 following decision of the Governing Board

Report on C2

Research Title III	Budget	Committed	Not used	Paid	*To be carried over
Commitments	62,411,561	62,411,561	0	n/a	0
Payments	10,675,203	n/a	0	10,675,203	0

* The amount carried over to 2013 following decision of the Governing Board

Commitment appropriation 2012 for operational expenditure, funding source C2, shows incorrect amount in ABAC (Annex – Budgetary execution, page 3). This is due to the fact that some of the commitments were carried forward to funding source C2 instead of C8 due to technical issues during 2011 year end procedure (carry forward run from 2011 to 2012). As a consequence, in the Annex – Budgetary execution which shows figures from ABAC, EUR 104,329,655.68 should be under funding source C8 instead of C2. This issue was addressed during carry forward run 2012. In 2013, budget structure for operational expenditure was created according to call for proposal (each call = separate budget line). All commitments were carried forward to correct budget line and correct fund source.

Report on C8 - carried forward contractual obligations (on-going projects/calls)

Title III Commitment Appropriation	RAL carried forward to 2013
Call 1	34,914,132.74
Call 2	43,740,383.50
Call 3	76,034,967.00
Call 4	63,866,692.00
Call 5	59,394,981.13
Call 6	103,885,054.00
Call 7	13,000,000.00
Call 8	143,300,000.00
ENSO 2012	5,378,249.00
Total	543,514,459.37

The funds available on the global commitment of Call 4, amounting to EUR 7,056,459, were de-committed and the appropriation was cancelled in 2012. The amount is carried over to 2013 following the decision of the Governing Board.

Overview of appropriations carried over to 2013

Title	Commitment appropriation	Comment
Title I & II → Title III	1,259,971	Non-used EU contribution in 2012
Title I & II → Title III	80,328	Appropriation cancelled in 2012
Title III	13,344,821	Non-consumed appropriation 2012
Title III	7,056,459	Appropriation cancelled in 2012
Title III	424,655	Non-consumed bank interest 2012
TOTAL	22,166,234	

Title	Payment appropriation	Comment
Title III	0	Non-consumed appropriation 2012
Title III	424,655	Non-consumed bank interest 2012
TOTAL	424,655	

4.6 Budget outturn account

	2012	2011
Revenue	EUR	EUR
EU contribution – European Commission DG RTD	97,783,960.00	18,465,322
EFPIA contribution for running costs (part cashed in 2013)	4,067,578.15	1,660,162
Bank interest	474,655.28	525,839
Interest on pre-financing	52,864.52	19,286
Total revenue (a)	102,379,057.95	20,670,609
Expenditure	EUR	EUR
Personnel expenses – Title I	<u>3,718,444.28</u>	<u>3,032,742</u>
<i>Payments on current year appropriations (C1)</i>	3,677,389.78	3,011,709
<i>Payments on previous year appropriations (C8)</i>	41,054.50	21,033
Administrative expenses – Title II	<u>2,567,531.31</u>	<u>2,291,659</u>
<i>Payments on current year appropriations (C1) + (C4)</i>	1,983,056.66	1,431,611
<i>Payments on previous year appropriations (C8)</i>	584,474.65	860,048
Operational expenses – Title III	<u>103,809,163.00</u>	<u>68,979,926</u>
<i>Payments on current year appropriations (C1)</i>	93,133,960.00	14,972,613
<i>Payments on previous year appropriations (C2)</i>	10,675,203.00	54,007,313
Total expenditure (b)	110,095,138.59	74,304,327
Outturn for the financial year (a-b)	-7,716,080.64	-53,633,718
Cancellation of unused appropriations	(+) 160,656.06	(+) 375,357
Appropriations carried over/forward (Title I and II)	(-) 2,560,589.67	(-) 2,851,643
Appropriations carried over (Title III)	(-) 424,655.28	(-) 10,675,203
Balance of the outturn account for the financial year	-10,540,669.53	-66,785,207

Reconciliation of the accrual based result with the budget result 2012	sign +/-	amount
Economic result (- for loss)	+/-	-112,545,160.62
<i>Ajustment for accrual items (items not in the budgetary result but included in the economic result)</i>		
In-Kind contribution from owners (EFPIA)	+	52,005,654.00
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-	-83,092,061.71
Adjustments for Accrual Cut-off (cut- off 31.12.N)	+	104,329,333.12
Unpaid invoices at year end but booked in charges (class 6)	+	106,980.20
Depreciation of intangible and tangible fixed assets	+	153,779.67
Other Income	-	-26,658.59
Deferred Charges	-	-14,701.60
Bank fees	+	65.00
Exceptional loss	+	382.51
Exchange rate differences	+/-	294.05
<i>Ajustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
Asset acquisitions (less unpaid amounts)	-	-95,158.24
Contribution from owners	+	101,851,538.15
New pre-financing paid in the year 2012 and remaining open as at 31.12.2012	-	-70,364,480.97
Payment invoice 2011	-	-25,588.83
Cautions	+/-	-296.78
total		-7,716,080.64
Budgetary result (+ for surplus)		-7,716,080.64
Delta not explained		0.00

5 ANNEX - BUDGETARY EXECUTION

(attached excel worksheet)